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for Resettling
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by

Michael M. Cernea



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The Risks and Reconstruction Model for Resettling Displaced Populations

MICHAEL CERNEA*

The World Bank, Washington, DC, U.S.A.

Summary. — Involuntary population displacements and resettlement entailed by development programs have reached a magnitude and frequency that give these phenomena worldwide relevance and require policy-guided solutions. The author extracts the general trends and common characteristics revealed by a vast body of empirical data, to construct a theoretical model of displacement and reconstruction. The model captures the socioeconomic content of both segments of the process: forced displacement and reestablishment. It identifies the key risks and impoverishment processes in displacement as: (a) landlessness; (b) joblessness; (c) homelessness; (d) marginalization; (e) food insecurity; (f) loss of access to common property resources; (g) increased morbidity; and (h) community disarticulation. Conversely, the model suggests that reconstructing and improving the livelihood of those displaced require risk-reversals through explicit strategies backed up by adequate financing. Flawed approaches to reconstruction and the intrinsic limitations of cost-benefit analysis are discussed. The paper shows how the proposed model can be used by practitioners and researchers as a diagnostic tool, a predictive tool, a problem-resolution tool and a research-guidance tool. © 1997 World Bank. Published by Elsevier Science Ltd

Key words — resettlement, poverty, risk, social costs, Asia, India

1. INTRODUCTION

Impoverishment of displaced people is the central risk in development-caused involuntary population resettlement. To counter this central risk, protecting and reconstructing displaced peoples' livelihoods is the central requirement for equitable resettlement programs.

Empirical evidence shows that, more often than not, the risks of impoverishment and social disruption turn into a grim reality. In India, for instance, researchers found that the country's development programs have caused the displacement and involuntary resettlement of approximately 20 million people over roughly four decades, but that as many as 75% of these people have *not* been "rehabilitated" (Fernandes, 1991; Fernandes *et al.*, 1989). Their incomes and livelihoods have not been restored. In other words, the vast majority of development resettlers in India have been impoverished.

Similar findings about impoverishment and the *de facto* lack of social justice and equity in involuntary resettlement processes come from many other countries. The material loss in each case is vast. No less serious a consequence is the political tension that surrounds forced relocation. The cultural and psychological stress experienced by people who are

forcibly uprooted lingers, affecting their subsequent individual and group behavior.

What is the appropriate response to this major pathology of development?

2. SOCIAL JUSTICE AND PLANNING WITH AN EQUITY COMPASS

Development programs that provide irrigation for thirsty lands, energy for growing industries, hospitals and schools within residential areas, and wider roads

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in clogged downtowns are indisputably necessary. They improve many people's lives and develop both the national and local economies. Nonetheless, these developments can also cause the forced displacement of segments of the local population. The forcibly displaced populations, often already poor, end up worse off for a long period. The overall result is that some people enjoy the gains, while others share only in the pains of development. Even though some degree of population relocation is at times unavoidable, this inequitable distribution of gains and pains, benefits and losses, is neither inevitable nor justified. It is, in fact, profoundly contrary to the very goals of development. Spatial rearrangements and their pernicious consequences should not be accepted as a God-given tragedy, worthy of little more than a compassionate shrug of the shoulders.

The magnitude and frequency of development-related displacements makes involuntary resettlement a problem of worldwide relevance. Based on World Bank and other data, we have for the first time calculated the global magnitude of development-caused forced displacements.¹ During the current decade, about 10,000,000 people each year are displaced worldwide by infrastructural development programs (dam construction, urban development, highways, roads). This amounts to some 90–100 million people displaced during this decade, which — surprisingly to many — is much greater than the total number of refugees from wars and natural disasters. If unaddressed effectively, the impoverishment of such large numbers of people constantly adds to the problem of worldwide poverty. Therefore, understanding the processes that cause impoverishment under development programs and ways to prevent them is crucial for mitigating the hazards intrinsic to displacement.

"Social justice" and "social injustice" are notions not frequently used in the development discourse, yet they are essential. Recently, these concepts have been brought to the public forum in authoritative statements. "We must act" stated the President of the World Bank "so that poverty will be alleviated, our environment protected, social justice extended, human rights strengthened... Social injustice can destroy economic and political advances" (Wolfensohn, 1995). Undoubtedly, involuntary resettlement is one domain in which the call for social justice and equitable distribution of development's benefits resounds loudly. This was also the reason for which the World Summit on Social Development (Copenhagen, March 1995) incorporated the call for reestablishing resettlers' livelihoods into its Program of Action (United Nations, 1995).

Studies that I have carried out over the last 15 years identified the main "impoverishment risks" inherent in involuntary resettlements (Cernea, 1986, 1990, 1995b; World Bank, 1994/96). Based on the

evidence, however, I argued that impoverishment is not a fatality and that it should not be tolerated with passive resignation. Displacement is a socially caused disruption, not a natural disaster, and its perverse effects must and can be counterbalanced. Redressing the inequities caused by displacement and enabling affected people to share in the benefits of growth is not only possible but is also necessary, on both economic and moral grounds.

Although as a class of processes relocations are unavoidable, not every individual case of displacement proposed by planners is either inevitable or justified. There are practical ways to avoid, or at least reduce, specific instances of involuntary displacement. There are ways to reduce their hazards and socioeconomic adverse impacts. Socially responsible resettlement — that is resettlement guided by an equity compass — can counteract lasting impoverishment and generate benefits for both the regional and local economy. Yet much too often, those who approve and design programs causing displacement are deprived of a "compass" that can guide them in how to allocate financial resources equitably and to prevent (or mitigate) the risks of impoverishment (Cernea, 1986, 1988, 1996b; Mahapatra, 1991; Scudder, 1981). Indeed, the planning approach which causes many to be displaced but only a few to be "rehabilitated" has proven itself a big failure, unsuitable to prevent impoverishment.² The repeated instances of resettlement without rehabilitation point to even deeper congenital defects in the current policies of many countries, not only in planning approaches. These policies, and the resulting planning methodologies, must be changed.

3. FUNCTIONS OF THE RISKS AND RECONSTRUCTION MODEL

How does impoverishment through displacement occur? How can it be prevented and how can the livelihood of displaced people be reconstructed?

These are both theoretical and empirical/practical questions. For decades, these basic questions have confronted social researchers, policy makers, planners, and — more than anyone — resettlers. A vast social science and policy literature exists on them (Guggenheim, 1994), offering many answers, some more and others less convincing. We still have much that we need to learn.

...Relying on much of the worldwide displacement research and on my field experiences with multiple national policies, planning practices and development projects, I propose below a conceptual model for analyzing the socioeconomic content of displacement. The model anticipates displacement's major risks, explains the behavioral responses of displaced people, and can guide the reconstruction of resset-

ters' livelihoods. This conceptual framework could be named "the risks and reconstruction model" for resettling displaced people.

Like any other conceptual template, this one is a tool — first a tool for generating and organizing knowledge, but also a tool for guiding action, usable for policy and planning purposes. This model can fulfill not only a cognitive but also an operational role in resettlement and can serve various social actors of resettlement processes — namely, policy makers, project designers, social researchers, and of course the resettlers. It can also be connected to other existing conceptual frameworks, to achieve complementarity of perspectives and more in-depth knowledge. In addition it is probably possible to extend this model, with appropriate adjustments, to the analysis of comparable processes affecting other displaced populations such as refugees (Kibreab, 1996) deprived of their habitat and assets not by development but by civil war, ethnic persecution, or natural disasters (Hansen, 1990; Cernea, 1996a). Such further theoretical explorations about the implications of the model could benefit its conceptual and operational applications.

The four distinct but interrelated functions which the risks and reconstruction model can perform are best described as:

- A diagnostic — explanatory and cognitive — function;
- A predictive — warning and planning — function;
- A problem-resolution function for guiding and measuring resettlers' reestablishment; and
- A research function for forming hypotheses and conducting theory-led field investigations.

The ease of using this model results from its simplicity. It is built around a core concept: the risks of impoverishment. These risks are embedded in all displacements. In this context, the sociological concept of risk³ is understood as the potential that a certain course of action will trigger future injurious effects — losses and destruction (Giddens, 1990). It is widely held that the concept of risk is to be determined as a counter-concept to security (Luhman, 1993). As to the risk-laden decisions about a course of action that would cause forced displacements, the social actors of this course of action are involved in risk differently — a few, as decision makers, many others as at-risk populations.

There have been several other conceptual frameworks for resettlement, proposed in the past by various scholars, which circulate in the literature (e.g., Nelson, 1973; Chambers, 1969; Chambers and Morris, 1973; Scudder and Colson, 1982). Some of these frameworks have emphasized the institutional variables; others were centered around the concept of identifying sequentially the main stages of settlement processes; and others have highlighted "stress" or

alternative variables. These valuable frameworks helped generate results in various research projects, but also appeared unsatisfactory in others. Some proved more and others less effective as tools for action.

Building upon lessons from the use of previous frameworks, the risks and reconstruction model carries the modeling effort further in three essential ways: (a) captures the core economic and social substance of displacement/relocation which is impoverishment and reconstruction, (b) points to the imperative of preventing and overcoming the risks through the very decisions that create them; and (c) informs on the kind of social processes that must be initiated for problem-solving.

The discussion of the strengths and weaknesses of specific prior models in light of recent experiences is a theoretically worthy exercise deserving separate treatment. Some researchers have already started this discussion: for instance, Partridge (1989) points out that the operational needs in resettlement planning are little served by the Scudder-Colson model, as made obvious by many ongoing projects. de Wet (1988) critiqued and supplemented the Scudder-Colson model from an environmental angle. Over the last 10–12 years, however, social research on development-caused resettlement, as well as on refugees displaced by other events, has increased exponentially (Guggenheim, 1994; Cernea, 1995b, 1996a), expanding our knowledge and changing the "state of the art." This surge in knowledge makes possible — in fact, demands — new theorizing.

The risks and reconstruction model benefits from the new state of the art in resettlement research and responds to it by offering a more comprehensive theoretical framework for diagnosis and advance warnings, a framework that is usable operationally: it explains the response of displaced populations to economic and social deprivation; suggests novel avenues for conducting field inquiry; and, most crucial — it outlines the constitutive elements of a strategy for problem-solving and planning. It is also a conceptual template within which further knowledge will be built cumulatively to improve the understanding and measurements of resettlement.

A brief characterization of each function of this model is in order, before proceeding to a more detailed discussion.

(a) *The diagnostic — explanatory and cognitive — capacity of the model rests on a mountain of analytical evidence gathered through research on past resettlements. As a cognitive and explanatory tool, the model diagnoses the recurrent pathologies of forced displacement. These consist of eight major economic and social impoverishment hazards. The practical utility of this diagnostic function is that it reveals — to policy officials, who decide on triggering displace-*

ments, and to the affected populations who incur the consequences — the nature, the risks, and the possible outcomes of impending forced displacements.

- (b) The model's *predictive* capacity rests on converting the diagnosis into a prognosis for better planning. It provides early warnings about adverse effects long before the decision to displace is made. It equips the planners with better understanding and anticipation power. The practical utility of this function is that it enables planners, as well as would-be displacees, to recognize the impoverishment risks in advance, search for alternatives to avoid displacement, and/or respond with effective mitigatory and coping strategies.
- (c) The *problem-resolution* capacity rests on the model's reach beyond just explanation and on its orientation toward action. To achieve this, the part of the model that identifies pauperization risks is fully reversed, as will be shown below. As a result, the model points out ways to overcome the problems displacement causes. Thus, the practical utility of the model increases greatly by moving from diagnosis and prediction to prescription for action. In the end, the model becomes a compass for strategies to reconstruct resettlers' livelihoods, going beyond mitigatory mechanisms and advancing a development orientation.
- (d) The *research guiding* capacity rests on the conceptual scaffolding it provides to social researchers for formulating hypotheses on both displacement and relocation, and for conducting theory-led fieldwork. The practical utility of this function is that it guides the field collection and aggregation of empirical data in a coherent manner along content variables. It also simplifies the comparison of specific findings regarding the same variables across cultures, countries and time periods.

4. DIAGNOSTIC AND ANALYSIS: EIGHT IMPOVERISHMENT RISKS

Everywhere, the core content of unmitigated forced displacement is economic and social uprooting. Capturing and conceptualizing this core content is the first call upon the conceptual framework. Therefore, to identify the basic socioeconomic mechanisms set in motion when people are involuntarily displaced by development-related programs, I examined an extensive body of empirical data and compared the field findings of numerous researchers.

Beyond the enormous diversity in individual country and project-specific situations, the compar-

ison revealed a number of basic regularities. Thus, I found a pattern of eight general subprocesses or trends, whose convergent and cumulative effect is the rapid onset of impoverishment (Cernea, 1990, Cernea, 1995b). Before the displacement operation actually begins, these processes are only impending social hazards. But if appropriate counteraction is not initiated, these social hazards become actual impoverishment disasters. Using the worldwide empirical evidence about such disasters, I constructed a general "risk-pattern" apt to inform decision makers and project designers long before the project starts. These risks threaten not only the people displaced: they are risks incurred by the local (regional) economy as well, to which they may inflict major losses and disruptions.

The following eight impoverishment hazards are not the only ones that result in processes of economic and social deprivation, but are the most important ones. Depending on local conditions, these risks have variable intensities. They are:

(a) *Landlessness*

Expropriation of land removes the main foundation upon which people's productive systems, commercial activities, and livelihoods are constructed. This is the principal form of decapitalization and pauperization of displaced people, as they lose both natural and man-made capital.

*Selected empirical evidence.*⁴ Unless the land basis of people's productive systems is reconstructed elsewhere, or replaced with steady income-generating employment, landlessness sets in and the affected families become impoverished. In the Kiambere Hydropower project in Kenya, a sociological study (Mburugu, 1993) found that farmers' average land holdings after resettlement dropped from 13 to six hectares: their livestock was reduced by more than a third; yields per hectare decreased by 68% for maize and 75% for beans. Family income dropped from Ksh. 10,968 to Ksh. 1,976 — a loss of 82%. In India's Rengali project, the percentage of landless families after relocation more than doubled - from 4.6% to 10.9% (Ota, 1996), while in the coal mining displacements around Singrauli the proportion of landless people skyrocketed from 20% before displacement to 72% after (Reddy, 1997). In Africa, Lassailly-Jacob's (1994, 1996) studies on the Kossou Dam and other major reservoirs have empirically documented resettlers' loss of land and the insufficiency of the land-development remedies adopted. In Indonesia, a survey by the Institute of Ecology of Padjadjaran University (1989) around the Saguling reservoir found that resettled families' land ownership decreased by

47% and their income was halved. Similar evidence is available from Brazil (Mougeot, 1989). Findings from sociological and anthropological field studies show that for farm families, loss of land generally has far more severe consequences than the loss of a house.

(b) *Joblessness*

Loss of wage employment occurs both in urban and rural displacements. Those losing jobs include landless laborers, enterprise or service workers, artisans, or small businessmen. Yet creating new jobs is difficult and requires substantial investments. Unemployment or underemployment among resettlers often endures long after physical relocation has been completed.

Selected empirical evidence: For several categories of people whose livelihoods depend on jobs — including landless laborers in reservoir areas; employees of local services, or other enterprises; and shopkeepers and small businessmen — job loss due to displacement causes lasting painful economic and psychological effects. The previously employed may lose in three ways: in urban areas, they lose jobs in industry and services, or other job opportunities; in rural areas, they lose access to work on land owned by others (leased or share-cropped) and the use of assets under common property regimes. In the Madagascar Tana Plain project, for example, private small enterprises displaced in 1993 — workshops, food-stalls, artisan units — were not entitled to compensation, and lost their place of trade and their customers.⁵ A survey carried out among tribal households in five villages at Talcher, Orissa (Pandey, 1996) found an increase in unemployment from 9% to 43.6%, accompanied by a large shift from primary to tertiary occupations (when available); reported reductions in levels of earnings were between 50 and 80% among tribes and scheduled castes. Vocational retraining, offered to some resettlers, can provide skills but not necessarily jobs. Similar findings come from developed countries: in the Churchill-Nelson Hydro project in Manitoba, Canada, the economic activities of resettled indigenous people — fisheries, waterfowl capture, fur processing — were curtailed; field studies found a significant increase in non-productive time in the community. Joblessness among resettlers often surfaces after a time delay, rather than immediately, because in the short run they may receive employment in project-related jobs. This employment, however, is not sustainable. Evidence compiled from several dam projects⁶ shows that the “employ-

ment boom” created by new construction temporarily absorbs some resettlers, but severely drops toward the end of the project. This compounds the incidence of chronic or temporary joblessness among the displaced.

(c) *Homelessness*

Loss of housing and shelter may be only temporary for many displaced, but for some homelessness remains a chronic condition. In a broader cultural sense, loss of a family’s individual home is linked with the loss of a group’s cultural space, resulting in alienation and deprivation, as argued by students of “place attachment” (Low and Altman, 1992). Families subjected to compulsory villagization schemes, as argued by de Wet (1995), also experience a lasting sense of “placelessness.”

Selected empirical data: If resettlement policies do not explicitly provide improvement in housing conditions, or if compensation for demolished shelters is paid at assessed value rather than replacement value, the risk of homelessness increases. A 1990 Bank report on the Cameroon-Douala Urban resettlement (which was completed in 1989) found that over 2,000 displaced families were hindered in their efforts to set up new permanent houses; less than 5% received loans to help pay for assigned houseplots. From the Danjiangkou reservoir China has reported that about 20% of the relocatees became homeless and destitute.⁷ To speed up evictions, violent destruction of houses belonging to people labeled squatters still occurs in some places (e.g., in Uganda in the Kibale park area). When resettlers cannot meet the time, labor and financial costs involved in rebuilding a house, they are compelled to move into “temporary” shelters. The “emergency housing centers” and temporary “relocation camps” used as fall-back solution in poorly planned resettlement tend to make homelessness chronic rather than temporary. At the Foun-Gleita irrigation project in Mauritania, only 200 out of the 881 displaced families successfully reconstructed their housing; the rest lived precariously for two years or longer in tents or under tarpaulins. In the Kukadi-Krishna irrigation subprojects in Maharashtra, India, 59% of the displaced families were found living in temporary/semi-permanent houses 10–15 years after their relocation (Joseph, 1997). Yet the hazard of homelessness — like joblessness, marginalization, morbidity — can definitely be avoided through timely preparation and adequate financing.