

The long-term impacts of resettlement
programmes resulting from dam
construction projects in Indonesia,
Japan, Laos, Sri Lanka and Turkey:
a comparison of land-for-land and cash
compensation schemes

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And

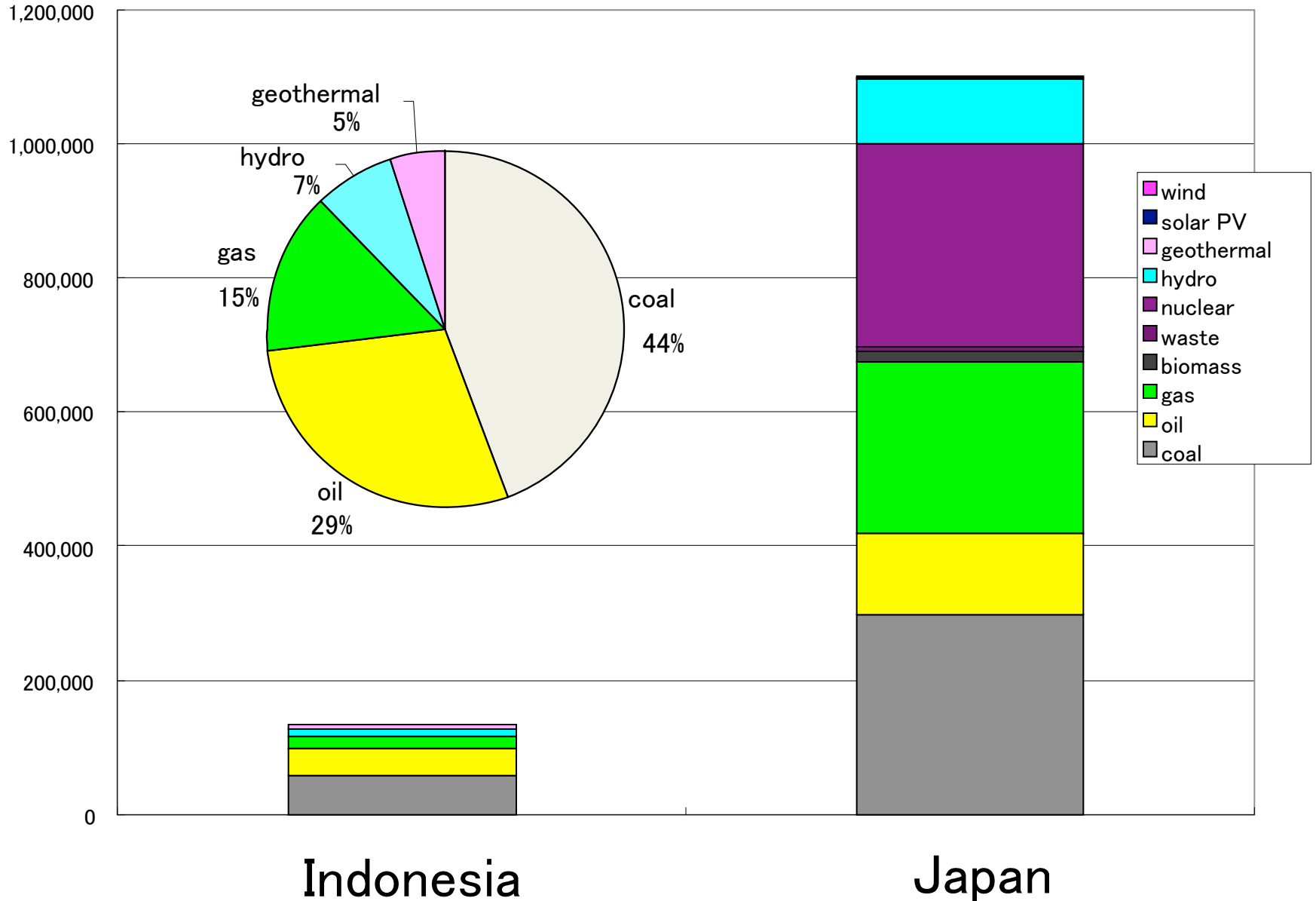
Mikiyasu Nakayama



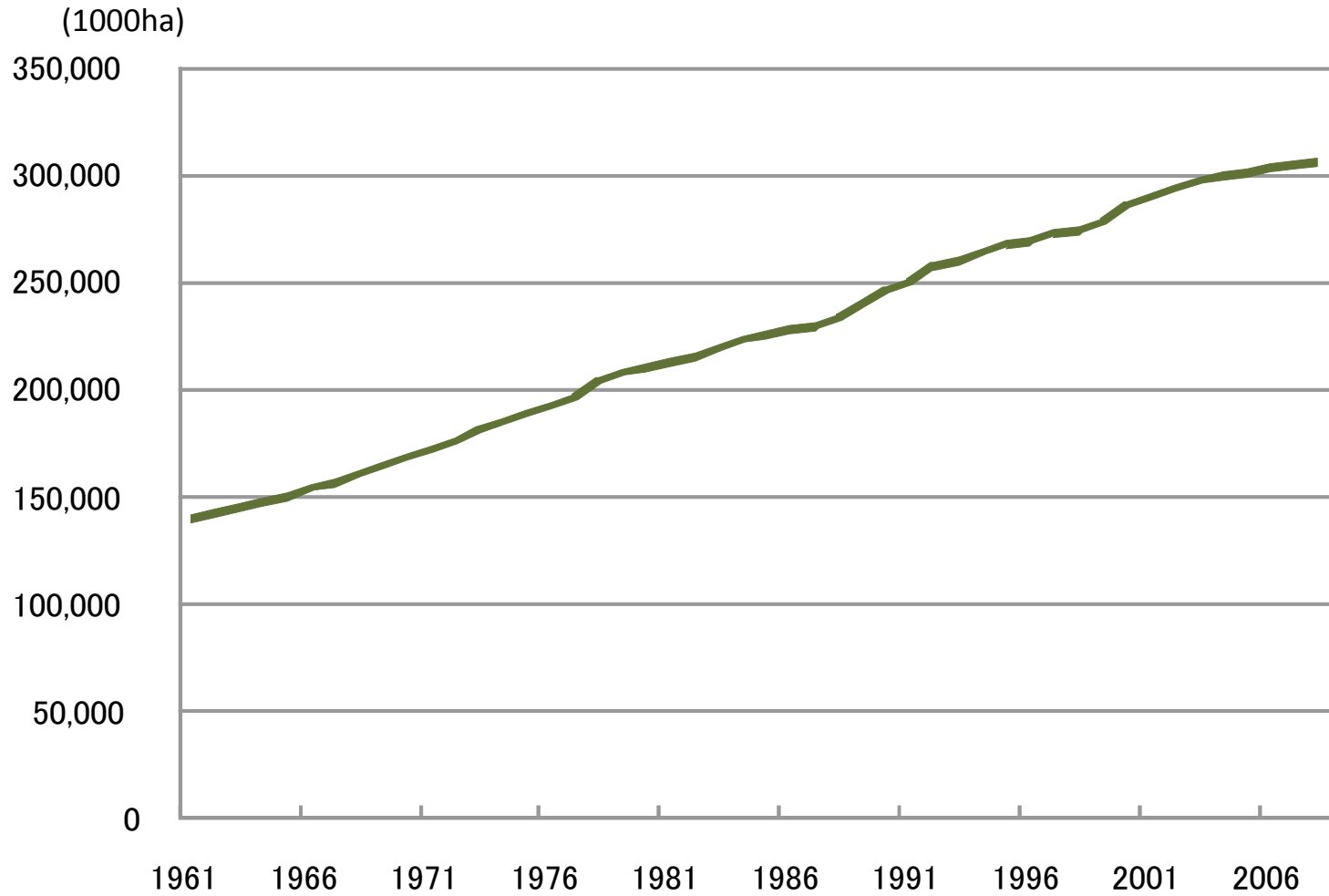
In developing countries,

demands for electricity and food are rapidly increasing.

Electricity Production in 2006



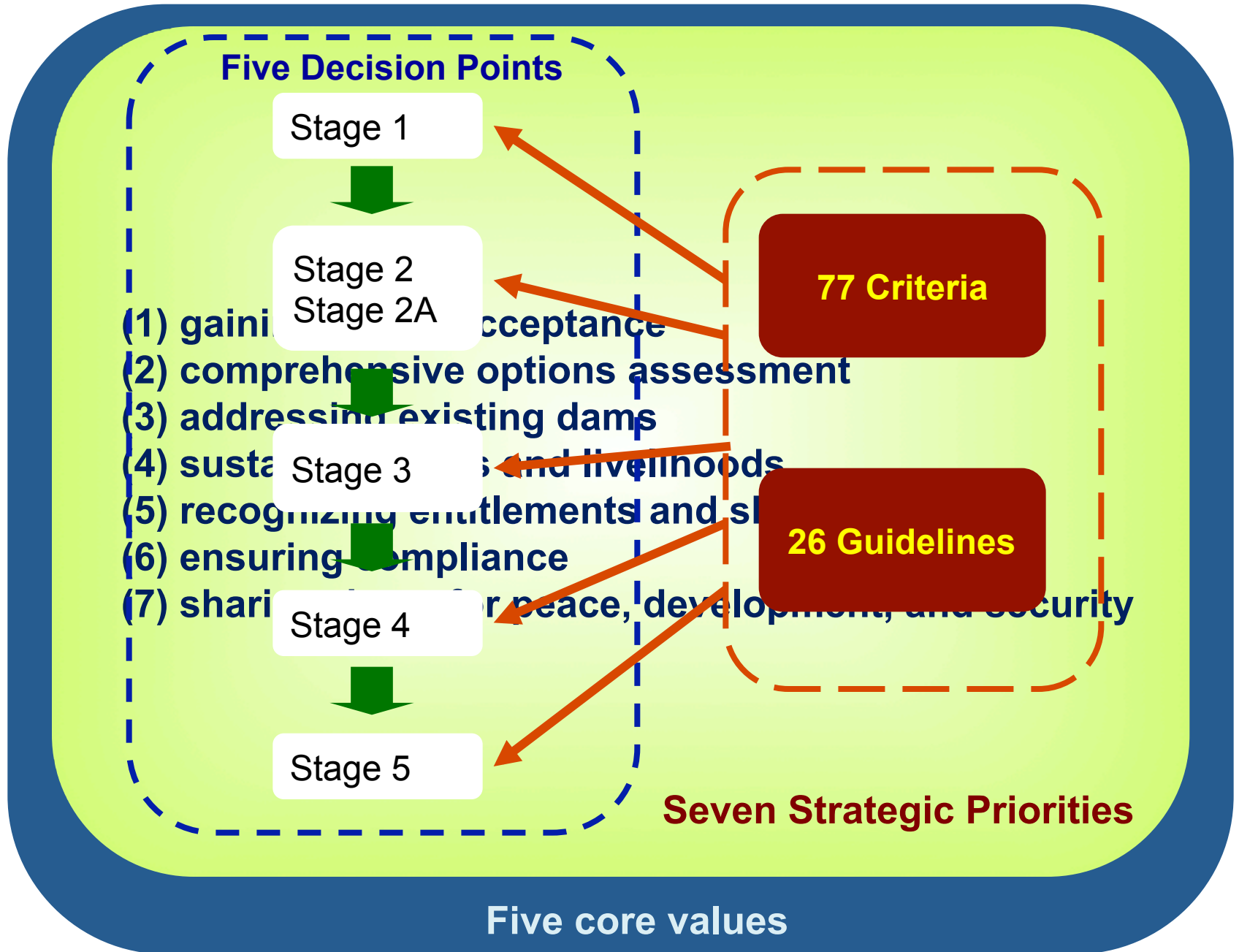
Irrigated lands in the world



Large dam development project causes involuntary resettlement. The number of the resettlers in the world was estimated to be between 40 and 80 millions. Many of them are considered to have failed reconstruction of their livelihood after relocation and became impoverished (WCD, 2000)



The World Commission on Dams was an independent international body created under initiatives of the World Bank and the World Conservation Union **in order to address environmental and social impacts of large dams.** It published its final report in November 2000 after two and a half years of extensive studies, public hearings, and discussions.



Structure of the WCD Recommendations

The recommendations were generally welcomed by dam opponents.

However, they have been neither officially accepted by major international financial institutions including the World Bank nor by a large number of national governments, including China and India, the world's top and third largest dam-building countries.

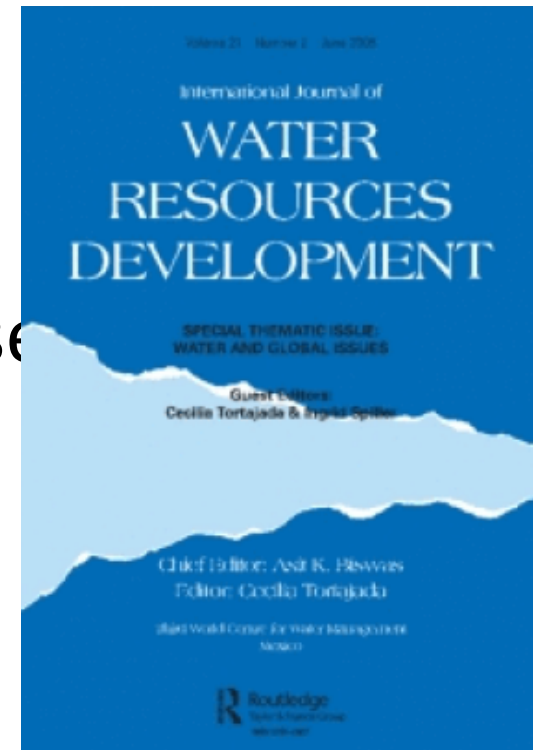
Seeing the years pass after the publication of the Report without more countries adopting it, WCD Chair Kadar Asmal lamented that it “might collect dust on a shelf” (Asmal 2005).

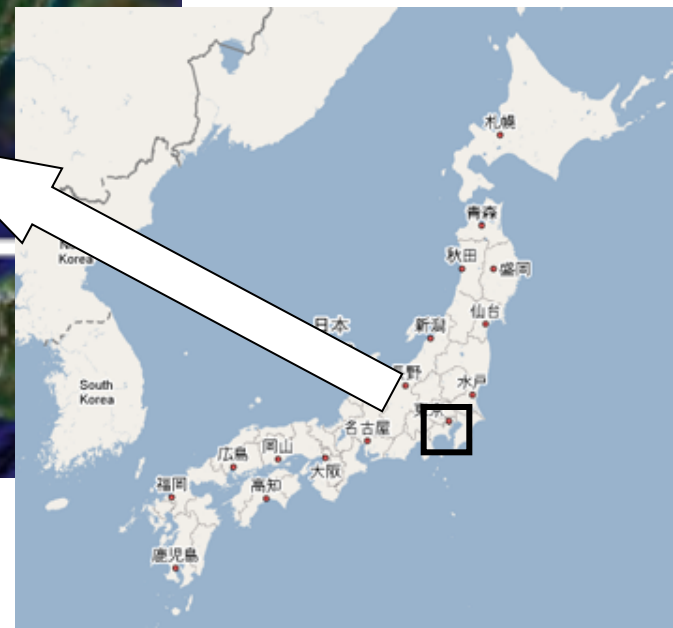
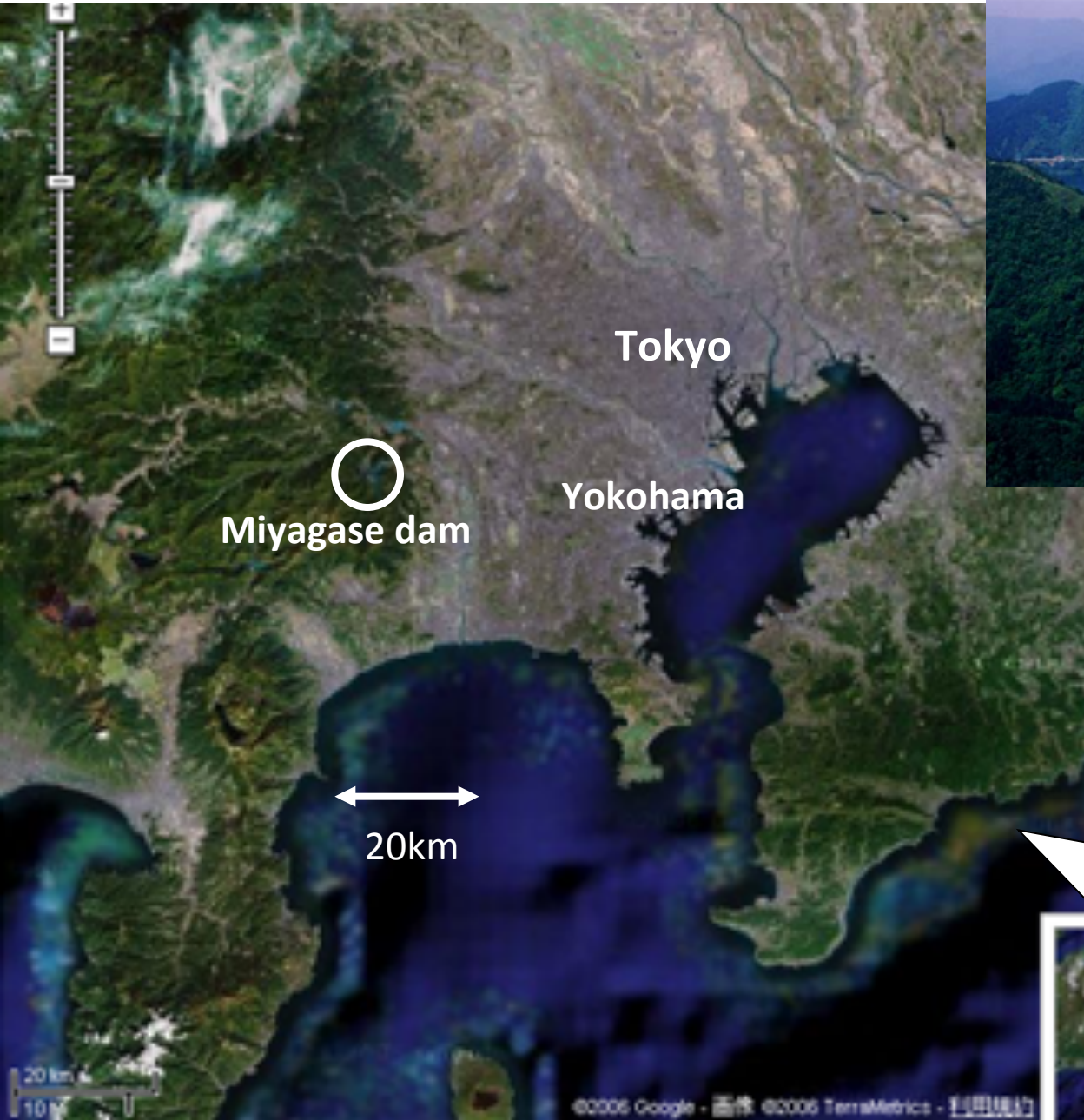
WCD only surveyed rather old dams, which were often lack of appropriate social and environmental considerations. Moreover, it did not effectively take long-term impacts into consideration.

In order to evaluate how the livelihood of resettlers and their families was rehabilitated after relocation, long-term post project evaluation needs to be carried out.



We organized a study team composed researchers from Japan, Indonesia and Sri Lanka in 2006. This study team in 2006 to 2009 conducted long-term post project evaluation of resettlement programs of six large dam projects (**Phase 1**); Ikawa Dam, Jintsu Dam, and Miyagase Dam in Japan, Koto Pangjang Dam, Bili-Bili Dam and Saguling Dam in Indonesia, and Kotmale Dam in Sri Lanka.

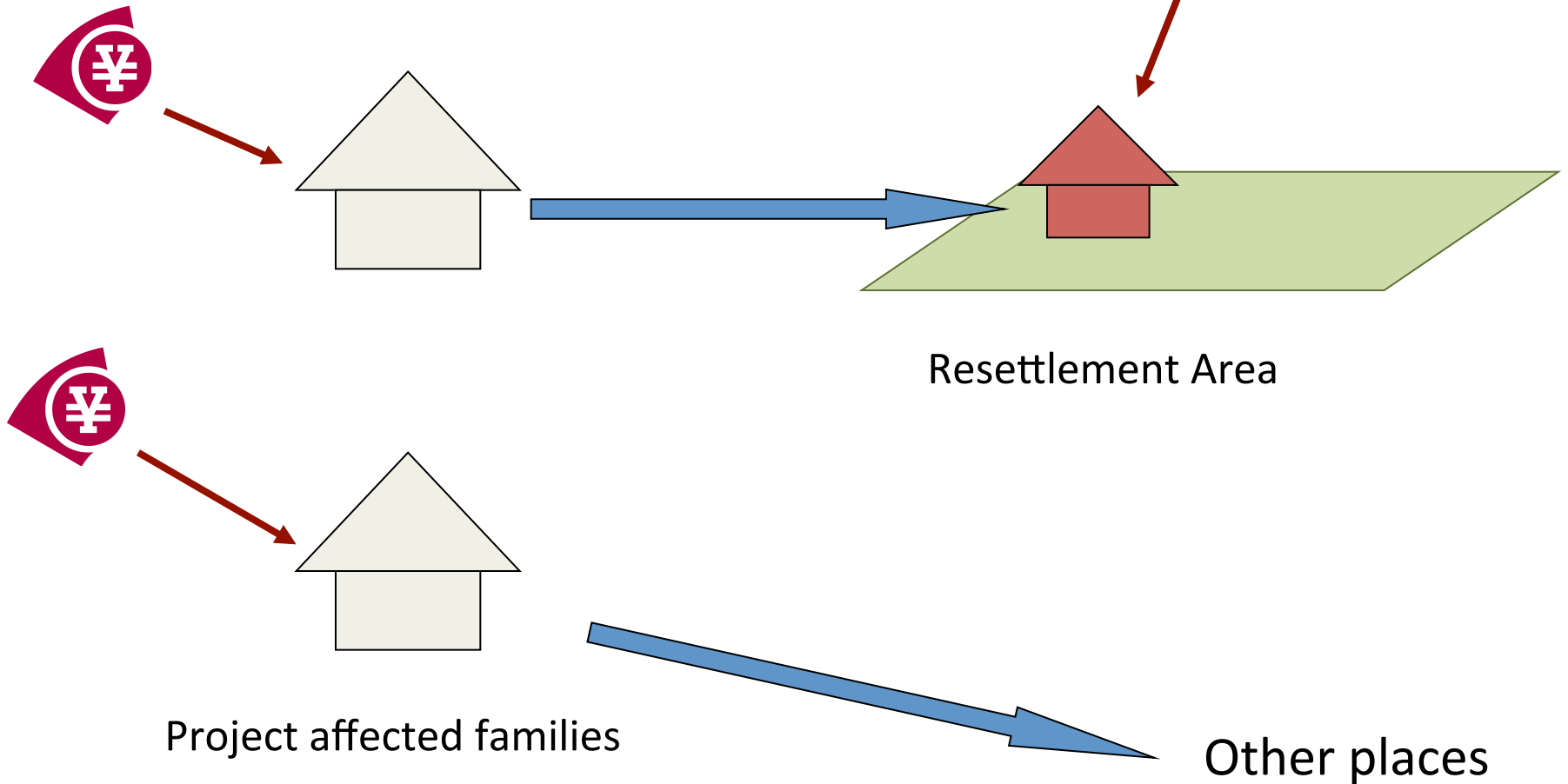




Location of Miyagase Dam

Monetary compensation

soft loans
reduction of land tax
subsidy to mitigate interest rate



Resettlement Area

Project affected families

Other places



Resettlement area

A park was developed at the lakeside, and jobs were offered to resettlers



Memorial hall of the submerged area for consolation to resettlers



Cost estimation for the resettlement compensation

		(billion yen)
Direct	land	15.5
	house	4
	others	5
	total	24.5
Indirect	regional development	67.9
	subsidy for land and house acquirement	3.3
	grant for paying a fix rate of interest	0.02
	gratitude money	2.8
	personal expense	2.8
	Miyagase Dam Regional Development	1.52
	total	78.34

Despite of such a generous compensation and intensive discussion until the achievement of consent of the resettlers, they are not always satisfied with the resettlement. Most of them had to be convinced themselves that they were resettled for a great cause, namely the national policy. **Even today, many of them feel that they are victim.**

Improving the living quality alone could not completely satisfy the resettlers. Some more attention should be further paid to emotional aspect.

Finding of phase 1

Institutional Arrangements

Project must include adequate institutional arrangements designed with medium- and long-term perspectives in mind.

Actual Implementation

The lack of proper implementation is one of the most serious problems of resettlement programmes.

Emotional Factors

The need to address emotional issues, such as the security and peace of mind of resettlers, have not been adequately emphasized in the past.

Phase 2



- Implications of resettlement associated with dams in **10 (ten) Asian cases** were examined as an international research project.



- Livelihood rehabilitation of resettlers in 10 dams built in Indonesia (4 cases), Japan (2 cases), Laos (2 cases), Sri Lanka (1 case), and Turkey (1 case) was scrutinized in details.



- Many similarities were found among cases and useful lessons for projects in future were identified.

Dams surveyed

Country	Dam	Resettlement	
		Period	Compensation
Indonesia	Wonorejo	1990s	cash
	Saguling	1980s	cash
	Koto Panjang	1980s and 1990s	land and cash
	Bili-Bili	1990s	cash
Laos	Nam Ngum 1	1960s	land
	Nam Theun 2	2000s	land
Sri Lanka	Kotmale	1970s and 1980s	land
Turkey	Atatürk	1980s	cash
Japan	Kusaki	1960s	cash
	Sameura	1970s	cash

World Bank Operational Directive OD 4.30

"Involuntary Resettlement" (1 June 1990)

Involuntary Resettlement

Introduction

1. This directive describes Bank¹ policy and procedures on involuntary resettlement, as well as the conditions that borrowers are expected to meet in operations involving involuntary resettlement.² Planning and financing resettlement components or free-standing projects are an integral part of preparation for projects that cause involuntary displacement. Any operation that involves land acquisition or is screened as a Category A or B project for environmental assessment purposes³ should be reviewed for potential resettlement requirements early in the project cycle (para. 20).

2. Development projects that displace people involuntarily⁴ generally give rise to severe economic, social, and environmental problems: production systems are dismantled; productive assets and income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community structures and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are

diminished. Involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out.⁵

Policy Objectives

3. The objective of the Bank's resettlement policy is to ensure that the population displaced by a project receives benefits from it. Involuntary resettlement is an integral part of project design and should be dealt with from the earliest stages of project preparation (para. 28), taking into account the following policy considerations:

- (a) Involuntary resettlement should be avoided or minimized where feasible, exploring all viable alternative project designs. For example, realignment of roads or reductions in dam height may significantly reduce resettlement needs.
- (b) Where displacement is unavoidable, resettlement plans should be developed. All involuntary resettlement should be conceived and executed as development programs, with resettlers provided sufficient investment resources and opportunities to share in project benefits. Displaced persons should be (i) compensated for their losses at full replacement cost prior to the actual move; (ii) assisted with the move and supported during the transition period in the resettlement site; and (iii) assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them. Particular attention should be paid

¹"Bank" includes IDA, and "loans" includes credits.

²See also *Involuntary Resettlement in Development Projects*, World Bank Technical Paper No. 80 (Washington, D.C.: The World Bank, 1988).

³OD 4.00, Annex A, *Environmental Assessment*, para. 18.

⁴Such projects may include construction or establishment of (a) dams, (b) new towns or ports, (c) housing and urban infrastructure, (d) mines, (e) large industrial plants, (f) railways or highways, (g) irrigation canals, and (h) national parks or protected areas. Refugees from natural disasters, war, or civil strife are also involuntary resettlers, but they are not discussed in this directive (see OD 8.50, *Emergency Recovery Assistance*).

⁵OD 4.00, Annex A, *Environmental Assessment*, para. 2, and Annex A3.

Preference should be given to **land-based resettlement strategies** for people dislocated from agricultural settings.

OECD Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects" (1992)

**OECD
DEVELOPMENT ASSISTANCE
COMMITTEE**

Guidelines on Aid and Environment

No. 3

Guidelines for Aid Agencies
on Involuntary Displacement and Resettlement
in Development Projects



Paris 1992

For rural resettlers, it is desirable to encourage "land for land" approaches, providing replacement land of productive potential at least equivalent to the lost land.

Land-for-Land implies Poor-remains-Poor ?

Per capita income of urban and rural households in China (1997 - 2008) shows rapidly increasing disparity.

Findings out of research (1)

- Many resettlers were concerned about the **future of their children**, and they tended to select resettlement destinations based on which destinations could provide their children **with better education**.
- In some cases, resettlers moved to distant cities to secure **better livelihoods than before**.

Findings out of research (2)

- The traditional land-for-land policies imply that a **poor farmer remains a poor farmer** even after relocation.
- In a country like contemporary Indonesia or Japan in early 1960s, land-for-land policies make farmers relatively poorer, while non-farmers benefit substantially from the country's rapid economic development.
- The study concludes that **land-for-land should still be a major option** for resettlers, while **resettlement packages not based on land-for-land scheme** should be provided as alternative options for resettlers.

Thank you

