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Involuntary Resettlement Best Practices

Guidelines for Forced Relocation due to Infrastructure Projects
By Nibandh Kulkarni

Introduction

This article examines international guidelines and previous resettlement projects to determine best practices.

Climate change is an existential threat to humanity and our planet and curbing it will require solutions to many difficult problems. The technology to replace fossil fuels has existed for a long time, but perfectly transitioning away from them and to renewable sources while minimising harm for consumers and firms has been difficult. One seemingly simple step would be for governments to heavily increase investment in renewable energy infrastructure. We need more renewable energy sources, so we should start building them. However, there is one problem that can't be overlooked here, which is how people near these infrastructure projects will be affected.

Involuntary resettlement is the practice of forcibly removing people out of their homes, businesses, or off their land to make way for new developments, while providing just compensation for lost land and resources. Many governments have partaken in this practice, so many have laws regarding the government seizure of private property for public use. In the United States, this power is known as eminent domain, and in Europe, it is known as either compulsory acquisition or expropriation¹.

In general, these laws are applied when new infrastructure needs to be built. Railroads, highways, and dams, for example, are massive undertakings that may necessitate relocation, as the optimal place to construct such infrastructure may run directly through existing homes, or negatively affect the surroundings to an extent that people must move. In rural areas, the construction of a dam, for instance, could negatively impact a farm's irrigation system to the point where the land is unsuitable for agriculture.

However, there is also a history of governments abusing their eminent domain powers. The US, during the Jim Crow era, used eminent domain to force Black families out of neighbourhoods because their white neighbours did not want them living there². During World War II, while Japanese Americans were being forced into internment camps, the government eminent domain to repossess their homes and businesses³. More recently, in 2012, there was controversy surrounding the construction of the Barclays Center, a new sports stadium in Brooklyn⁴. Eminent domain was used to destroy a neighbourhood to make space for the stadium, while critics argued that a new stadium would not bring enough value to the area to justify the destruction of local businesses⁵.



The Barclays Center, whose construction was criticised for abuse of eminent domain

Best Practices for Resettlement

While these powers require just compensation for seized land and assets, people must be provided more than just the monetary value of their land and assets when they are forcibly relocated. Given the history of abuses associated with both eminent domain and forced relocation, it is important to ensure that resettlement is managed humanely and maximises the utility of those displaced by infrastructure projects. A poor plan can cause unnecessary hardship among the displaced and extra stress in the areas they resettle in. On the other hand, when best practices are implemented, displaced people will be better off than before, and projects will not take on extra costs because of poor planning.

There are international guidelines and real-life case studies that can provide a framework for humane resettlement. First, there is the International Finance Corporation's Performance Standard 5, which deals with land acquisition and involuntary resettlement⁶.

The most important guideline highlighted there is to **avoid forced relocation if possible**.

- The process is expensive, for both the government and for affected people. As I will discuss later, the government must create many programs to make relocation easier, and that is costly. Acquiring land and assets at market cost is also expensive by itself.
- For those people who are displaced, they lose their homes, jobs, and potentially their social circles. During the relocation process, they may be unable to work, so the economy suffers due to the lost labour. Children may fall behind in school due to the time and stress associated with relocating.

With all these costs in mind, when planning infrastructure projects, governments should try to avoid resettling people. If displacement is unavoidable, governments should minimise the number of displaced people.

Compensation for Acquired Land, Assets, and Lost Income

Governments must provide proper compensation for the land and assets they acquire from displaced people. This is simple; governments cannot steal land owned by its citizens. However, the details of the compensation package can be complicated, as land and assets are not the only things affected by involuntary resettlement. Covering transportation costs is a common aspect of compensation packages, as it can be expensive, and it is unfair to expect people to pay for transportation they are forced to take. In Sri Lanka, during the construction of its first major highway, they offered 25000 SLRs (~325 USD) to families who were moving to government approved sites, along with free temporary housing while families looked for permanent housing. Sri Lankans also had the choice to take 100000 SLRs (~1299 USD) to self-relocate⁷. While 25000 SLRs was not enough compensation for those who chose it, the option to self-relocate cut costs for the government⁸.



Sri Lanka's Southern Expressway, its first major highway

Another guideline highlighted by Performance Standard 5 is to **restore or improve peoples' livelihoods to their pre-resettlement levels**⁹. Businesses need to be compensated, not just for their office space, but also for lost property, plant, equipment, and revenue. Local businesses should also receive support setting up their new operations. This tends to be a major point of failure among these projects; in Sri Lanka, many businesses reported losing income after relocation. This is because for local businesses, most of their revenue comes from local clientele, and when businesses are uprooted and put somewhere new, they lack the goodwill and reputation to maintain their income¹⁰.



Rural Chinese farmers were heavily affected by government infrastructure projects

Lost income affects people as much as it affects businesses. In China, many infrastructure projects are in rural areas or affect rural farmers, so relocation would also separate them from their main source of income, their land. A new plot of land is part of the compensation package, but farmers were also able to receive training on how to better utilize their land, like how to grow cash crops. Farmers also had the option to move into urban areas, and these people received job opportunities in urban areas and training for these jobs, which helped them restore their lost income. Depending on the project, 75-94% reported restoring or improving their incomes to their original levels¹¹.

Moving can also cause great emotional distress, which will be worsened if the relocation process is mismanaged. In Sri Lanka, families were living in temporary housing of low quality, and thus reported prolonged feelings of anxiety, anger, frustration, hopelessness, and resignation. Many women felt unsafe in government housing, which hindered home-based income generating activities, which directly harmed income and children's education. The elderly reported feeling isolated as they were forced to move from their old homes and away from their children and extended family, who tended to take care of the elderly. Confusion was common because many people were unaware of their options for compensation and the scope and length of the project. These feelings of confusion contributed to stress and anxiety felt by affected families because they did not know when they would move to their new homes or how much money they would receive¹². This is an entirely avoidable problem, and it can be fixed by improving stakeholder engagement and communication between affected people and the government.

Stakeholder Engagement

Governments should also establish grievance redress and stakeholder engagement mechanisms with the people they are relocating. This is not listed as a requirement in Performance Standard 5, but many countries choose to adopt these practices because it is helpful for those being relocated. **Grievance redress** is any process by which the government listens to and manages complaints from those being relocated¹³. Resettlement is a stressful and complicated process, so people need a mechanism by which to voice their concerns to the government. Also, no matter how well laid out a plan is, it cannot cover every contingency or overcome every obstacle on its own, so governments need to know where plans are failing. In China, during the construction of a hydropower plant, their grievance redress system identified 1900 grievances. They also maintained a continuous field presence, which allowed them to address complaints quickly, and because of this, most of the complaints were solved¹⁴.

Stakeholder engagement is another simple idea, as it is important to keep people informed on a project that will uproot their lives. In the European Bank's guide to Resettlement and Best Practices for Resettlement, they note that stakeholder engagement also includes **getting all stakeholders involved**

in every stage of planning and implementation¹⁵. Doing this will ensure that a project is conducted as smoothly as possible, as considering all stakeholders will maximise positive outcomes.

The European Bank also notes that effective stakeholder engagement has other positive effects, like increased trust between resettlers and governments, limiting the spread of rumours among affected communities, and managing unrealistic expectations.

Governments also get insights into better ways to carry out a project by hearing from and listening to all stakeholders. For example, a viaduct was planned to be built in a village in Bosnia and Herzegovina, and this village was often painted by artists, and the viaduct would have obstructed the view. However, because villagers were able to consult the government, they identified this issue, and the viaduct was moved so it would not interfere with the landscape. Their input mitigated the potential harm of this project¹⁶.



Stakeholder Engagement Roadmap

- After the major stakeholders of an infrastructure project are identified, engagement should begin as soon as possible, ideally from the beginning.
- Communities should be informed of new developments or sudden changes, and details of the project should be made available to affected communities and people.
- The government must also ensure that people are aware of the contents of their packages, and that there is no confusion about what they are entitled to.
- The most common complaints raised by affected people are about either a lack of understanding of their compensation, a failure by the government to communicate key details, or a failure to address grievances. Thus, **grievance redress mechanisms** should be established, so any issues that arise with the project can be dealt with immediately.

- Governments should ensure that they **listen** to affected communities, listen to their concerns, and even include them in decision making processes.

In Sri Lanka, after the completion of the highway, affected people stated that “the public was not involved in social and environmental assessments, public hearings were not sufficient,” and that there was a “lack of understanding of key concepts such as full compensation.” Also, improper communication contributed to protests against the highway, delaying the project and driving up costs.¹⁷

In China, after the completion of the hydropower plant, resettlers “felt that the compensation rates table had been created unilaterally by the local government without any meaningful participation/contribution by the APs (affected people)¹⁸.” For every project examined thus far, not even one fully restored every family’s income to their normal levels, which was partially due to a lack of awareness of the needs of displaced people. All these issues could have been avoided if governments had listened to, communicated with, and included affected people in every step of resettlement.



Protests surrounding the construction of Sri Lanka’s first highway

Conclusion

Compensation, income restoration, stakeholder engagement, and grievance redressal are the most important things to include in a resettlement plan. People need compensation for their assets, lost wages, and assurance that the government will not leave them disadvantaged for the sake of infrastructure. Governments should include all people affected by these projects at all stages of planning, as this will reduce confusion, ensure that people are heard, and will help produce more positive outcomes for all stakeholders. Above all, trust must be established between affected people and the government, and it is the government’s duty to build and maintain that trust.

Governments may need to start improving their relocation plans as climate change continues to worsen. The best-case scenario for the planet is that every country immediately makes a massive commitment to expanding access to renewable energy sources and cutting fossil fuel usage. The construction of enough wind farms, solar farms, nuclear power plants, and hydroelectric plants to replace fossil fuels is going to

need serious planning and likely resettlements of many communities. Also, governments cannot leave those working in the fossil fuel industry without a job, which would require income restoration programs, and potentially a resettlement plan if people choose to move. The worst-case scenario is that no meaningful action is taken, and coastal cities become unlivable as sea levels rise, and tropical storms become more intense. Either way, resettlement will become more common in the future, so governments need to adopt the best practices listed here to ensure relocation is conducted in a fair and just manner.

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2. https://en.wikipedia.org/wiki/Eminent_domain_in_the_United_States
3. Ibid.
4. <https://reason.com/2016/01/12/barclays-center-eminant-domain-fail/>
5. <https://www.cityandstateny.com/opinion/2019/12/brooklyns-barclays-center-is-a-questionable-part-of-bloombergs-legacy/176638/>
6. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps5
7. <https://www.adb.org/publications/challenges-best-practices-resettlement-case-study-sri-lanka>
8. Ibid.
9. https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards/ps5
10. <https://www.adb.org/publications/challenges-best-practices-resettlement-case-study-sri-lanka>
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