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Involuntary Resettlement in Infrastructure Projects: A Development Perspective

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Change is an ordeal; its only cure is action.
—ERIC HOFFER

There's nothing easier, there's nothing cheaper than taking care of the poor.
—LULA DA SILVA

This chapter puts the spotlight on a dark corner of the development enterprise: involuntary resettlement. In the increasingly integrated world economy, infrastructure promotes the free flow of ideas, people, and goods that underlies economic convergence. In particular, public works (e.g., roads, highways, bridges, dams, canals, and urban renewal schemes) are essential for economic and social progress, but when implemented in vulnerable social contexts, they leave shattered lives and community upheaval in their wake.

This chapter first examines the intersection between development and human displacement within a rapidly changing development policy context. It then probes the logic of involuntary resettlement, explores its context, reviews its antecedents, and delineates its scope and impact. Next, it sketches the emerging challenges created by current infrastructure provision and financing trends. The chapter concludes with policy recommendations.

Development Policy at a Crossroads

Ample evidence suggests that forcible eviction to accommodate construction projects in the zones of turmoil and transition in the developing world disrupts livelihoods. In fact, this disruption is similar to that caused by violent conflicts or natural disasters. This is wrong and unnecessary. New policy priorities are needed; they should reflect the lessons of experience and take into account recent changes in the authorizing environment.

The reduction of poverty has supplanted growth as the universally accepted aim of the development enterprise, and the human rights agenda is now at the center of the policy stage. Tolerance for incurring social and environmental risks has shrunk. The north-south model of international relations, which lumped together emerging middle-income economies with low-income and fragile countries, has become anachronistic. Developing countries are now in the driver's seat of development programs. However, development-induced resettlement practices have yet to adapt to these new policy directions.

Everywhere the basic assumptions that underlie development programs are being reconsidered. The growing interconnectedness of the global economy and the dominance of private investment in the development process remain uncontested, but standard "big picture" policy prescriptions like the Washington Consensus have been discredited. Within the academic world, the lack of robust research findings from a decade's worth of cross country regressions has shifted the focus of development research from macroeconomics to microeconomics. In particular, experimental methods geared to figuring out what works in development have become fashionable, but they too are failing to come up with unambiguous results applicable across countries and continents (Cohen and Easterly 2009). Only one big idea appears to have survived: immune from experimental testing, it holds that infrastructure is a fundamental determinant of economic growth and productivity.[1] But infrastructure investment remains controversial given its social and environmental consequences.

The Return of Infrastructure-Driven Development

Evidence supports the proposition that economic growth is highly correlated with the stock of infrastructure assets, especially early in the development process (Yoshino and Nakahigashi 2000). Equally, income inequality has been shown to decline with an increase in infrastructure quantity and quality (Calderon and Serven 2004). The current development paradigm holds that human well-being is the ultimate development prize, that private enterprise is the engine of a developing economy, and that infrastructure provides its wheels. This notion amounts to a rediscovery of the capital-driven models that characterized development economics in its pioneering years. Policy studies have also disclosed that equitable access to basic infrastructure services is a crucial prerequisite for accelerated progress toward the Millennium Development Goals endorsed by all United

1. World Bank (1994b) provides a comprehensive treatment of the role of infrastructure in development.

Nations members (Leipziger et al. 2003). Finally, there is no denying that environmentally sustainable development hinges on a much greater investment in clean and renewable energy sources.

More than 1 billion people lack access to roads, safe water is out of reach for 1.2 billion people, 2.4 billion are not served by proper sanitation facilities, and 2.3 billion are not connected to reliable energy sources. Hence, infrastructure investment is now considered an essential instrument of global poverty reduction. Justin Lin, former chief economist for the World Bank, recently identified infrastructure investment as a "low hanging fruit" in the development process.[2]

Yet, with the exception of structural adjustment lending, no aid vehicle has given rise to more civil society protests or more divisive policy controversies than the large infrastructure projects funded by development assistance agencies. This deep public distrust is associated with a long history of mismanaged and misdirected resettlement initiatives.

The Checkered History of Resettlement

Colonial history has shaped the history of resettlement. Forced displacement has systematically been used to control groups that harbor opposition to the state. The removal of Native American tribes to reservations in the United States was achieved through resettlement. The British government used resettlement to fight Kikuyu tribes resistant to colonial rule in Kenya. Relocation to protected enclaves was an essential part of the military strategy that defeated the communist insurgency in Malaya. The U.S. Army famously tried to emulate this approach through its Strategic Hamlets program in its vain attempts to pacify the countryside during the Vietnam War.

Resettlement has also been used for social engineering. For example, colonial rulers and later the Indonesian government relocated poverty-stricken landless Javanese farmers to the outer islands of the Indonesia archipelago to achieve a more balanced population distribution and to promote a single national identity. Similarly, following independence and under one-party rule, Tanzania resettled rural populations in order to collectivize agriculture in line with President Julius Nyerere's defunct model of African socialism (*Ujamaa*).

These ill-fated social experiments were driven by nation-building programs that gave pride of place to forced modernization. Most policy makers in charge of developing countries' economies viewed informal urban settlements, nomadic lifestyles, and scattered farming as obstacles to development. Under authoritarian

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2. Elaborating on this proposition at the North South Institute Conference on the Future of Multilateral Development Cooperation in a Changing World Order (June 2011, Ottawa, Canada), he said, "A global infrastructure investment initiative would be a 'win-win' for the world. It would boost growth and reduce poverty in developing countries, rejuvenate advanced economies, increase the demand for their capital goods exports and create much needed jobs."

rule, and with strong support from the fledgling aid industry, the newly independent states used large-scale infrastructure projects to accelerate capital formation and industrialization.

The demise of central planning models paralleled the growing influence of rights-based approaches in development and eventually led to a reconsideration of resettlement policies and practices. This chapter gives special attention to the World Bank not only because of its pioneering social research contributions to the resettlement debate, but also because of its early adoption of a range of social and environmental safeguard policies that put it in the vanguard of development policy reform.

The Peculiar Logic of Involuntary Resettlement

For decades, the World Bank has exercised remarkable intellectual leadership in social and environmental policy based on its innovative and activist policy research agenda. Its operational manual policy statement 4.12 on involuntary resettlement stresses the dire consequences of unmitigated development-induced resettlement for affected people and communities. The policy statement acknowledges the reduced incomes, unemployment or underemployment, homelessness, dismantled production systems, environmental risks, disrupted social networks, and weakened cultural identity associated with involuntary resettlement (World Bank 2011). But the actual implementation record shows that in seeking to walk a fine line between the capital formation imperatives of economic growth and its disruptive consequences for vulnerable segments of society, the policy has glossed over major ethical and policy dilemmas. For example, the policy statement defines "involuntary" as actions taken without the displaced person's informed consent or power of choice, while also stating that "resettlement" is made up of actions to ensure, among other things, that the displaced are not only informed about their options and rights but also meaningfully consulted on, offered choices among, and provided with alternatives. It follows that involuntary resettlement, thus defined, embodies a fundamental contradiction: if, as posited by economist Amartya Sen, development is the freedom to realize human capabilities, how can involuntary displacement practices that devastate communities and destroy livelihoods be made compatible with the mandate of a development assistance agency?

Is development-induced relocation ever voluntary under current practices? The participatory process mandated by the policy implies that a genuine choice is available to individuals and groups facing relocation, whereas in reality principled negotiations about relocation are rarely carried out on a level playing field. More often than not, affected individuals and groups are deprived of access to full and reliable information about the infrastructure projects that will affect their livelihoods and lifestyles. Refusing to relocate is not usually a realistic option. Given power imbalances, relocation is often achieved through misleading communications, threats of persecution, intimidation, or bribery. When such tactics fail, coercion is the default option. To be sure, potentially displaced people may be able to pressure the authorities and prevent construction through public protests and political influence, but the implicit threat of force is always present. Violence is structural more often than explicit; refusal to relocate may mean being flooded out by rising waters or witnessing the destruction of one's home by a bulldozer. The choices available to affected individuals are severely restricted and akin to offers that cannot be refused. Without legal recourse, relocation is inevitable, and without independent verification one cannot determine whether relocation has been voluntary, induced, or coerced. Similarly, the word *resettlement* is not neutral. Given its technocratic flavor, it evokes assisted migration, planned relocation, and harmonious reintegration in the community. It also connotes mobility, forward thinking, and social adaptation. But in the real world, resettlement is subject to bureaucratic rules and manipulation, and powerful interests and political realities shape all resettlement transactions.

Thus, the World Bank policy does not specify when and how the resettlement process ends. Does it end when livelihoods have been fully restored and communities have been revitalized? Or is the mere prospect of achieving such a state the relevant standard? Who decides, and on what basis? Almost invariably, the criteria that mark the beginning and end of the resettlement period are set arbitrarily and unilaterally by the authorities (Muggah 2008). To be sure, the World Bank policy statement makes clear that involuntary resettlement should be avoided wherever possible or that it should be minimized, but the policy does not linger on this topic or elaborate on how this might be done. Instead, it instructs World Bank staff in extraordinary detail about the measures, instruments, and practices that they should put in place to make way for the projects it funds. The subtext is that involuntariness is the rule rather than the exception.

A Disciplinary Divide

Disciplinary fault lines characterize the resettlement policy debate. Economists point to the great benefits to the society at large from infrastructure investment. They argue that opposition by civil society critics and activist scholars is detrimental to the public interest. While not blind to the downside social risks, economists tend to view them as undesirable side effects to be addressed on a best effort basis rather than as fundamental policy concerns that should inform project choices and engineering designs. In response, sociologists stubbornly insist that displaced individuals and groups bear a disproportionate share of the costs. They point to eight interrelated consequences of poorly managed human displacement (Cernea 1997):

1. Landlessness (linked to land expropriation).
2. Joblessness (connected to loss of wage employment).
3. Homelessness (loss of shelter, disrupted communities).

4. Marginalization (human capital loss, downward social mobility).
5. Food insecurity (associated with loss of land).
6. Increased morbidity and mortality (increased reliance on unsafe water sources, increased exposure to disease, psychological stress).
7. Reduced access to social services and common property (schools, health centers, pastures, forest lands, burial grounds).
8. Social disarticulation (unraveling of social ties, loss of cultural capital, etc.).[3]

On the one hand, methodological blinders have induced myopia among economists about the consequences of infrastructure investment on third parties. Naive cost-benefit analyses of project investments have failed to capture multifaceted impacts, such as the psychological trauma inflicted on displaced individuals, the decline in their social status, the irreversible costs to the environment, and the destruction of social capital. On the other hand, sociologists and anthropologists have relied on one-sided surveys and heartrending narratives about the plight of displaced individuals while ignoring the enormous social benefits associated with infrastructure services like transportation, electricity, housing, water, sanitation, and flood control.

A rapprochement is overdue in order to capture the full effects of infrastructure projects and learn from them. Typically, infrastructure investments yield widely dispersed direct benefits. The positive externalities include economically advantageous spillover effects (forward linkages like industrial investment induced by a new road and backward linkages like rising demand for capital goods). The same projects are frequently saddled with negative and cumulative externalities, mostly borne by those unlucky enough to live on land required for development.[4] Resettlement policy regimes that came about as a result of global advocacy campaigns and local protests have had the stated purpose of internalizing and alleviating these effects. But their efforts have failed, and this is why the controversy still rages.

The Emergence of Safeguard Policies in Development

The World Bank's first policy on involuntary resettlement was approved in 1980. It was revised several times,[5] and the organization issued a handbook that went

3. Other authors mention abuse of human rights and violence from security forces and communal conflict in resettlement areas.

4. The entire society and future generations may also be affected where infrastructure development results in cultural or environmental damage.

5. The original policy statement was substantially reworked in 2001 following five years of debate. It was revised in August 2004 to ensure consistency with the development lending policy.

through several editions. The handbook promulgated a host of rules and regulations for project identification, preparation, appraisal, approval, and supervision (World Bank 2004). But whereas the World Bank's environmental safeguards had been backed by an environmental assessment policy, the social safeguards (the indigenous peoples and involuntary resettlement policy statements) were not embedded within an overarching policy framework.

As it stands, the involuntary resettlement policy includes measures to ensure that the displaced are informed of, consulted on, and offered choices among resettlement alternatives. The affected populations are meant to receive prompt and effective compensation at full replacement cost for asset losses attributable directly to the project. They are entitled to assistance during relocation and to residential housing, housing sites, or agricultural sites that are at least equivalent to what they have lost in terms of productive potential, location, and other factors. The goal is to provide the displaced with the support they need during the transition period to restore their livelihoods and standards of living, including assistance for preparing the land, obtaining credit, and training and accessing job opportunities.

In designing its social and environmental safeguard policies, the World Bank consulted with governments, private sector entities, and civil society actors with a view to striking a judicious balance among conflicting interests. This process was intended to consolidate the World Bank's development leadership and to strengthen its public legitimacy. But the process became extraordinarily costly and cumbersome; it took five years to enact a revised policy, and neither the World Bank critics nor the World Bank borrowers were satisfied with the outcome. Similarly, the setup of a fiercely independent Inspection Panel in 1993 did little to enhance the World Bank's reputation since the Panel systematically ruled against the World Bank in response to most of the complaints it was called on to adjudicate.

Global Prescriptions Versus Local Realities

The detailed rule-based approach of the World Bank's involuntary resettlement policy reflects the project-based technocratic principles characteristic of the organization in its early years. Throughout the 1950s, 1960s, and 1970s, project lending was the instrument of choice: projects proved to be flexible vehicles of development assistance and pragmatic tools of policy influence. Consequently, the involuntary resettlement policy was framed to connect with the elaborate processes of the World Bank project cycle. This approach was intended to give teeth to the policy since projects are backed up by loan or credit agreements

It was revised again in March 2007 to take into account new policies governing World Bank responses to crises and emergencies. The most recent update in February 2011 clarified how escrow accounts can help reduce implementation delays and fund grievance mechanisms.

deemed to have the force of international law and to supersede the strictures of national legislations. But in the real world, loan and credit agreements have limited enforcement value since the only practical remedy available to the World Bank is the cancellation of undisbursed loan or credit amounts.[6]

For resettlement—as for many other policy objectives promoted by the World Bank—conflicts between country systems and standard policy guidelines have proved to be the weak link of the accountability chain. World Bank officials must exercise the "art of the possible." The developing countries' civil servants, entrusted with the responsibility of administering World Bank projects, cannot realistically be expected to ignore or flagrantly circumvent the rules and edicts of their own government. Nor can they single-handedly overcome the enormous handicaps created by large regulatory gaps or deeply rooted governance weaknesses.

Unsurprisingly, underperformance against the ambitious stretch targets of World Bank policies has been the pattern in the infrastructure sector. The World Bank's unrealistic goal of 100 percent compliance and its vision of resettlement as a "development opportunity"[7] could not mask a chronic inability to overcome the myriad domestic obstacles that stand in the way of realizing its policy intentions. Its mediocre implementation record and the unusual transparency of its processes fueled advocacy campaigns concentrated on the World Bank rather than on developing countries.

The iconic development policy status achieved by the World Bank, combined with its patent failure to implement in full the "first do no harm" intent of its safeguard policies, made it a lightning rod for public protests.[8] The pursuit of the World Bank global mandate had proved inconsistent with domestic political and institutional realities. This is not to say that the World Bank's safeguard policies made no difference. The policies did set the stage for more humane infrastructure development standards, and they helped to mitigate a great deal of human hardship. But they did not fully succeed in preventing impoverishment and misery for hundreds of thousands of forcibly relocated individuals.

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6. Theoretically, the World Bank has the legal authority to recall the full loan or credit (i.e., secure the full and immediate reimbursement of disbursed funds), but this right has never been exercised.

7. Ian Johnson, vice president for environmentally and socially sustainable development at the World Bank, notes, "Resettlement can have serious repercussions that cannot be exclusively measured in economic terms. . . . Well-designed and well-implemented resettlement can, however, turn involuntary resettlement into a development opportunity" (World Bank 2004).

8. The Sardar Sarovar (Narmada River) project in India has long been emblematic of the World Bank's inability to implement its own resettlement policies, as documented by an independent review commissioned by the World Bank's president (the Morse Commission). The damaging review findings fed into a global advocacy campaign and induced cancellation of the World Bank loan approved in 1985. It also facilitated the establishment of the independent World Bank Inspection Panel.

The Rights-Based Critique

International human rights law establishes norms and principles touching on virtually all facets of life. The United Nations General Assembly adopted the Declaration on the Right to Development on 4 December 1986. The declaration proclaimed the inalienable right of everyone to participate in, contribute to, and enjoy economic, social, cultural, and political development. From this perspective, forced evictions came to be viewed as a gross violation of human rights, in particular the right to adequate housing.

For civil society activists, the World Bank, as a specialized agency of the United Nations, is charged with the protection and promotion of human rights. Hence, it must ensure that everyone affected by the projects it finances not only receive assistance that will help them restore their incomes and secure ready access to adequate land and other resources, but also derive incremental benefits from the projects, including special provisions for ethnic minorities, indigenous populations, and women disproportionately affected by the projects.

Civil society activists highlight four defects in the World Bank relocation policy. First, they argue that the current policy focuses on mitigating the direct displacement impact of projects, leaving governments with the task of addressing indirect impact. They stress that the World Bank should be equally accountable for indirect effects, such as the downstream effects of a dam that affects the livelihoods of fishermen, disrupts ecosystems, and/or leads to impoverishment or social dislocation.

Second, social activists deplore that the policy aims to “improve or at least restore” pre-project standards of living. Strictly interpreted, this language limits the World Bank’s obligation to aim at a baseline requirement of income restoration. Depending on the time required to achieve this goal (and since the displaced would have had opportunities to enhance their incomes in the absence of the project), the provision could in effect imply significant impoverishment of the affected communities.[9]

Third, whereas the policy gives preference for land-based resettlement strategies (thus allowing cash compensation), critics insist that land-for-land compensation should be mandatory for displaced farmers given the cultural significance of land, the low economic and social status accorded to landless laborers and sharecroppers, the insuperable difficulties of securing adequate land where it is at a premium, and the difficulty of retraining farmers for nonagricultural occupations.

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9. This is why a review of involuntary resettlement carried out by the World Bank’s independent evaluation unit recommended that “the emphasis should shift from restoring income levels which suggest stagnation at pre-project lifestyles, to improving income levels which brings the displaced into the development process along with the project’s primary beneficiaries” (Operations Evaluation Department 1998).

Fourth, critics reject the World Bank's reliance on market valuation of replacement costs as the appropriate compensation standard for lost assets. Market valuation does not take into account nonmarket losses, including the loss of status, cultural deprivation, ruptured social networks, and the resulting insecurity associated with resettlement (Clark 2000).

The Eminent Domain Precedent

The governments of developing countries champion rights-based approaches to development but only as admirable aspirations rather than as practical guides to decision making. In particular, they resist the pious exhortations of civil society activists and point out that the World Bank's involuntary resettlement policies demand more of them than what industrialized country governments would tolerate on their own territory. Specifically, they see no reason why they should be denied the long-standing prerogative of a sovereign state to expropriate land under the eminent domain doctrine.

The idea that the government has the power of eminent domain goes back to the Magna Carta of 1215. It states that the government can dispossess its subjects of land and property but only according to the law of the land. Similarly, Hugo Grotius, a Dutch jurist, opined in 1625 that the property of subjects is under the eminent domain of the state so that the state may use and even alienate or destroy such property in the public interest. In such instances, however, the state is bound to make good the loss to those who lose their property (Nowak and Rotunda 2004).

To be sure, the eminent domain doctrine is not a universally accepted legal principle.[10] Japan, for example, does not recognize eminent domain. But the legal regimes of most countries are in line with the eminent domain principles, especially regarding compensation. In Australia the Land Acquisition Act grants the state unlimited powers for any purpose whatever. In the United States according to the Fifth Amendment, land taking by a public or private body is entirely acceptable when the acquisition is for public use; the only proviso is that just compensation must be paid. The U.S. Supreme Court has deferred to the right of states to define and interpret "public use," but it has had to adjudicate several appeals. Its rulings have confirmed that public use only means public benefit, rather than public occupation, and that just compensation is no more than the fair market value of the land.

Similarly, based on historical precedent and in line with its Convention on Human Rights, the European Union protects private property and prohibits

10. Since land cannot be produced by human labor, the notion of land as private property (rather than common property) is not universally accepted. In this vein, Henry George advocated taxing away all land value gains resulting from economic development (George 1953).

state interference unless it is necessary in the interests of national security, public safety, economic well-being of the country, prevention of disorder or crime, protection of health or morals, and so forth. Thus, deprivation of private property is allowed under European law if it is in the general or public interest (including payment of taxes), but just compensation must be paid where interference takes place.[11]

The Free-Market Alternative

Just as land takings in developing countries have elicited protests, eminent domain actions in developed countries have triggered court challenges. In the United States new local statutes have been introduced to restrict intrusive government intervention in land use planning and regulation. Opposition groups dismiss the "market failure" justification for a dominant state role in land policy. Instead, they deplore the government failures associated with unchecked regulatory powers.

In fact, many jurists, scholars, and libertarians have taken the view that eminent domain is despotic. The arguments they have put forward coincide with those advanced by social activists in the development sphere: (1) market value is only the value that the marginal owner attaches to the property and not the personal and cultural value that the actual owner attaches to the confiscated land; (2) the assembly value generated by an infrastructure project belongs to the original occupants rather than the state or the private developers since it is inherent in the land itself; and (3) the disproportionate gains that urban renewal and other investment projects generate for the state and for the well-to-do at the expense of the poor and powerless are unethical. In fact, value capture has generated a vast literature and considerable debate in policy circles, as illustrated by the deliberations of the Lincoln Institute's sixth land policy conference.

Fundamentally, proponents of free-market solutions believe that liberty is rooted in the right to private property and that state efforts to correct land market failures (whether in support of public or private development projects) usually make matters worse. They reject the notion that only government enjoys the coordination powers needed to assemble land for use in the public interest. They favor voluntary exchange as the right approach since, they believe, a recalcitrant owner will eventually yield to a profitable offer—if the price is right (Benson 2010).

There is certainly room for market-based solutions in resettlement activities. Such solutions are used as a matter of course by developers and private corpo-

11. In England and Wales, under a patchwork of statutes and case law, compulsory purchase requires compensation at a price approved by or stipulated by a court. In Germany expropriation for the public good is allowed, but just compensation must be paid, and dispossessed owners may ask a court to review the compensation offered.

rations to purchase contiguous land parcels for industrial or commercial use. The use of dummy buyers helps them achieve land assembly at reasonable cost; option contracts facilitate the workings of land markets, and the allocation of fractional and tradable land development rights helps distribute project benefits more equitably.

But such solutions presuppose that property rights are protected, that the individuals subject to displacement have legal title to the land they occupy, and that they can expect redress from the courts if they are subjected to unlawful treatment. This is not the situation in many developing countries where land records are scarce, titling is not widespread, and judicial processes are weak or corrupt. In such situations, governance reform and capacity building have priority, and in the interim the civil society may be induced to fill the institutional gap.

For example, if voluntary organizations are satisfied with the fairness of proposed relocation and compensation arrangements, they may choose to partner with the state to ensure that free and informed consent is secured, that participatory methods are put to work, and that peer group pressure is applied to win over recalcitrant holdouts. Of course, such processes imply prior identification of legitimate claimants, compensation packages set at attractive levels, effective relocation support, and employment assistance. They ultimately aim to make resettlement as voluntary as possible.[12]

How Many People Are Displaced?

How significant is the resettlement issue? The scarcity of data is a major cause of uncertainty regarding the social outcomes of infrastructure projects. But although no reliable count is available, it is possible to venture informed guesses that point to 11 to 23 million people affected annually.

A study of World Bank–assisted development projects (World Bank 1994a) estimated that displacement due to World Bank projects between 1986 and 1993 accounted for 3 percent of the total US$ cost for dam construction and 1 percent for transportation and urban development. Extrapolating from these data, the review concluded that 10 million people were displaced annually by development projects worldwide. The construction of high dams accounted for 4 million; urban, water, and transport infrastructure projects accounted for another 6 million.

The same study showed that the impact was heavily concentrated on the rural and urban poor, indigenous communities, and ethnic minorities. For example, Guatemala's Chixoy Dam project involved the forced relocation of 2,500 Maya Achi indigenous people and the massacre of 369 tribal people by local armed

12. In Romania the Rosia Montana gold-mining project initially involved forced displacement, but the process became largely voluntary based on a "willing buyer, willing seller" principle induced by local protests (Maldonado 2010).

groups and the army (Witness for Peace 1996). In Mexico the Miguel Alemán Dam displaced and impoverished at least 20,000 Mazatec people (Barabas and Bartolome 1973). Tribal peoples are estimated to make up 40 to 50 percent of development-related involuntary displacement in India (Colchester 2000).

A more recent inventory of World Bank projects (1999) identified 223 active projects that displaced 2.6 million people (Clark 2000). Given an average project life of seven years, this is equivalent to annual displacements of 371,000 people for average annual investments estimated at $7.1 billion (or 52,000 people displaced per $1 billion). But a significantly lower estimate emerges from the latest review of World Bank safeguard policies (Independent Evaluation Group 2010). It estimates that World Bank projects involved displacement of about 166,500 people annually for average annual commitments of $6.9 billion (24,000 people displaced per $1 billion).

This lower estimate (based on projects approved between 1999 and 2008) could reflect improved project selection, but it might also result from a lower percentage of large dams in the World Bank portfolio. By the mid-1990s, the World Bank was financing about four dam projects a year—half the number it had funded in the 1970s and 1980s.[13] A similar slowdown in the rate of large dam construction also appears to have taken place globally: the number of large dams completed declined from 1,000 a year from the 1950s to the mid-1970s to around 260 a year during the 1990s.

Considering that infrastructure investment in developing countries stood at $450 billion in 2008, the earlier Independent Evaluation Group (IEG) estimate (in line with ICOLD's hypothesis of fewer but larger dams increasingly concentrated in developing countries)[14] yields about 23 million people displaced annually by development projects. In contrast, the most recent IEG estimate points to less than half of this number—about 10.9 million development-related displaced people a year.

The range of these estimates is consistent with Cernea's estimate of more than 15 million development-induced displaced people a year (M. Cernea, pers. comm.; Oliver-Smith 2009). Though impressive, these numbers are limited to those who have been physically displaced by infrastructure projects. They exclude those who were indirectly affected by the project (e.g., fishermen downstream of a dam) or by the resettlement process (e.g., residents experiencing increased

13. According to John Briscoe, former World Bank water adviser and Harvard professor: "In the last 15 years the World Bank has financed only two major dam projects: one of them was Bujagali in Uganda, which took over a decade to win approval; the other was the Nam Theun 2 plant in Laos, which underwent 14 reviews by independent panels before finally being approved" (Delli Priscoli 2011).

14. The International Committee on Large Dams (ICOLD) notes that the dams currently under construction are much larger than previous dams and that the bulk of large dam investment is taking place in developing countries (www.hydrocoop.org/publications/Role_of_Dams_new.pdf).

population pressure in resettled areas), and they do not take into account voluntary resettlement.

Unsurprisingly, India and China are responsible for a significant share of development-related dispossessions. Together, they account for 130 million displaced people between 1950 and 2005—that is, 2.3 million displaced people annually[15] (Cernea 2006). In relative terms, the impact of infrastructure development tends to be larger in smaller countries. For example, the Akosombo Dam flooded 3.5 percent of Ghana's territory and displaced 1 percent of the population, compared to 0.01 percent of India's territory flooded and 0.013 percent of its population displaced as a consequence of the notorious and very large Sardar Sarovar (Narmada River) project (Cernea 1997).

Impacts Vary

The number of people affected by resettlement is growing in line with the growth of infrastructure investment in developing countries. Together, public-private partnerships, official development assistance, and World Bank lending for infrastructure reached $186 billion in 2008, up from $38 billion in 1990. But actual resettlement footprints vary with the type of infrastructure.

Beyond their impact on directly affected communities, large dams have dominated the public debate because of their irreversible ecosystem effects and their symbolic embodiment of a particular development model.[16] There is little doubt that the physical, social, and cultural alterations associated with a large dam are deep and lasting. While large dams generate clean power, irrigation, flood control, and navigation benefits shared by millions, the inundation caused by their reservoirs can have catastrophic and large-scale effects on local communities and individuals. It deprives them of access to shelter, land, and common property resources. It disrupts their ability to work and trade. And it upsets their social and cultural links.

A desk review of 50 World Bank–funded large dams (Operations Evaluation Department 1996) found that they displaced 290,000 people and that three-fourths of the projects fell short of the World Bank's safeguards. This finding is not surprising since most of the dams had been approved prior to the World Bank's resettlement guidelines. But the review also found that only one-fourth of the projects would have failed to reach the 10 percent economic return threshold had enough been spent on them to meet World Bank guidelines. This confirmed

15. The World Commission on Dams estimates 26 to 58 million displaced people for both countries between 1950 and 1990.

16. In her comment appended to the World Commission on Dams report, one of the commissioners (Medha Patkar, Struggle to Save the Narmada River) asserted that "the problems of dams are a symptom of the larger failure of the unjust and destructive dominant development model."

that following the ethical course in resettlement need not mean failing economic tests.

But the challenges involved in doing the right thing should not be underestimated. A later desk review (Scudder 2005) of large dams that together displaced 1.5 million people found that incomes were improved or restored in only 16 percent of the 50 cases. Landlessness was an issue in 86 percent of the cases; joblessness in 80 percent; food insecurity in 79 percent; and marginalization and reduced access to common property resources in 77 percent. This disappointing outcome was traced to one or more of the following factors: lack of implementation capacity, lack of finance, lack of political will, lack of opportunities available for resettling households, and lack of participation in decision making.

Infrastructure-related displacement caused by urban, water supply, and transportation projects—while less visible and more dispersed than the displacement attributed to dams—might well be larger in the aggregate when the sharply reduced pace of dam construction is taken into account. Such investments are growing rapidly as a result of burgeoning industrialization and spreading urbanization in emerging market countries. The extent of resettlement per unit of expropriated urban land is higher than in rural settings due to higher population densities. Forced eviction of poor and disadvantaged people has been on the rise in the developing world as part of ill-conceived slum eradication and urban renewal programs.

One billion people worldwide reside or squat in slums, and their number is expected to double by 2030. Most lack access to electricity, clean water, sanitation, and other basic services. Distorted perceptions of slums as lawless, diseased, and dangerous areas have contributed to misguided urban policies that seek to eradicate slums rather than upgrade and rehabilitate them. Under authoritarian regimes (but far less so where democracy is taking hold, such as in Latin America), the practice of forced evictions in urban settings seems to have been accelerated by the fully justified priority that the Millennium Development Goals have placed on improving the dire living conditions of slum dwellers.

Slum improvement and land titling programs are far better alternatives than forced evictions. Most slum inhabitants have no option but to live where they do since they rely for subsistence on informal urban employment close to their abode. Needless to say, slum dwellers rarely receive employment and relocation assistance when they are forcibly evicted, forcing them to resettle in other slums. Thus, despite its implementation problems, involuntary resettlement is a far better policy option than forced eviction, especially when it is unaccompanied by effective relocation support.

Of course, voluntary resettlement is the superior option. It should be based on the free, prior, and informed consent of those affected and backed up by independent verification mechanisms. Voluntary resettlement requires accurate baseline social surveys and calls for compensation that is higher than current market values. Quite apart from the social value of this rights-based approach, the incremental costs may be compensated by the benefits of timelier project implementation.

Following the liberalization of land markets in developing countries, evictions need not be forced since they are market driven. But in reality, the "creative destruction" associated with the dynamics of liberalized land markets is eerily reminiscent of the effects of unmitigated displacement associated with infrastructure projects. More profitable land use driven by urban growth induces rising property rents. When poor tenants cannot afford these higher rents, they opt to move out "voluntarily." Thus, rising property values trigger large-scale market displacement from informal settlements.

Permits to occupy (common in Africa and Asia) do not confer security of tenure because they have a short shelf life and can be abrogated by administrative fiat. Market-based evictions often take place without compensation since the occupants do not normally hold a property title or a lease. Should the occupant refuse to move, a court order may be secured. Alternatively, negotiations may take place, but the outcome depends on the extent to which occupants enjoy quasi-ownership rights, social status, or political protection. Compensation is often unfair and far less than even the property or rental value would justify, and market-driven evictions do not entitle the affected households to resettlement assistance or in situ upgrading. The social impact of urban renewal varies considerably from country to country depending on the regulatory context.

Where land is the exclusive property of the state, right of use may be recognized, but security of tenure remains precarious. For example, in Cambodia the new government that took over from the Khmer Rouge in 1979 granted right of use to urban dwellers provided they registered with the authorities. Although the state retains ownership of the land, an informal property market has developed. In Rwanda the state is entitled to recover the land if leaseholders do not meet official construction standards within five years. In both countries, evictions are frequent, access to land is restricted, and new informal settlements are spreading at the periphery (Durand-Lasserve 2007).

Lessons of Experience

Not all resettlement programs fail, but when they do fail, they each fail differently. The overall record is not one of systematic and unmitigated disaster, as pictured by critics. However, the aggregate performance has left a great deal to be desired for various reasons, most of which point to the inadequacy of compensation arrangements and the comparative disadvantage of public sector involvement on the supply side of resettlement (site selection, housing, employment, etc.).

In India the resettlement record was abysmal for the Dhom and Kanher Dams in Maharashtra and the Narayanpur project in Karnataka. In Brazil resettler dissatisfaction has also been high for the Itaparica Dam. Even though compensation and relocation were handled properly, the irrigation projects that were supposed to provide alternative farm employment for displaced farmers failed. Physical relocation worked well for the Nangbeto Dam in Togo, but here too income restoration was not achieved due to lack of advance planning and a depressed regional economy. In contrast, the farmers displaced by the Shuikou and Yantan Dams in China were satisfied with the relocation assistance they received. Reservoir levels were set to minimize human displacement, and household incomes were restored. In Thailand and Indonesia, dynamic regional economies minimized the adverse economic and social impact of the Pak Mun and Kedung Ombo Dams despite settlers' resistance (Picciotto, van Wicklin, and Rice 2001).

ALTERNATIVES ARE NOT SYSTEMATICALLY EXAMINED

Avoiding resettlement altogether (or reducing its scope by examining alternative options) is rarely considered. The delayed examination of social aspects leads to the neglect of development opportunities, such as those associated with catchment management, natural reserves, reservoir fisheries, aquaculture, and tourism, in the case of large dams. Most of all, resettlement programs are developed too late in the project cycle. In short, human displacement is treated as an externality to be considered as part of project implementation rather than earlier as a project design consideration and a high priority in its own right.

FREQUENT MISMATCH BETWEEN INSTITUTIONAL COMPETENCE AND RESPONSIBILITY

Public sector agencies responsible for resettlement are often limited in their capacity and their commitment to handle a task widely perceived to be unglamorous and unrewarding. Typically, project implementation agencies are equipped to manage civil works and to address engineering problems rather than to design and implement social programs. Accordingly, resettlement units are frequently understaffed or consist of neophytes with no field experience or training in social assessment, participatory methods, or poverty analysis. More often than not, resettlement units lack the leverage needed to obtain assistance from large and powerful agencies adept at the delivery of social services.

POLITICAL WILL IS OFTEN ABSENT

Beyond adequate skills and budgets, strong and principled leadership is essential for resettlement to succeed. Along with limited agency capacities and weak commitment, a lack of political will emerges as a dominant cause of resettlement policy failure. Commitment may be strong in the field but weak at the commanding heights of the bureaucracy—or solid at high government levels but flagging at the ground level. It may also be absent at all levels.

THE CIVIL SOCIETY IS NOT SUFFICIENTLY INVOLVED

Office-bound planning at the top rather than decentralized and flexible participatory approaches on the ground tend to dominate. Yet resettlement cannot easily succeed without the involvement of self-help organizations, community groups, and local governments. Where authority is not devolved to the lowest efficient level, resettlement programs are bound to suffer. Large bureaucracies seek to satisfy all constituents and do not tolerate special treatment of a particular group for the extended period of time often needed to restore the incomes of the displaced.

LAND-FOR-LAND IS NOT ALWAYS THE ANSWER

Setting compensation levels at the right replacement level is tricky since land prices are not static and land speculation is fueled by the competition for land caused by infrastructure projects. Some of the most disappointing outcomes can be explained by the pursuit of land-for-land strategies under inauspicious circumstances and the lack of flexibility needed to resort to enhanced cash options combined with skills upgrading or employment assistance.

THE PSEUDO-SETTLER PROBLEM IS REAL

In poverty-stricken areas, substitution effects may undermine the best-laid plans. A flood of pseudo-settlers claiming benefits for which they are not entitled may add to spiraling claims on scarce resettlement budgets. Bogus fishermen pleading for handouts, landless latecomers keen to secure a plot, and inhabitants of nearby slums seeking compensation in an urban renewal scheme may overwhelm hard-pressed compensation mechanisms.

This partly explains why the treatment of squatters is such a contentious issue. Under the World Bank resettlement policy, claimants who are considered illegal occupants under the national legislation (i.e., untitled people without established customary rights) must be compensated. This can make the policy unworkable. For example, a local administration that wishes to implement a slum clearance and rehabilitation scheme in a high-density urban area may be unable to control a flux of rent-seeking illegal occupants demanding compensation for involuntary resettlement and rehabilitation.

INCOME RESTORATION (LET ALONE IMPROVEMENT) IS HARD TO ACHIEVE

The restoration or improvement of the income of the displaced is an exceptionally demanding challenge unless the regional economy is booming. It takes time and effort for displaced individuals to readjust to a new environment. Except in countries like China with vast experience in the management of a command economy, public sector agencies are usually ill equipped to identify income-generating opportunities suited to resettlers' aspirations and capacities. Public-private partnerships and civil society organizations are far better equipped to handle the task.

BUDGETS DO MATTER

Inadequate funding for resettlement is a frequent problem. Successful resettlement is highly correlated with ample budgets. Conversely, the diversion of resettlement funding by corrupt officials is a recipe for failure. Systematic underestimates of displaced persons, optimistic projections of voluntary resettlement, and a lack of contingency provisions to address unexpected resettlement obstacles are common causes of budget inadequacy. Adequate funding requires political will and ingenuity. Freestanding development projects upstream of infrastructure investments may be combined with a variety of benefit-sharing methods that compensate the displaced, such as the automatic transfer of revenues from hydropower sales, equity sharing with indigenous communities, taxation for redistribution to the dispossessed, the granting of land leases to affected communities, and safety nets for especially vulnerable displaced individuals (Oliver-Smith 2009).

An Evolving Enabling Environment

Ironically, the same large infrastructure projects that once symbolized central planning and state-led development strategies have become emblematic of the neoliberal development models opposed by radical environmentalists and antiglobalization activists. The same nongovernmental organizations, think tanks, and private foundations that had deployed extraordinary advocacy efforts to induce the World Bank to design and adopt safeguard policies remain the most vocal in their public criticisms. They keep raising the bar regarding the scope, intent, and intrusiveness of the World Bank's safeguard policies, and they are pitiless in highlighting the gaps between policy goals and their realization on the ground.

The enabling environment of the development enterprise has been transformed, adding to the obstacles standing in the way of achieving adequate compliance with safeguard policies. In particular, the commitment to project-level conditionality began to flag after the World Bank underwent two successive reorganizations. The 1987 reorganization sought to turn the World Bank into a policy-driven rather than project-based bank. The 1996 reorganization sought to make it a knowledge-based bank. Suddenly, the prior notion of projects as privileged particles of development was no longer in vogue, and the legitimacy of top-down, process-based blueprint approaches to social transformation processes drawn up in Washington had become deeply problematic.

The stakes went up again at the turn of the century, when new global development imperatives were unveiled: the Millennium Development Goals of 2002 and the Paris Declaration of 2005 brought to the fore results orientation, country ownership, alignment with country systems, and reduced transaction costs. These new policy directions have contributed to a new aid culture in which developing countries have become immune to funding carrots, conditionality sticks, and policy sermons. The advent of south-south development cooperation has also helped put the mutual accountability principle to work.

Recent Policy Changes

In this new authorizing environment, the World Bank established a pilot program to encourage the use of country legal and regulatory systems for the implementation of safeguard policies. In 2005 seven projects in six countries were included in the first phase. In 2009 an additional eight pilot programs were introduced in seven more countries. Initially, country interest was high, but it quickly waned once it became clear that the World Bank was not ready to integrate its multiple safeguard policies under a single umbrella, that it would not relax its standards to accommodate borrowers' systems, and that it would not relinquish its rigid approach and process-ridden controls.

Bureaucratic gridlock has evidently prevailed, and the World Bank is no longer a trailblazer in social policy innovation. Within the World Bank Group, the torch has been passed to the International Financial Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). They have inaugurated a distinctive policy regime that integrates all the safeguard policies under a social and environmental sustainability umbrella focused on performance standards implemented by their private sector clients and monitored by IFC/MIGA.

These IFC/MIGA principles cover labor issues. They have informed the Equator Principles adopted by private investors. Both sets of principles are results-oriented and provide a sound management framework for determining, assessing, and mitigating environmental and social risk associated with infrastructure project finance. They have been endorsed voluntarily by financial institutions for projects with capital costs that exceed US$10 million.

Currently, 76 financial institutions in 28 countries have officially adopted the guidelines. They cover more than 70 percent of international project finance debt in emerging markets. Despite the lack of independent verification and the disquiet expressed by nongovernmental organizations about the weakened accountability that this approach might have generated, no evidence has emerged that the standards are being systematically diluted (Independent Evaluation Group 2010). Public-private infrastructure partnerships are multiplying, and they now dwarf those that are aid financed (Ingram, Liu, and Brandt 2013).

Outside the World Bank Group, the European Bank for Reconstruction and Development has adopted the same approach as IFC/MIGA, although it has assumed more responsibility for ensuring implementation and has added transparency provisions and performance requirements for financial intermediaries. The Asian Development Bank has also adopted a single safeguard policy statement. A single sustainability policy framework provides more comprehensive and coherent treatment of environmental and social risks.

While the Inter-American Development Bank and the African Development Bank have yet to join the movement toward a single policy framework, the writing on the wall is clear: the current World Bank policy regime is too fragmented, inflexible, and process-oriented. It privileges environmental concerns over social concerns. By stressing the "first do no harm" agenda and channeling enormous staff resources toward enforcement of rigid and detailed conditions at the project level, it discourages policy dialogue, analytical work, and capacity building geared to broader social issues.

Other Human Displacement Challenges

Forced relocation is not the exclusive domain of development projects. Big sporting events hosted by developing countries to boost their international image have generated large-scale construction projects built with little regard to their long-term social and environmental repercussions. Natural disasters, war, and civil unrest are major causes of forced relocation. Globally, natural disasters led to the displacement of 36 million in 2008, and 20 million of those were displaced as a result of sudden climate-related events.[17] In the same year, the total number of refugees and displaced individuals as a result of conflict was 42 million[18] (United Nations 2009). If we add those forced from their homes by infrastructure-induced resettlement and by extractive industries, the total number of displaced people probably reaches 100 million.

Addressing the involuntary resettlement problem has become a security imperative. In India infrastructure and resource extraction projects threaten widespread displacement of tribal communities and poverty-stricken populations. The resulting social disruption has contributed to festering Maoist insurgencies in 10 states. In China poorly compensated land seizures explain the rapid growth of mass disturbances: hundreds of brutally suppressed popular protests have been taking place daily (Keidel 2006). In Africa acquisition of cheap farmland by private foreign and local investors as well as large-scale infrastructure and mining projects are inducing forced evictions and threatening livelihoods (Cotula et al. 2009).

Conflict prevention, disaster preparedness, and infrastructure development are closely intertwined. In postconflict settings, infrastructure rehabilitation and social reintegration of refugees, displaced individuals, and former combatants call for well-targeted development interventions. Similarly, temporary housing of displaced populations following a peace settlement or a natural disaster presents opportunities for infrastructure development geared to economic recovery and employment creation.

The resulting social disruption also offers scope for speculative and commercially oriented land acquisition. For example, after the 2008 tsunami wiped out fishing settlements in Sri Lanka, the shoreline suddenly became available for state-sanctioned private investment in tourist resorts and luxury hotels. When the poverty-stricken fishing families displaced by the tsunami sought to return and rebuild their homes, the authorities prevented them from doing so (Klein 2007).

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17. This estimate excludes population movements due to slow-onset disasters, such as droughts and sea level rises.

18. Conflict-related refugees and displaced people of concern to the United Nations High Commissioner for Refugees totaled 36.5 million in 2009. In Africa alone, the number of internally displaced people was 13 million, and refugees totaled 3.5 million.

Given the basic human need for shelter and security, the ordeal of massive human displacement should not be compartmentalized in artificial categories. Cyclones and droughts trigger and prolong civil strife. Growth and reduced inequality reduce conflict risks. Infrastructure is a critical ingredient of community resilience to natural hazards. Restored livelihoods and enhanced employment prospects are facilitated by good infrastructure. Given this complementarity, pressures are building toward a unified policy framework geared to human security that addresses all facets of forced migration and displacement.

Conclusions and Recommendations

Winds of change are sweeping the development scene. Following years of decline, infrastructure investment is being rediscovered as a priority for development assistance. But new donors have joined the fray, and developing countries are increasingly assertive in rejecting donors' economic and social conditions. Most of all, private sector provision and financing of infrastructure services are on the rise. Quite apart from learning the hard-won lessons of field experience noted above, the transformation of the enabling environment has major implications for the future of infrastructure-related involuntary resettlement policies. Seven major implications are outlined below.

EMBRACE VOLUNTARY RESETTLEMENT

In the current fiscally tight environment, neither the public sector nor the private sector can afford the delays and costs (including reputational risks) associated with poorly managed resettlement. At the project level, the conception of resettlement as a side issue requiring rearguard actions should be jettisoned. Beyond engineering considerations, attention to all the human consequences of infrastructure projects should guide project selection, design, and evaluation. Voluntary resettlement grounded in informed and free consent (combined with full use of market-based solutions) should increasingly supplant coercive approaches to resettlement.[19] While voluntary relocation is best, eminent domain is needed . . . but as a very last resort.

RECONSIDER THE ROLE OF THE STATE AND THE CIVIL SOCIETY

Public agencies are best at identifying beneficiaries and providing vouchers or subsidies, but their record at income restoration and supplying sites or dwelling units is poor (Angel 2000). Accordingly, market solutions on the supply side

19. The World Commission on Dams set up as a result of the World Bank's Operations Evaluation Department review (2006) was tasked with securing a policy consensus among developing countries' governments, the civil society, and private companies involved in dam construction. It utterly failed to do so, in large part because it was captured by civil society activists shrewdly led by the International Rivers Network (McCully 2001).

(housing, employment, etc.) should be favored, and affected individuals and communities should be empowered to bargain effectively with the help of civil society organizations; while the displaced may lack proper title, they have rights that should be protected. Compensation should be set after taking into account the future stream of estimated project benefits.

ADOPT A CONSOLIDATED POLICY FRAMEWORK

Currently, two policy paradigms are vying for influence: (1) a process-oriented approach (safeguards) focused on public sector interventions; and (2) a results-oriented approach (performance standards) adopted for private sector interventions. Given the need for public-private sector partnerships as major instruments of infrastructure development, this dichotomy is no longer justified. Ideally, a common set of policy principles and practices drawing strength from the advantages of both paradigms should be secured.

This new posture would be facilitated by a consolidated policy geared to socially and environmentally sustainable development (including resettlement) combined with intensified efforts to induce private sector investors to adopt the Equator Principles. Client ownership and accountability for results should be emphasized. *Ex ante* assessment of social and environmental risks should inform project selection and design. Community impacts and labor relations should receive adequate attention. Transparency backed by independent verification should apply across the board. In sum, a performance focus emphasizing risk management, innovation, and adaptability should replace detailed and rigid process strictures.

ADOPT A COUNTRY-BASED APPROACH

Successful public-private partnerships assemble a synergistic mix of financial assets and skills. But they also depend on adequate regulatory frameworks, participatory mechanisms, and implementation capacities on the ground. To help improve the performance of infrastructure project finance, development assistance agencies will have to join together to complement their project-based approaches to infrastructure development with a country-based approach focused on relaxing the legal and institutional constraints that hamper a shift from involuntary to voluntary resettlement.

A major commitment of aid providers to capacity development is required, especially for countries where the regulatory system is weak, property rights are insecure, and economic growth is accompanied by growing inequality. Mutual accountability and reciprocal obligations should become the bedrock of infrastructure development partnerships. Poverty-reduction strategies should make room for legal reform and land titling to help prevent land grabs and protect livelihoods.

RELY ON PRINCIPLED PUBLIC-PRIVATE PARTNERSHIPS

For the developing world, infrastructure investment combined with operations and maintenance financing needs are estimated to require total expenditure requirements of 6.6 percent of gross domestic product (GDP) compared to actual levels of 3.0 to 4.5 percent.[20] The size of the gap underlines the need for innovative infrastructure financing involving the private sector. Given the systemic problems faced by private banks following the 2008 financial crisis, long-term project finance is currently scarce, and thus multilateral development finance and insurance will continue to play a major catalytic role.

Public-private partnerships will continue to multiply because major commercial and political risks are involved in the private provision of infrastructure finance and services. Full cost recovery for expenditure levels required to meet the Millennium Development Goals implies that the citizens of developing countries would have to allocate an unrealistic 25 to 35 percent of their incomes for infrastructure services, whereas as a rule of thumb the poor cannot bear to pay more than 15 percent of their income for such services (Estache 2010).

Private financing is unlikely to materialize in the amounts required without greater involvement from the public sector and aid agencies and increased readiness to fund targeted subsidies. Over the long run, the increased access of developing countries to global capital markets will call for international mechanisms to address cross-border regulation, competition rules, and compatibility between national competition laws.

RESPECT THE PRINCIPLES OF THE PARIS DECLARATION

Harmonization of policy frameworks across the development system has also become imperative in order to avoid further aid fragmentation, to reduce transaction costs, and to enhance alignment with country systems. In this context, reaching out to new development partners, including the emerging market donor countries (many of which favor infrastructure financing), is a critical priority.[21] For example, increased south-south cooperation is illustrated by the fact that 35 African countries are engaging with China to fund and help construct large-scale infrastructure projects with emphasis on hydropower generation and railways (Foster et al. 2008).

WORK TOWARD A UNIFIED HUMAN DISPLACEMENT POLICY REGIME

Equitable and sustainable development through socially responsible resettlement springs from the same altruistic impulse as mitigating the pernicious impacts of natural disasters and violent conflict. The constituencies for development assistance, humanitarian aid, and peace building overlap. Reduction of inequality,

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20. China's public infrastructure expenditure as a share of GDP was estimated at 9 percent from 1998 to 2002.

21. A conservative estimate of aid provided by emerging market countries and private sources that have not subscribed to the Paris Declaration is US$28–29.5 billion annually, compared to US$129 billion of official development aid provided by OECD's Development Assistance Committee donors.

protection of vulnerable groups, and increased help to poor people trapped in zones of fragility are mere strands in a single policy tapestry focused on human security.

From this perspective, policy convergence between development-induced, conflict-induced, and natural emergency–induced displacement regimes would be desirable. Under a single human security policy umbrella, such a regime would provide guidance to states, international and nongovernmental organizations, and private corporations about the principles and values that should inform mitigation of human displacement risks and costs. To be sure, the norms, rules, and processes applicable in diverse contexts and for different actors would vary, but they would be anchored in the same shared values and the same universal aspirations for human security and human progress.

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