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## Chapter 17

# Livelihoods in Development Displacement - A Reality Check from the Evaluation Record in Asia

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**Abstract.** *Development, widely considered a solution to long-term population displacement, can paradoxically create more displacement. This chapter explores this paradox through the lens of evaluation studies. Early evaluation studies identified a gap between country laws, which positioned development displacement and resettlement as a subset of property and expropriation laws, and international policy, which centralized livelihood measures, living standards, and outcomes for people affected. The chapter explores the international policy conceptualization of livelihoods as embedded in a sociocultural context, requiring strategies to recreate livelihoods, monitoring and evaluation (M&E) and their results in terms of livelihood outcomes. It compares international policy perspective and evaluation outcomes with selected evolving Asian country safeguard systems, to examine the extent to which livelihoods are addressed and evaluated. The gap between international and national standards is narrowing, but livelihood measures form the weakest point in many laws concerning land takings. Differences in time frames, focus, mandates, and resources in project preparation and implementation reflect these divergent objectives. Methods for assessing livelihood*

*risk, planning livelihood support, and for M&E of livelihood outcomes, are rare in country frameworks. Some approaches that may provide a way forward in building the knowledge base on livelihood success and sustainability through evaluation at the country level are presented.*

Globally, the number of people forcibly displaced due to conflicts and disasters has escalated to record-breaking levels and protracted time frames, renewing the pressing call for longer-term solutions that foster sustainable livelihood creation. Some experts expect that development may offer such a solution to forced displacement (UNDP 2013). The question is, will development itself swell the number of displaced people lacking livelihoods, and thus only add to the problem?

This chapter approaches this question by first reviewing the case being made for livelihood creation to mitigate the costs of displacement generally. It then explores livelihoods in development displacement more specifically, through the lens of the evaluation record, to understand the key elements shaping livelihood loss and potential reconstruction. Evaluations find that people affected by development may lose their income and livelihoods along with their housing, or independently of housing. The case for considering livelihood as an essential and critical requirement in longer-term solutions to displacement is examined. The chapter also examines the impact that country laws, procedures, practices, and capabilities for land taking and transfer—that is, the “country framework” or “country system”—have on development displacement outcomes, and on livelihoods in particular.

This analysis serves to highlight a gap, identified at the earliest stages by international resettlement specialists, between international policy and borrower country frameworks. Lost income and livelihoods in particular fell into the gap. The World Bank’s policy was based on an understanding of the often complex sociological processes through which displacement could damage incomes and livelihoods, and living standards generally, through which livelihoods could, eventually, be recreated. In contrast, in 1991 the World Bank’s general counsel found that, among borrowers, legal issues in resettlement were treated as a subset of property and expropriation law, that basically aimed to clear land for development purposes in return for cash payments to recognized owners (World Bank 1994). In these circumstances the actions and recordkeeping focused on transfer and status of the land rather than the Resettlement Plan, its livelihood measures, and its socioeconomic outcomes for land losers. Noting that cash would not suffice to prevent impoverishment where land and labor markets and safety nets, were undeveloped, and where compensation funds risked diversion, siphoning off, or delay, the World Bank recommended “policy reform” and other actions to address the gap and, in effect to bring the people affected into sharper focus (World Bank 1994). In other words, project proponents would be encouraged to move beyond cash compensation to take responsibility for regenerated income flows, livelihoods, and living standards among people dispossessed by the developer’s own projects (World Bank 2004).

This gap is still very evident. International lender policies assign, in various circumstances, responsibility to the governments that expropriate or restrict access to land involuntarily; to “clients” implementing and operating the project (IFC 2012); or to the borrower, defined as the “recipient of Bank financing for an investment project, and any other entity responsible for the implementation of the project” (World Bank 2017, 3). Human rights standards require “competent authorities” to ensure that anyone forcibly displaced by development has access to livelihood (UNHRC 2007).

By centralizing a livelihood objective, international lenders such as the World Bank and the International Finance Corporation (IFC), raise the question of socioeconomic rehabilitation, which may require a deeper understanding of sociocultural patterns of community interactions in relationship to land and resources. This entails assessing risks and impacts for various categories of affected people who may use land and other assets differently, and, in consultation with all stakeholders, developing income and livelihood options that meet social and economic parameters. It may mean detailed assessment of loss of income; and strategies to replace or to cost the reestablishment of working agricultural and commercial enterprises. It may mean matching skill sets, diagnosing training needs, and mobilizing social security or welfare provisions. It may mean formalizing and costing time-bound measures and plans; and monitoring outcomes for people’s livelihoods and lives.

Conversely, payment of compensation in cash can seem a simpler and easier option that absolves project sponsors of responsibility for any further remediation, and readily hands the decision on the use of compensation to project-affected people, who may opt to replace the lost asset, if they can; look for alternative income sources; consume the proceeds; mix several of these options; or do something else. That strategy assigns the livelihood risks that arise in displacement squarely to the affected people. It also raises the possibility of misdirection; siphoning off or delay of cash compensation funds intended for affected people; and hardship among people affected where countries lack social welfare. Many officials among borrowers in Asia nonetheless express a preference for this approach.

This chapter will explore the dynamics at work in some of the differing expectations around this central theme, and offer a perspective based on evaluation studies, discussions and interviews conducted over many years. International standards, whether originating from a focus on human rights or on international lending policies on involuntary resettlement, recognize the importance of the country role in policy implementation. Across Asia, country laws, procedures, and practices for land takings are changing. Is there now greater recognition of the importance of livelihoods in crafting sustainable solutions for long-term displacement? The chapter explores this question and concludes with some relevant recommendations.

## **THE CASE FOR ADDRESSING LIVELIHOODS IN DEVELOPMENT DISPLACEMENT**

On a conceptual level, the case for addressing livelihoods in the context of forced displacement is multifaceted. The 193 countries of the United Nations

(UN) General Assembly adopted the UN's 2030 Sustainable Development Goals (SDGs) in 2015. This has revived the attention given to sustainable livelihoods, which “resonate” with all 17 of the SDGs, and underpin the realization of the SDG targets, particularly those that aim to end poverty and hunger; achieve sustainable growth; reduce inequalities; promote decent work for all; and use the earth's resources in a sustainable manner (Biggs et al. 2015). The SDGs encompass all countries, both developed and developing, and include developing a plan for monitoring and evaluation (M&E) with indicators that work at the regional, national, global, and thematic levels: and evaluation plans that must include social, environmental, and economic indicators. These factors raise the stakes for a globally adopted and evaluated development plan, and they have brought renewed attention to the approaches for developing sustainable livelihoods (Biggs et al. 2015).

The SDGs foresee population displacement as a major risk to achieving sustainable development—and this has implications for livelihoods. As population displacement arising from conflicts and disasters breaks records and becomes more protracted, the challenge of finding longer-term solutions intensifies. Livelihood creation may be viewed as an essential component of longer-term solutions, especially for those displaced who have the least negotiating power and the fewest skills to access “new” economic opportunities. The United Nations Development Programme (UNDP) estimates that, globally, more than 200 million people are unemployed, with 74 million young people aged 15–24 looking for work. Some 600 million new jobs will be needed in the coming decade, without which UNDP expects the risk of further destabilization and intensification of population displacement. UNDP's resilience-based development approach, for example, builds livelihoods for both displaced people and their hosts (UNDP 2013). The SDGs present development both as a means of preventing further displacement by diminishing its drivers, and as a solution to protracted displacement, by turning short-term refugee costs into longer-term gains; lowering the costs of migration; and increasing the contribution of migrants to their host countries or communities through building livelihoods (UNDP 2013).

Development, which is the intended solution to displacement, paradoxically creates more displacement—at least 15 million displaced persons each year (IDMC 2016). Building infrastructure, for example, has social and environmental impacts and externalities that, if not properly managed, can result in unmitigated displacement that further disrupts livelihoods. This chapter explores this paradox through the lens of evaluation studies and of emerging new directions in laws, regulations, and procedures on compulsory acquisition.

### **LIVELIHOODS IN DEVELOPMENT DISPLACEMENT: SOME THOUGHTS FROM EVALUATIONS**

The involuntary resettlement policies of international financial institutions place livelihoods at the center of resettlement objectives, defining livelihoods broadly, for example, as “the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and

bartering” (IFC 2012, 1). The World Bank definition, as set out in the new Environmental and Social Framework, is similar (World Bank 2017).

Livelihood replacement or recreation can be complex. For example, based on significant project experience, the IFC prefers providing replacement land where livelihoods are land-based, or where land is collectively owned (IFC 2012); and access to alternative resources where livelihoods are resource-based, together with resources for their preparation and development. Those people losing income from lost or damaged commercial activities may be eligible for compensation for reestablishing the commercial activities elsewhere; compensation for lost net income during the period of transition, replacement land, and for the costs for relocating and re-establishing plant, equipment, and other items (IFC 2012). These efforts may entail, in addition to replacement or replacement-rate compensation for income-generating assets and income loss, measures to reestablish investment and development assistance such as the land preparation, credit facilities, training, or job opportunities needed to enable affected people to improve their living standards, income-earning capacity, and production levels; or at least to maintain them at preproject levels.

Lenders may require “gap analyses,” which record any differences between their own policy positions and the country frameworks, together with the supplementary gap-filling measures that lenders may agree on with borrowers in each project case. Livelihood gaps reflect the difference between international policies and country laws and standards on land takings (World Bank 2014). Engaging with these income and livelihood issues raises questions on the availability of resources and time for planning; for identifying those specifically at risk of losing income and livelihoods; for assessing the compensation amounts due in different circumstances; for canvassing feasible livelihood-supporting options and opportunities or social welfare possibilities, in close consultation with affected people; and for monitoring and evaluating impoverishment risks and livelihood outcomes.

Development displacement is conducted in a very specific context and time frame, with legal, valuation, financing, consultation, disclosure, and appeals dimensions. An early, internationally financed resettlement evaluation found that favorable country policy and legal frameworks, together with sufficient financing, capable institutions, and local involvement, were the foundation of successful livelihood restoration, which from the beginning was held to underpin successful resettlement (World Bank 1994). An Asian Development Bank evaluation in 2000 found similar results, and also recommended more attention to livelihood risk assessment and restoration, together with stronger M&E of outcomes. A subsequent evaluation by the World Bank confirmed the importance of livelihood reconstruction: a careful assessment of impacts found that more people lost income and livelihood than were physically displaced from their housing for the sampled World Bank Group projects.<sup>1</sup>

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<sup>1</sup> An evaluation of operations over the period fiscal 1999–2008 found that 41 percent of people affected were physically displaced; the rest faced impacts on livelihoods (IEG 2011).

While evaluations generally have confirmed the importance of conducive country frameworks, it has been difficult to foster such frameworks. Successive evaluations found that international involuntary resettlement policies, when applied in loan financing, offer better risk assessment and more comprehensive corresponding mitigation plans to address income and livelihood loss than do country frameworks generally. International policies offer fairer compensation and other assistance for nontitled landowners; and broaden monetary compensation to include loss of income and measures that aim to restore livelihoods taking account of sociocultural context (ADB 2000; IEG 2011; World Bank 1994, 2014). However, the extent to which these additions in planning are carried through into implementation, and reflected in monitoring and management depends at least partly upon the level of congruence in borrower frameworks, and more generally, borrower commitment to these ideas.

In densely populated Bangladesh, for example, land is a particularly critical asset in social and cultural as well as economic terms. Even though land in Bangladesh is not only a means of livelihood but also “a sign of social power, pride, status, security and happiness” (Al Atahar 2013, 306) the government has not approved a national resettlement policy that would recognize and address the wider implications of the substantial losses that are experienced when land is acquired for development purposes, including loss of livelihood, and its interrelationship with these wider social variables. In 2016 the country’s Ministry of Lands approved a new Land Acquisition Act, but it does little to address the wider concerns of landowners and land users, beyond speeding up the acquisition steps and raising compensation levels, typically paid in cash with no additional assistance (Zaman and Khatun 2017). India, in contrast, has made a significant effort to address resettlement, rehabilitation, and livelihood issues in its new law, as discussed below.

It is worth pausing to recap the underlying legal powers in forced development displacement. Legal instruments for land expropriation or transfer have power to trigger the displacement. If upfront negotiations fail between willing buyer and willing seller, or are deemed inappropriate, it is the state’s exercise of eminent domain or compulsory acquisition that provides a legal foundation for it to expropriate, in the public interest, the property of individuals for development purposes. This overrides, in most cases, their constitutional rights to property, whether it is their “property” by legally verified ownership, or by use rights. Most country constitutions allow expropriation, or compulsory acquisition, upon payment of “just terms,” “equitable compensation,” or a similar phrase, to citizens for the loss of their property. If, rather than acquiring the land the project simply restricts access to it, or activity upon it, as with a power transmission line with tower footings, or a fragile environmental area that is being protected, other laws, regulations, and guidelines may apply. The law and any associated regulations generally determine who is eligible for compensation and other assistance, and for which kinds of losses. As a subset of property and expropriation law, without a livelihood or rehabilitation objective, in most cases these laws fail to recognize the full extent of losses and what might be required to address them.

Several countries have requested that financiers allow them to use their own country safeguards rather than financier policies. Early signs are that these country safeguard analyses focus closely on the wording of legal instruments for compulsory acquisition, and their application in practice. Other parameters also deserve careful attention in such assessments. These include time frame and planning cycle constraints, valuation methods, and grievance and appeals mechanisms that provide a fair outcome, as explored in the following sections. These parameters are discussed sequentially in what follows.

### **Time Frame and Planning Cycle Constraints**

Development displacement accompanies the project-planning cycles of feasibility, design, appraisal, approval, and implementation. If resettlement planning is required, it is situated in a specific, and often a very tight time frame. While scoping and socioeconomic surveys can and must begin earlier, compensation and resettlement plans often cannot be finalized until completion of the detailed technical design that will allow the assessment of impacts, through a census and asset inventory. The risks to livelihood must be assessed quickly, and those at risk of losing income and livelihoods must have choices put before them. Compensation must then be delivered before construction begins, forestalling arbitrary eviction without compensation. This tight time frame favors quick cash payments. It presents a challenge for livelihood measures, which may involve longer-term activities such as training, project employment, production, business development, and various forms of social assistance. This time dimension has been little noted or explored in international financier evaluation studies. Nor have the variations in planning cycles between countries and sectors received much attention.

### **Valuation Methodology—Replacement Costs, Including Social Costs**

The valuation methodology determines the ultimate value of compensation offered. Country laws, which had used lower asset tax values, and various administrative formulas, with lesser compensation rates for less certain categories of land holdings, are now moving in some cases to independently set market rates. International practice uses replacement rate, which adds to the market rate the additional real costs to people affected by involuntary acquisition, such as administrative and transaction costs and relevant moving and transfer costs (Pearce 1999). If the payment is delayed, inflation may erode the potential for the compensation to replace lost assets.

Replacement of losses is the overall principle that international financiers advocate for—and also that replacement land must be offered to land-dependent rural producers. There are some very important questions to consider here. Is fair-market appraisal used as a basis for asset valuation? Is the highest and best price regularly used, based on accurate data? In addition, are out-of-pocket expenses covered? And how are nontangibles valued?

The loss of land may represent not only lost assets and income, but also the loss of security for old age and disability, and loss of the locus of social networks. Land is often an essential element in the formation of households, social and cultural systems, and psychological well-being. Replacing land with cash or short-term work may destroy these systems, and with it prospects for sustainable livelihoods (Cernea 2008; Downing and Garcia Downing 2009).

The full social costs of displacement to affected people may only become apparent well after displacement as households, communities, and their production systems begin to unravel. These costs may include the loss of hard-to-quantify social networks that reflect and sustain communities, and offer both economic and social benefits, including health care, informal support, marketing networks, reciprocal labor exchanges, and backup in hard times. They also include the loss of any nonpriced social and cultural assets, such as commonly owned forests, water bodies, and grasslands, which provide communities with sacred sites and ritual objects, food, grazing land, fuel, medicines, and salable items. Land may also represent the only source of security in old age or infirmity. It may encapsulate and represent an unquantifiable but fundamental sense of belonging and identity that underpins psychological well-being. The loss of production systems and other assets may start unraveling the cohesion of households, neighborhoods, and communities—the social characteristics that underpin the inter- and intra-household agreements that in turn underpin livelihoods (Downing and Garcia-Downing 2009; Lam 2015). In short, in losing their tangible assets, in addition to income, households may lose essential subsistence, insurance, social support, and their place-based identity.

### **Consultation, Disclosure, Grievance Redress, and Appeals**

Disclosure of critical information to the people affected, and the establishment of grievance redress mechanisms help to set a fair process, in which dispossessed people have access to information and can, without prejudice, lodge an appeal and expect to have it heard fairly and in a reasonable time frame. In these respects, development displacement takes place rather differently than most other forms of displacement—and with care, the mitigation strategies can be built in ahead of the act of displacement.

### **HOW ARE LIVELIHOODS ADDRESSED IN NATIONAL FRAMEWORKS OR SYSTEMS FOR EXPROPRIATION?**

The rapidly developing Asian region features several significant new laws concerning land acquisition. This legislation increasingly reflects independent asset valuation, social analysis or social impact assessment (SIA), consultation opportunities with affected people, and negotiation as a basis for compensation. Most Asian countries now allow project-affected people to challenge land acquisition procedures in court—if they can afford to challenge. In addition to physical assets, many countries now recognize and compensate for loss of economic activity and improvements on land. At least three countries

(Cambodia, India, and Indonesia) offer land-for-land replacement options, but none of them require that the replacement land be ready for cultivation. India, Indonesia, and Vietnam offer relocation allowances where relocation is necessary (Tagliarino 2017).

India's 2013 law, The Right to Fair Compensation and Transparency in Land Acquisition, Resettlement and Rehabilitation Act (LARR),<sup>2</sup> replaced the Land Acquisition Act of 1894, which was based on the state's power of eminent domain. As signaled in its title, where it applies, the LARR accepts the proposition that land acquisition may threaten livelihoods; and that in such cases, livelihood rehabilitation strategies are necessary. It recognizes that "affected families" include those without title to land, who nonetheless have depended on the land for their primary livelihood for the preceding three years. Nontitled people losing livelihoods may benefit from livelihood reconstruction through increased compensation rates, SIA, and consent from the people affected. LARR includes consultative planning, negotiation, and grievance redress. The LARR is part of a broader legal framework of rights and guarantees that increase its legitimacy in protecting affected people (Mariotti 2015). India is the only Asian country with a legal requirement to minimize displacement by exploring alternatives. It has constituted a group of experts with social science expertise, to review SIAs and alternative project designs that would minimize displacement.

Indonesia recently introduced a landmark Law on Land Acquisition for Development Purposes in the Public Interest (Law 2/2012), which became effective in 2014 after the issuance of implementing regulations. The law replaces a series of presidential decrees and other regulations that generally required only the payment of lesser or no compensation to those land users without formal title; and calculated compensation starting at lower rates, based on tax value. Law 2/2012 introduces the concept of independent market appraisal for lost assets, requiring "reasonable and fair compensation" that covers land, assets on land, structures, plants, other objects relating to land, and other nonphysical appraisable losses, including loss of jobs, businesses, the costs of changing location or profession, and the loss of value in remaining assets. While not an explicit requirement, this could equal replacement cost. The law allows compensation to be paid as cash, replacement land, resettlement, shareholding, or other forms agreed upon between the parties (Article 36).

There is no mention of livelihoods in the law. In cases where the affected household is selecting the resettlement option, this may include livelihood assistance under a related law of 2011. Generally it is unclear how Law 2/2012 will deal with audit rules that require depreciation to be deducted from asset compensation; or with budgeting regulations that do not allow "double counting" in the form of additional livelihood measures on top of compensation. Law 2/2012 does include a greater opportunity for affected people to seek consultation, negotiation of compensation, and redress of

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<sup>2</sup> The text of the LARR can be found here: [http://www.prsindia.org/uploads/media/Land%20and%20R%20and%20R/LARR%20\(2nd%20A\)%20Bill,%202015.pdf](http://www.prsindia.org/uploads/media/Land%20and%20R%20and%20R/LARR%20(2nd%20A)%20Bill,%202015.pdf).

grievances; and these mechanisms may offer opportunities to counter earlier regulations that in effect limited livelihood assistance.

Vietnam's new Constitution (2014) and Land Law No 43 (2013) strengthen legal protections for people affected by development displacement, with provisions to identify them, inform them, and consult with them prior to any acquisition; to recognize certain customary land-tenure rights; to recognize and compensate for loss of economic activity on land; to provide replacement land as a compensation option; to compensate before possession; and to pay a relocation allowance when people must relocate.

In 2102, Cambodia introduced a Law on Land Expropriation that strengthens information and consultation requirements, allows compensation for loss of economic activity, and encourages land-for-land compensation, but does not require that replacement land to be ready for cultivation. Sri Lanka introduced an authoritative but nonbinding National Involuntary Resettlement Policy in 2001, a Compensation Policy in 2008, and several gazette notifications under the Land Acquisition Act of 1950, the latest of which (2013) which applies very selectively, mainly to certain transport projects; brings compensation payments to replacement rates; and significantly boosts consultation and negotiation possibilities for people losing land.

The Kyrgyz Republic, like some other Central Asian republics, has transformed its legal and regulatory framework to allow privately owned land for its citizens. However, the legal basis for compulsory acquisition lacks clarity, and there is little commitment to consultation with the people affected in practice, or to the development of livelihood programs.

China has introduced measures in the reservoir sector that address livelihoods (Cernea 2016), and has several other laws and regulations that provide some assistance for livelihood that covers expropriation in certain circumstances. It still lacks an overall, transparent and consistent law on land acquisition that covers all sectors; unambiguously sets a livelihood objective; and requires a resettlement plan and SIA as a basis for developing livelihood options.

While a complete analysis is beyond the scope of this chapter, there are positive examples of the movement toward fairer, more consultative, and more transparent land acquisition laws and regulations across Asia. However, the legal requirements generally stop short of statements in law that define livelihood standards; propose risk assessment tools and methods to determine when livelihoods are at risk; formulate income and livelihood measures in meaningful consultation with those affected; mobilize the necessary expertise, management capacity, and financing; and establish requirements to evaluate whether livelihood objectives have been achieved. The laws do not take the additional step of recognizing the rationale for livelihood measures: the unquantifiable social costs, opportunities foregone during downtime, and the transition and reconstruction costs that so often accrue for people along the way.

Nationally ratified human rights conventions, declarations, and treaties would, if applied in tangible ways within the process of planning and managing resettlement, strengthen consultations and protection for a range of vulnerable groups.

## NEGOTIATING FOR LIVELIHOODS

Many new laws and regulations offer increased scope for negotiation, even within the context of compulsory acquisition. Does the negotiation process hold something that would foster income and livelihood choices for people affected? This section briefly explores this possibility.

Negotiation may take place around choices within a framework for involuntary land acquisition, or entirely outside the existing framework, as an agreement negotiated between a willing buyer and a willing seller, in the form of a market transaction. The former type of negotiation is subject to the applicable national legal framework, which has the legal power to involuntarily displace people, even while offering them an opportunity to negotiate on some elements.

Most Asian countries require such negotiation: the exceptions are Bangladesh, Taiwan, and Thailand (Tagliarino 2017); and Sri Lanka, except for selected projects named in the 2013 Gazette. Most reports indicate that such negotiations revolve around the level of cash compensation in terms of the assets recognized, and the level of compensation offered, with little scope for negotiation on the reconstruction of livelihood opportunities.

Even within this involuntary framework, however, the laws increasingly provide opportunities for negotiation. Among Asian countries, Indonesia, for example, in its new Land Acquisition Law of 2/2012 (Articles 34, 37, and 38), introduced a specific requirement for negotiation of compensation between the land administrator and the “entitled parties,” with the express intention that the acquisition is not carried out entirely under duress. Before the possibility of expropriation for development in the public interest, for example, Law 2/2012 requires the government to consider other options, including buying land under a “willing buyer-willing seller” transaction. If the land parcel is less than five hectares, Presidential Regulation 40 of 2014 permits the acquiring agency to negotiate directly with the land user in the form of sale-purchase land exchange, or other means agreed on by the parties. Beyond this, however, the law envisages a negotiation with affected people with regard to compensation options, including money, replacement land, resettlement, shareholding, or other forms of compensation, as agreed between the parties (Article 36). All of these options hold possibilities for restoring livelihoods, but nothing is explicitly spelled out.

The second type of negotiation takes land transactions into the market arena, which may be shrouded by commercial in-confidence concerns. There are some indications that private sector models can be more flexible, expansive, and responsive to the articulated concerns of affected people when compared to models applied by government agencies. Private developers can work outside the government planning, project cycle, and budgeting systems that may limit the options available for government projects, particularly where livelihood measures are not mandated by law. For example, a private oil and gas project developer in Indonesia provided a resettlement plan for the affected communities. The plan was considerably more generous than a comparable government-funded project would have been (Price 2015). The plan articulated a resettlement-with-development objective that was higher

than either the international or national standards in place at the time. It also required a high level of public scrutiny and disclosure, and strong corporate commitment.

Negotiating directly with affected people as an integral part of a framework for land acquisition, compensation, and involuntary resettlement increases the transparency of the process, possibly leading to fewer complaints (Tagliarino 2017). However, a “willing buyer, willing seller” arrangement might not necessarily mean a level playing field between buyer and seller that will result in a fair outcome. Rather, it can signal the influence of asymmetries in power and information. It may reflect a loss of entitlements to fair treatment designed to forestall the impoverishment of affected people, in favor of a nebulous system of negotiated rules and remedies that in effect do away with entitlements altogether (Bugalski 2016).

Private developers and proponents may simply rely on government to clear the land with no questions asked; or to waive any requirements for environmental and social safeguards, including even basic compensation. This has been the case with certain notorious mining ventures, such as the Freeport mine in Indonesian Papua; or, more recently, in agriculture, as in some of the Cambodian Economic Land Concessions. Asymmetries in status, resources, power, and information are key features of interactions between the negotiating parties. If developers have financing from international banks with involuntary resettlement policies, or have signed onto voluntary agreements such as the Equator Principles, this may offer additional protection to the affected people. However, land deals negotiated between unequal parties may still result in divided and disempowered land-owning groups, and their resulting marginalization and impoverishment, even where both international and human rights standards are respected (Narula 2013). New guides are being written with the aim of informing and supporting small landholders faced with the daunting prospect of negotiations with powerful, well-resourced developers who often have government backing (e.g., a community guide to negotiation issued by Inclusive Development 2016).

## **RECOMMENDATIONS FOR ENHANCING LIVELIHOODS IN DEVELOPMENT DISPLACEMENT**

...in order to have continued relevance and application, livelihoods perspectives must address more searchingly and concretely questions across ...four themes:...knowledge, politics, scale and dynamics. These are challenging agendas, both intellectually and practically. For those convinced that livelihoods perspectives must remain central to development, this is a wake-up call. The vibrant and energetic “community of practice” of the late 1990s has taken its eye off the ball. A certain complacency, fuelled by generous funding flows, a comfortable localism and organisational inertia has meant that some of the big, emerging issues of rapid globalisation, disruptive environmental change and fundamental shifts in rural economies have not been addressed. Innovative thinking and practical experimentation has not yet reshaped livelihood perspectives to meet these challenges in radically new ways. (Scoones 2009)

Changing laws and practices are creating new ways of addressing losses in incomes and livelihoods across Asia. Some recommendations are presented below.

- Include explicit livelihood objectives in the country's property and expropriation legal instruments, or introduce a new law that recognizes the need for livelihood rehabilitation, as India has done; as well as supporting guidelines and procedures.
- Mobilize resources and capacities to address livelihood objectives through the development of appropriate management mandates, staffing skills, and feasibility assessments and arrangements.
- Develop definitions and diagnostic tools and strategies to assess quickly and effectively whether livelihoods are at risk among the people affected.
- Test principles, valuation methods, and forms of compensation and other assistance that may help rebuild livelihoods. For example:
  - The *value to the owner compensation principle*, which is made up of market value together with other losses suffered by the claimant; and
  - Payment of other *consequential financial losses*, such as the cost of finding alternative accommodations; extra costs for living in a new district; fees for discharging mortgages; temporary business losses pending removal; loss of business goodwill; and the costs of notifying customers and clients about the removal, and other related losses.
- Recognize the principle that it *is an interest in land* that is actually acquired: this comes close to recognizing nontitled people.
- Proactively test baseline socioeconomic surveys as a basis for subsequent M&E, by project sponsors, developing effective feedback links to enhance livelihood program outcomes.
- Test more sensitive needs assessments as a basis for developing for livelihood programs, taking into account the needs and priorities of different groups.
- Research the question of which types of compensation contribute more effectively to restore lost income and livelihoods.
- Explore and test a wider range of feasible livelihood options. For example:
  - Benefit sharing, such as in-kind assistance, project employment, and related on-the-job training, direct revenue sharing, development funds, links with employers' and government programs and equity sharing.
  - Other options include assistance for business development, access to credit and other services, and other forms of training and skills development. These forms of assistance may be reasonably and readily deployed by the average project sponsor or proponent, whether in the public or private sector, although

without proper needs assessments, targeting, and monitoring of results, or without the support of experienced livelihood practitioners, the measures offered to affected people may be poorly utilized and quickly abandoned.

- Certain other options require the waiving of local taxes and preferential rates for financing livelihood reconstruction. This requires concurrence with revenue-raising bodies that might be outside the land acquisition framework. Finally, putting into place social safety nets through pensions, project insurance, contingency funds, vulnerability support schemes, and/or project special funds may be a logical way to proceed, but may also raise practical problems of specifically targeting the affected people. Safety nets usually operate through national-level coordination, again necessitating concurrence from national-level agencies.
- Consider accessing land on a lease basis so that the land is not lost in perpetuity to the original owners.
- Build the knowledge base of what works effectively and how, through the development of M&E methods of measuring livelihood outcomes.
- Share results from the development displacement experience with livelihood programs more generally.

## CONCLUSION

This chapter argues that finding livelihood solutions is an urgent matter as development, conflict, disasters, and, increasingly, environmental change displace ever more people around the globe. Of all these forms of displacement, development displacement has a long track record in addressing livelihood issues, and in prioritizing international policies and standards of livelihood improvement, or at least restoration. The earliest evaluation of involuntary resettlement highlighted the sociocultural context of livelihoods and the links between livelihood restoration and the overall objective of poverty reduction (World Bank 1994). Despite its importance, however, livelihood outcomes have routinely suffered not just from the absence of systematic data and analysis, but also from lack of visibility in the form of articulated objectives in legal instrument, and methods for assessing losses. This has meant a corresponding lack of resources for planning, monitoring, and evaluation of livelihood options; a lack of sufficient time allocated to planning cycles for significant and meaningful consultation on a wide range of choices as a basis for preparing livelihood programs; and deficiencies in asset valuation methods for addressing loss of income and the reconstruction of livelihoods.

Compensation at replacement cost forms a critical basis of the overall strategy to rebuild livelihoods in international policy formulations: but resettlement specialists have found that more is required if livelihoods are severely affected. While there is increasing congruence between international and national standards in legal and regulatory instruments, livelihood measures form the weakest point in many national laws concerning land acquisition.

Whereas the livelihood objective is central to international resettlement standards, it barely appears, if at all, in most of the recent national legal and regulatory initiatives.

Yet even where internationally financed projects include livelihood measures in resettlement plans, or as stand-alone livelihood restoration plans, there is no guarantee of their outcomes. This aspect of policy application merits a major rethinking in terms of rationale, legal formulations, financing, management, and application. It could benefit, for example, from a reexamination of methods for identifying the affected people who are most at risk and will need livelihood support, and meaningfully consulting with them on a range of feasible livelihood options. It could also benefit from a comparative assessment of valuing and compensating for lost assets and incomes as a basis for livelihood reconstruction, and the management arrangements under which these decisions are made. Similarly, a comparison of livelihood outcomes from the application of country laws that recognize and address the livelihood imperative, such as in India, compared with outcomes when country laws do not engage directly with livelihoods, could be illuminating. Is it possible to address these issues through negotiations with the people affected? Do these negotiations offer better livelihood protections, or simply reinforce existing patterns of social exclusion?

International involuntary resettlement policies offer much in terms of methods and procedures for defining livelihood scope and standards; in identifying those at risk of losing livelihoods; in formulating livelihood measures in close consultation with those at risk; in setting forth time-bound, costed plans for identifying management arrangements; in addressing the socioeconomics of recovery for livelihoods at risk; and in methods for measuring, monitoring, and evaluating outcomes. They also offer possibilities for a safeguard on negotiated settlements. Innovative country practices are now adding to the body of knowledge on these matters, reflecting better understanding of the underlying sociological parameters supporting livelihoods in many contexts. International human rights norms and standards can serve as additional tests of public interest through project hearings, while the concept of consent offers a different approach to defending livelihoods at risk. For land-dependent communities with little negotiating power, dismantling productive rural livelihoods may be a step too far, especially under legal and regulatory frameworks that do not recognize the need for livelihood reconstruction. Development may represent a strategy for longer-term solutions to loss of livelihood, but only if livelihood objectives are explicitly named in laws and negotiation procedures; addressed through specific risk identification methods; supported by a range of feasible and consultatively developed livelihood strategies; underpinned by fair legal and grievance mechanisms that are accessible to all those affected; and independently monitored and evaluated to ensure good outcomes.

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