Compensation for Land Acquisition: The Movement and Emerging Social Order

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Abstract
Sociologists use the term social movements to refer to organized collective activities to bring about or resist fundamental changes in an existing group or society. Social movements imply the existence of conflict, but we can also analyze their activities from a functionalist perspective, which views social movements as training grounds for leaders of the political establishment. In development-induced displacement this movement is gaining momentum. The present paper attempts to analyze the compensation issues in development-induced involuntary displacement and peoples’ movement.

1. INTRODUCTION
Problems with compensation in the case of involuntary displacements are vast stretching from project developers not adequately determining compensation amounts to promised compensation never making it to the hands and lives of those who deserve it. For example, a report written by the Legal Aid of Cambodia announced that families affected by Cambodia and Vietnam’s Phnom Penh to Ho Chi Minh City Highway Project believed that their compensation was inadequate. In response to the complaints, Asian Development Bank (ADB) sent a Resettlement Review Mission to investigate the problem and the Mission found that “nobody in the sites mentioned by the Legal Aid of Cambodia report had received compensation for lost land ... families had been left landless and without an alternative source of income”. In addition, the Mission’s report announced that “construction of the road had interfered with farming and affected persons were not compensated for this” (ADB, 2007: 63). As I will show, this is where the problem begins.

Delayed compensation payments were common in the analyzed projects, occurring in 56 percent of the cases, and are a significant threat to displacees’ impoverishment. Such delays in payment, like the delays that occurred in Pakistan’s Chashma Right Bank Irrigation Project-Stage III, entail critical consequences for affected individuals and families “who are already suffering from poverty and project-induced vulnerabilities such as loss of agricultural land and opportunities, and damages from flooding” (Bank Information Center-BIC, 2003: 2). Due to these delays, people’s plans to relocate are also delayed because they can not move until they receive compensation. Their development is thus stilted because they are caught in a state of limbo, unable to move forward, unable to continue where they are.

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Brazil’s Caña Brava Hydroelectric Project, despite being awarded IDB’s ‘Best Project Team’ for ‘outstanding work with civil society’ in 2001, experienced severe delays in compensation payments. The developers did not openly negotiate resettlement and compensation with affected individuals and less than 300 of the 1,000 families that required compensation received payment (BIC, 2003: 3). The remaining 700 families were left awaiting compensation with continued delays. These delayed payments pushed these families further and further into impoverishment.

2. PROBLEMS WITH ASSET VALUATION AND INVENTORYING

Out of the analyzed projects, 56 percent of project affected communities experienced major problems with under valuation of assets and 36 percent faced problems with asset inventorying. For example, in China’s Three Gorges Project, an eyewitness account based on interviews of affected individuals in five affected counties determined that “compensation offered to resettlers has fallen short of the replacement cost for their property. Instead, they are forced to buy housing at a cost that far exceeds the compensation they have been offered”. More specifically, displacees were paid “286 Yuan per square meter in compensation but must pay 551 Yuan per square meter for their new house”. With such an insufficient amount of housing compensation, many displacees “do not have the means to regain or even raise their living standards” (International Rivers Network-IRN, 2003: 28).

Furthermore, as McDonald explained in the survey, “Farmers commonly complained that the measurement of their land was wrong and therefore their compensation was wrong in the Three Gorges. Moreover, out-buildings were often missed in the inventory”.

Similar valuation problems also occurred with the ADB-funded Chashma Irrigation Project in Pakistan. For example, affected individuals asserted that land and asset valuation were marked at about one-tenth to half of the market rate. A petitioner representing those affected determined that low land rate offered was flawed because there was no consultation about the valuation of land and assets with those affected, which is a violation of ADB policy and that “an increase of land price due to this project is not reflected in the valuation”. In addition, inventorying of losses was severely flawed because compensation was not considered for lost agricultural opportunities and destruction of housing, lands, crops and lost due to flooding (BIC, 2003: 2).

There are also other problems in valuation and inventorying of lost assets in villages, such as determining market or replacement cost. As the Environmental Assessment Report for Chad and Cameroon’s Petroleum Development and Pipeline Project pointed out, “There are economic problems with calculating the amount of compensation that should be paid for an individual’s or household’s loss of assets” (World Bank, 1998: 107). This is especially true, as Kebede noted in the survey, “in the case of perennial crops. For example, how much would a coffee tree cost”? What might be viewed by project developers as a mere tree worth nothing might be a source of food and income for the owners who, without it, face food insecurity and poverty. Multiply that tree by billions and its owners by hundreds of millions, and you will begin to see all that goes wrong with asset valuation and inventorying.
3. REPLACEMENT OF LOST ASSETS

Another important aspect of compensation’s insufficiency to restore resettlers’ livelihoods is the amount given. As discussed earlier, multilateral agencies such as the World Bank have resettlement policies that call for compensation of lost assets at replacement cost. However, surveyed experts agree that it is insufficient to compensate lost assets at replacement cost. According to McDowell’s survey response, one reason for this is that “in relocation, the actual costs are the costs of assets in the new location and these will be higher in most cases than replacement costs in the original acquired location”. The amount of compensation given to project affected persons is not the only problem; it is also the quality of the compensation for their lost assets. Such a problem was exemplified in Brazil’s Caña Brava Hydroelectric Power Project, in which the project developer “offered resettlement on lands of poor quality, which will make it impossible for the families to provide for themselves. In other cases, citizens affected by the dam are not being offered any compensation at all” (BIC, 2003: 2). This example illustrates the poor condition of replacement land as well as problems with determining who actually receives compensation and that not all affected persons were compensated.

The Three Gorges Dam in China also had notable problems with quality of compensated land. As McDonald noted in the survey, “All land that could be farmed was already being farmed before the project was constructed. This means land available to farmers as replacement land is of substandard quality and far steeper than previous land. Therefore, it is not adequate to provide merely replacement cost as compensation”. It is also quite common that when development enters into an area, the prices of land and housing climb significantly. Therefore, the increased prices and potentially poor quality of land needs to be foreseen by project developers. What needs to occur is replacement at tomorrow’s costs. This means that compensation amounts need to be predicated on more than replacement, such as a solatium, which would provide benefits above replacement costs.

4. LACK OF COMMUNICATION

One project where lack of communication was found was Pakistan’s Chashma Right Bank Irrigation Stage III Project in which the “project authorities refused to share relevant documents and information, despite repeated requests made by the local communities and concerned NGOs. Construction began without informing the communities, even though it involved the destruction of farms and crops. There was no effective public participation in the process of land acquisition or the valuation of property” (BIC, 2003). The process of the land acquisition violated national law even under the emergency situation as stipulated in the laws, which still required the notification before acquisition (BIC, 2003). This example showed not only weak communication and unfulfilled promises, but also an overly powerful institutional apparatus that allowed such an occurrence to happen. Lack of communication by project authorities and unacknowledged participation by resettlers can lead to violence and stripping of human rights. The case in point is the Sudan’s Merowe Dam Project. First, the project authorities did not recognize committees that the affected communities formed to represent their interests.
Furthermore, as documented by the International Rivers Network, “The project authorities have responded with violent repression instead of constructive dialogue to the concerns of the affected communities. In December 2004, the authorities detained three representatives of the affected communities for more than a year. The detainees were never brought before a court, but held as hostages to pressure their communities to accept the resettlement conditions offered by the authorities”. Then in April 2006, “militia of the project authority armed with machine guns attacked a large group of affected people who held a peaceful meeting at a school in Amri village. The militia killed three people and wounded 47” (IRN, 2007a). All this occurred in the aftermath of catastrophic displacement without any communication between project developers and displaced families.

Examples and negative consequences of the poor or no communication are endless: from poor communication causing social instability in the Three Gorges Dam Project, where there was discrepancy in compensation amounts and affected individuals under the impression that China’s Government promised them 29,000 Yuan each, but some received as little as 6,773 Yuan (IRN, 2003; Hegelund, 2003) to affected communities in Ghana’s Ahafo South Mining Project not being involved in the planning or design of the resettlement site, which led to subsequent problems with allotted compensation and type of housing provided (BIC, 2005) to marginalizing affected people by belittling them.

5. PROJECT DEVELOPERS’ RESEARCH AND SURVEY WORK

Another reason inventorying of assets is rarely done satisfactorily is because, as McDowell explained in his survey response, the developing agencies’ poor data collection and research “do not result in the accurate collection of data thus undervaluing people’s assets and losses”. This problem can range from a farmer’s fruit trees not being included in the compensation package to individuals themselves not being counted. For example, even though ADB and the project developer made repeated claims that no resettlement was required for Laos Nam Theun-Hinboun Hydropower Project, today both parties have admitted that “more than 29,000 people in 71 villages – mostly subsistence farmers - have lost fisheries, rice fields, vegetables gardens and fresh drinking water supplies as a result of the dam” (IRN, 2007b). But because of the initial claims, the project has almost no allocated funds to assist or compensate those villagers who do find they need to move due to the project. Without an accurate assessment of the number of people to be compensated, it is impossible to determine an appropriate budget for compensation and resettlement, thus leading to further impoverishment. For example, in China’s Three Gorges Hydropower Dam Project, 1.4 million people have been resettled thus far and another four million are expected to be relocated over the next 10-15 years. Yet this project’s 1991 RAP, based on a conducted census indicated that there would only be 725,000 displaced individuals.

When Three Gorges project developers conducted a survey to determine compensation amounts, McDonald noted in her response how “one family explained
how the village leaders asked the children in the family to sign the measurements taken for compensation as verification. This was when the adults were working in the field. It was not until compensation was provided that the families realized that the measurement was wrong, but by this time the land was already flooded. The government said ‘if you can prove it we will pay it”. But how do you prove the size of your house and land when they are both under water? How do you recoup what you once had if it is already lost? How do you regain a livelihood that no one even knows existed?

6. CONFUSION IN GRIEVANCE SYSTEM

A vast majority of grievances by affected people in cases of DFDR are due to issues with compensation such as delayed payments or insufficient amounts. When there are misunderstandings about how the grievance system works, individuals are unable to voice their concerns regarding compensation and other aspects of resettlement, which increases the risk of impoverishment to resettlers. Debnath explains that even when affected people are able to go to a court of law to redress their grievances, they still risk increased impoverishment because of ‘legal costs incurred’. Unfortunately, despite its importance, in many cases of DFDR, a proper grievance handling system does not exist. Warren van Wicklin, a social scientist who has worked with the World Bank, IFC and the Asian Development Bank and coauthor of the CAO Review of IFC’s Safeguard Policies, noted in the survey that the major problem is that ‘some (grievance systems) exist more on paper than in practice’.

There were also cases, such as Cambodia and Vietnam’s Phnom Penh to Ho Chi Minh City Highway Project, where the grievance redress process did not work because affected persons were threatened by project developers and government authorities to not make any complaints (ADB, 2007). They had to risk losing their livelihoods and not be properly compensated for lost assets and income in order to save their lives.

7. LACK OF IMPLEMENTATION OF ACTION PLANS

Resettlement Action Plans (RAPs) are the guidelines created for project developers to follow to resettle affected populations with compensation generally being the central focus. Therefore successful implementation of the RAP is vital if just compensation is to be achieved. Development projects have made big steps in having completed RAPs for projects. Moreover, despite this progress, a RAP is meaningless without implementation, and this is where development projects continue to fall short. Even though it is becoming more common for project developers to hire social scientists to research and write RAPs, the efforts are more for showcasing because quite often those hired are forced to write the RAP quickly and sometimes even after actual displacement takes place. Even when RAPs are prepared in time, there is still a problem with the parties responsible for implementation (e.g. the project developer, the state, a private company, etc.) not following through with what the RAPs claim will be implemented. One of the
reasons behind resettlement implementation problems is the absence of national resettlement policies and, according to Dominique Egré, “All too often, the team in charge of resettlement planning is not the same as the team in charge of implementing the resettlement plan”. Unfortunately, RAPs are not taken seriously very often.

8. POLITICAL COMMITMENT TO RESETTLEMENT

To ensure that displacees receive due compensation and other amenities and are successfully resettled, local and national governments need to be fully committed to the process. Without political commitment, successful resettlement is impossible. Often governments make promises to affected communities to put on a public display of good will and commitment, but these promises are usually empty and thrown by the wayside along with the individuals they were supposed to assist. For example, in the case of the Phnom Penh to Ho Chi Minh City Highway Project, a 2002 report by Legal Aid of Cambodia and the Nongovernmental Organization Forum on Cambodia claimed that “the Government had reneged on its commitment to compensate families for acquired land, regardless of the tenure status of the property holder, and to provide land certificates for the remaining unaffected land if the affected person did not already have such a certificate” (ADB, 2007).

8.1 Corporate Interests Trump Local Rights

In line with lack of political commitment to resettlement, there is also a severe lack of national policies that ensure the rights and livelihoods of development forced displacees are secure. Even when there are such policies, they are often ignored by project developers and governments in the interest of corporate interests over local human rights. This is illustrated in the Ogoni case, where policies were created to secure rights of the Federal Government and multinational oil corporations over local communities’ rights. Even when there was legislation that favored local communities’ rights to their own resources, these were largely ignored.

9. CONCLUSIONS

Land gets fragmented through generations. Suffer from uncertainties of monsoon, etc; hence, much toil and poverty. Still land belongs to the family except on paper. Its preservation is considered social and moral duty. Family members manage through generations to live from its products. The region becomes the paradise for power brokers, although autonomy and abundance have never characterized these regions. Still natives start highlighting their past as golden age and star a process of invention of tradition. They start finding a symbolic mythical unity of the past. Now the question arises ‘Could the future be of the nature of a chauvinist movement of the sons of the soil type? Perhaps time only can say if planner can amend or modify the emerging social order’ with an innovative planning interventions.

REFERENCES


