
Development's Displacements

*Edited by Peter Vandergeest,
Pablo Idahosa, and Pablo S. Bose*

Development's Displacements:
Ecologies, Economies, and Cultures
at Risk



UBCPress · Vancouver · Toronto

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15 14 13 12 11 10 09 08 07 5 4 3 2 1

Printed in Canada on ancient-forest-free paper (100% post-consumer recycled) that is processed chlorine- and acid-free, with vegetable-based inks.

Library and Archives Canada Cataloguing in Publication

Development's displacements : ecologies, economies, and cultures at risk / edited by Peter Vandergeest, Pablo Idahosa, and Pablo S. Bose.

Includes bibliographical references and index.

ISBN-13: 978-0-7748-1205-4

ISBN-10: 0-7748-1205-2

1. Economic development projects – Social aspects – Case studies. 2. Economic development projects – Environmental aspects – Case studies. 3. Internally displaced persons – Case studies. I. Vandergeest, Peter, 1955- II. Bose, Pablo, 1972- III. Idahosa, Pablo, 1954-

HD75.8.D49 2006

306.3

C2006-905203-4

Canada

UBC Press gratefully acknowledges the financial support for our publishing program of the Government of Canada through the Book Publishing Industry Development Program (BPIDP), and of the Canada Council for the Arts, and the British Columbia Arts Council.

This book has been published with the help of a grant from the Canadian Federation for the Humanities and Social Sciences, through the Aid to Scholarly Publications Programme, using funds provided by the Social Sciences and Humanities Research Council of Canada.

UBC Press

The University of British Columbia

2029 West Mall

Vancouver, BC V6T 1Z2

604-822-5959 / Fax: 604-822-6083

www.ubcpress.ca

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Acknowledgments

This volume and the research project from which it emerges have been the result of many conversations, collaborations, and encounters over the past years. In particular, our learning from friends, colleagues, and students in different locations has been an unceasing encouragement through the process of putting this book together. We would like to begin by thanking Peter Penz, principal investigator of the Ethics of Development-Induced Displacement (EDID) Project, who brought all of us together in this collaborative research effort. Jay Drydyk also deserves particular mention for his work on development ethics and his new framework for understanding and limiting displacement, which has been particularly useful and helpful for our work here. Other colleagues we wish to thank include Michael Cernea, Darryl Reed, Wesley Cragg, Craig Southey, Shubhra Gururani, Robert Shenton, Denis Goulet, Anthony Oliver-Smith, Charles Geisler, Shelly Feldman, Johnathan Barker, Ato Sekyi-Otu, Dickson Eyoh, Carmen Schifellite, Linzi Manicom, Union Edebiri, Allison Sauer, Adriel Weaver, Alejandra Roncallo, and Joseph Abudufour.

We are especially grateful to the Social Sciences and Humanities Research Council of Canada for its ongoing support of both the EDID research project and this volume in particular. The editors are similarly appreciative of the support given by the Shastri Indo-Canadian Institute for the EDID project and the input and feedback we have received on our work from several of our colleagues in India. As well, we wish to thank Dr. David Dewitt and the Office of the Vice President Research and Innovation at York University for their support of this publication. We would also like to acknowledge several research networks, projects, and conferences for the opportunity to present and refine the work that appears in this book: in particular, the International Development Ethics Association, the Canadian Association for the Study of International Development, the International Network on Displacement and Resettlement, the York Centre for Asian Research (York University), and the Queen's University Seminar in Studies in National and

International Development. Considerable logistical help has been provided by the Centre for Refugee Studies at York University and in particular by Colleen Burke, Myron McShane, Michele Millard, and Susan McGrath. As well, we would like to acknowledge Cathy Guirguis and Stephanie Hobbs, research assistants with the EDID project, whose assistance has been greatly appreciated.

We would also of course like to thank the contributors to this volume for their cooperation, patience, and meticulous revisions. We also appreciate the hard work and encouragement given to us by our editor, Randy Schmidt, as well as others at UBC Press including Andrea Kwan, Emily Andrew, and Darcy Cullen. Finally, we wish to thank our families and friends, in particular Luin Goldring, Dr. Pamela Barnett Idahosa, and Leah Burns, for their patience, support, and good humour.

Introduction:

Development's Displacements

Peter Vandergeest, Pablo Idahosa, and Pablo S. Bose

This book is a contribution to the current debates regarding the costs associated with international development and is concerned in particular with the phenomenon of development-induced displacement (DID). The increasing attention given to the plight of millions of people in developing countries who have been compelled or persuaded to move from their residences and their environments, as well as uprooted from their livelihoods, has become a central feature of a critique that has put the “Global Faith” (Rist 1999: 4) of the world of development on the defensive. Much of this attention has focused on the relocations and disruptions that resulted from the tremendous growth of infrastructural projects that characterized development planning in the 1960s and 1970s, projects that have continued into a less state-regulated development environment from the mid-1980s until the present day.

The considerable impact of development projects on people's lives in terms of displacement from homes, jobs, and cultures has meant an increasing level of scrutiny over the past two decades from social movements and NGOs, if not from national governments and multilateral institutions. Since the mid-1980s, there has been in particular a proliferation of NGOs who define their missions in terms of monitoring and contesting large development projects (groups such as Mining Watch, Oil Watch, and the International Rivers Network, for example). The outcome has been a growing number of battles around the world centred on specific projects, including conflicts over dam building, mining, oil development, forest plantations, and nature conservation. A broader critique has also emerged – less focused, perhaps, than the intense critical scrutiny accorded to large projects – of the indirect displacement effects of development policies in general, including land reform initiatives, economic liberalization, and privatization. A key element in both of these indictments of development practice is the fate of those many millions whose displacement can be attributed to development. It is

this fate – its causes, its effects, its justifications – with which this book is concerned.

The following chapters present the results of ethnographic fieldwork conducted in Africa, Asia, and Latin America on specific and diverse cases of development-induced displacement. The research was organized under a broader project titled the Ethics of Development-Induced Displacement (EDID), and in each instance aimed to collect data to reveal the process by which DID occurred, its impacts on those displaced, and the various ways in which DID was justified and contested through debates around the meanings of development. This empirical, case-based examination is in each chapter compared to the current standards and development orthodoxies found in the literature and policy on DID. In most instances, the chapter authors suggest that a considerable gap between practice and orthodoxy persists in the face of seemingly rigorous policies among development institutions and proponents aimed at minimizing and ameliorating DID.

By combining economic, political, and cultural analyses with extensive ethnographic field research, the collected essays present a picture of displacement that illustrates the depth as well as the breadth of the issue. The range of state, civil society, and non-governmental actors and sectors under consideration, the diversity of geographic locations examined, and the varying nature of the examples of displacement encountered all demonstrate the complexity of the situation. With cases that range from mining to logging, from dams to water privatization, from biodiversity conservation to land tenure reform, the scope of examples in this volume asks the reader to reconsider the meaning of displacement itself. By highlighting indirect and often invisible displacement effects of both projects and policies, the essays collected here suggest that a thorough analysis of DID must extend beyond specific project types, such as dams – often seen as the archetypal DID example – to a consideration of the broader developmental policies and programs through which projects are actually planned and implemented.

Our goal as scholars is to bring together two literatures. The first is that on development, which, although aware of the obviousness – even the violence – of displacement in the development process, rarely foregrounds its nexus, especially when appraising how it manifests itself indirectly. The second is the literature on DID, which is often oblivious to the wider debates in development, except in the narrower sense of policies that cause displacement. The studies in this book weave together strands from both traditions to focus on relationships previously left unexamined: examples include the intersection of conflict and development, the relationship between the peculiarities of neoliberalism and displacement, and the particularly gendered nature of much of DID. The case studies thus reveal a consistent pattern, both thematically and individually, that points to the ways in which displacements are recurrent in development.

Background: Development's Pains and DID

The increased critical attention¹ given to DID is the outcome of several coincidental features of the contemporary development world. First, as mentioned above, has been the emergence of a critique of development that aims not to repair development but rather to reject the entire project as fatally flawed. If, for some, DID has been a crucial lens through which to perceive development's malaise, the debates around both its impoverishing effects and its solution are hardly new, within neither development studies nor the wider discussions of modernity and progress (Cowen and Shenton 1996). A good part of development thinking has long been about addressing circumstances where large parts of the human population are deemed to suffer from inequities in the distribution of resources and power. Much of the recent pessimism about development, however, has assumed that these inequities are inherent to the project of development itself. They are an outcome of a history in which development emerged as a form of authoritarian or paternalist trusteeship that betrayed and displaced – often violently – those in whose name modernist progress had been invoked but who had little say in the planning or implementation of the development that affected them (Ki-Zerbo 1997: 88). Whether or not we agree with these critiques of development, or believe that they have run their theoretical course (Hart 2001: 656), they nonetheless remain influential for people seeking to draft into practice values for alternative forms of development, and they continue to inform many of the normative dispositions of those practical and activist networks that critique development in action. Even trend-setting organizations such as the World Bank have had to take cognizance of these critical post-development assessments and incorporate or, at a minimum, pay lip service to them in their emphasis on the values of participation and the importance of recognizing culture in development.

The second is the accompanying pessimism concerning the fate of those forced to move. Over the past several decades, evidence has accumulated about both the massive scale of development-induced displacement and the painfulness of many settlement experiences. A final crucial concurrence has been the ascendancy of neoliberalism and the so-called Washington Consensus.² The fact that the World Bank's support of many DID projects often ran parallel to the policies of neoliberalism, with their perceived limitations and failures, also served to make these projects focal points of widespread and reproachful assessments of development in general and of DID in particular. That is to say, the recent attention given to DID can be attributed partly to the fact that most multilateral, regional, and bilateral agencies simultaneously encouraged market-driven, deregulatory growth and development strategies, and were (and continue to be) among the foremost supporters and funders of development projects that have brought widespread displacement. As is evident in many of the following chapters, these

agencies are not only behind much of the funding for development projects accompanying displacement but are also at the intellectual and legal hub of conceptualizing both the practice of DID and the theoretical and operational models for mitigating its consequences. Yet, as we shall also see, the attempts to moderate development's ills have been contradictory; and in some instances they have done less to diminish the criticism and more to focus the optics of disenchantment so that the entire project becomes a nightmarish dream in which promises of a better life for all are betrayed by multiple and often massive forms of impoverishment.

Is development by its very nature an inherently violent process that inevitably destroys the livelihoods of the poor? Is population displacement an unfortunately disruptive side effect of development that can be minimized and ameliorated through improved accountability, transparency, and civil society participation in project planning? In what ways can the benefits of development justify or be used to compensate for any displacement that may be necessary? These are hardly academic questions, as they clearly enter into the everyday sites of people's livelihoods, posing problems and highlighting disputes manifest in the conflicts around thousands of specific projects and policies supported and/or funded by major development agencies, private corporations, and national and regional governments. Opposition to specific development projects has often coalesced around contending claims with respect to the actual effects brought on by displacement.

It is difficult to deny that displacement is an acutely symptomatic phenomenon, reflecting a larger global, and often unrecognized, crisis. Millions of people around the world have been displaced by development projects and policies. Many have effectively become refugees, not simply across borders but, in a majority of cases, within their own countries. These are the so-called internally displaced persons, individuals and communities made refugees not only by wars and ethnic or religious violence but primarily by development policies, programs, and projects. Involuntary or forced migration due to political conflicts and upheaval is such a pressing problem that one conservative estimate claims upwards of twenty million people have been displaced worldwide by both cross-border and internal strife (Hampton 1998). Yet some critics estimate that five times as many people, in fact over a hundred million, have been dislocated as a result of processes of economic development (McDowell 1996). A further ten million people continue to be dislocated on an annual basis by large dam projects alone (Cernea and McDowell 1996: 18).

The effects of development-induced displacement are felt especially strongly among socially and economically vulnerable (and often politically marginalized) groups and indigenous communities worldwide. Although it would be a mistake to identify DID with the impact of neoliberalism alone, as DID predates the most recent development orthodoxies, the ascendancy

of neoliberal policies during the last fifteen years or so has arguably served to intensify DID. Economic liberalization policies, structural adjustment, and stabilization programs have facilitated investment in displacement-inducing activities and undermined livelihoods vulnerable to global market competition and rich-country dumping of subsidized agricultural products (Oxfam 2002).

Faced with these figures and stung by the critiques of increasingly mobilized social movements and popular protests, development institutions such as the World Bank, as well as numerous regional and bilateral agencies, have been pushed into creating new policies and guidelines to address the potential displacement effects of development policies and projects. To date, the most detailed set of guidelines is Michael Cernea's (1997) *Risks and Reconstruction Model for Resettling Displaced Populations (RRMRDP)*. In sum, this model advocates that the risks of impoverishment should be explicitly and systematically tackled through resettlement planning. DID experts such as Cernea implicitly agree with the post-development critics that displacement is recurrent in development, but, unlike the critics, they argue that the benefits of development justify a certain amount of displacement, provided that the displaced are able to capture some of these benefits and reconstruct their lives and livelihoods. But the formulation and adoption of explicit DID guidelines have simply prompted a new round of criticisms regarding their perceived limitations and inadequacies, many of them contained within the chapters of this book (cf. Dwivedi 2002; Fox and Brown 1998; Drydyk 1999).

The essays collected together in this volume explore these issues through a series of case-illustrative studies drawn from around the globe. Cases were selected with a view to representing as much as possible some of the enormous diversity in development-induced displacement across different world regions. Contributors focus on examples of development-induced displacement in Latin America, Asia, and Africa, telling stories about why and how displacement occurred and outlining its effects on communities, ecosystems, and economies. Through these stories, the authors explore the complex relationship between development and displacement, as well as the normative or ethical positions held by key actors involved in each of the cases. They examine a range of rationales used to justify specific development projects and policies, rationales that have often changed and evolved over time, as have the means and methods proposed to deal with displacement impacts.

The questions raised within this book do not confine themselves to a narrow definition of the issue of DID. Instead, other important critiques and considerations tie into greater issues concerning the subject. For example, as manifest in the Washington Consensus that has guided development practices for the past two decades, neoliberal policies are of great

interest in the majority of the cases we present. A critical assessment of what the recent and prevailing development orthodoxies of “participation,” “good governance,” and “development from below” mean in practice also runs through these studies; in our view, these orthodoxies are intimately linked to neoliberalism. Our case studies also highlight and explore the tensions between human rights, on one hand, and, on the other, a sometimes vaguely articulated but nonetheless strongly held belief in the right to develop even at the cost of displacement.

Finally, our contributing authors examine the often violent and coercive nature of both development and displacement. We argue that violence and destruction have long been recognized as inherent to development, even if they are not always described in these terms. For the purposes of this book, we have adopted a definition of displacement that foregrounds the fact that it is coerced. But the studies in this volume demonstrate that the violence is not just about definitions. In some cases, it is open and intense; in others it lurks beneath the surface as a threat that is not necessarily acted upon but that frames the displacement process. To the degree that displacement can be causally linked to neoliberal policies, this volume also reveals the coercive and violent side of neoliberalism.

Another important theme woven through the case studies concerns natural resource extraction and environmental protection, which appear in many of the chapters as causes of displacement. Although these studies are not intended to be comprehensive, we note that they find little evidence of widespread displacement due to resource scarcity caused by population increase or livelihood uses, contrary to the popular literature on “environmental refugees,” those displaced as a result of environmental degradation (Suhrke 1994; Fields 1985; Hugo 1996; Black 2001; Wilkerson 2002). They do, however, reveal displacement due to resource degradation produced by the activities of mining, plantations, and other large private actors. And they provide examples of displacement due both to policies that supposedly protect the environment and to high or increasing resource value. Neither of these driving factors is necessarily linked to increasing resource scarcity, as is consistent with Nancy Peluso and Michael Watts’ (2001) critique of the environmental refugee literature.

Finally, this volume raises important questions regarding North-South interactions as they relate to displacement. In particular, by examining cases pertaining to the public, private, and non-governmental sectors, our authors interrogate the role and responsibilities of Canada, among others, within global development processes and institutions. How, for example, does Canada as a significant donor country ensure that its development assistance is applied in an ethical manner? What types of moral and ethical codes govern the behaviour of businesses that function in developing nations? How do non-governmental organizations interact with the various

regional, national, and international layers of civil society in developing nations? Through chapters organized within three thematic sections, the present volume seeks to examine such pressing questions.

Structure and Organization of Chapters

Part 1, “Displacement, Multinationals, and the State,” examines the role of resource corporations in producing DID. Chapter 1, David Szablowski’s exploration of the World Bank’s involuntary resettlement policy in a large mining project, discusses current regulatory and legal policies and practices concerning displacement by focusing on the relations between a Canadian-owned transnational mining enterprise and local communities in a rural district of Andean Peru. In Chapter 2, Amani El Jack scrutinizes the effects of development and displacement in the Sudanese oil and energy sectors, with a particular emphasis on the impacts felt by marginalized women, especially within the context of the long-running civil war between the north and the south. In Chapter 3, Keith Barney links development-induced displacement in rural Thailand and Malaysia to expansions in pulp and paper plantation forestry. He argues that, in both locations, two underlying processes act to facilitate this displacement: a bureaucratic reworking of legal and informal land tenure arrangements and an intensification of the commercialization of land.

Part 2, “Displacement and Neoliberalism,” examines in greater detail the relationship between neoliberal economic policies – which are increasingly driving international development programs – and displacement-inducing policies and projects. In Chapter 4, Michelle Kooy looks at water policy in Thailand to show how the regulation and management of displacement effects by multilateral banks are connected to their belief in and promotion of a neoliberal economic program. In Chapter 5, Peter Vandergeest focuses on the displacement effects of “the new land tenure reform agenda,” as illustrated by land tenure reform in Laos and Thailand. Sheila Gruner’s Chapter 6 description of displacement in the Naya and Yurumanguí river communities of the Colombian Pacific is particularly important because it shows how neoliberal development can be based in openly violent appropriation of resources – a contrast to the seemingly less violent but still coercive processes described in Part 1. In Chapter 7, Pablo Bose focuses on a dam-building project in India’s Narmada Valley and argues that dams offer an excellent lens through which to view displacement in both its local (project-specific) and global (policy-oriented) effects. More specifically, he draws our attention to the contest between decentralized, “people-centred” models of Gandhian political and economic principles and industrialization/modernization programs aimed originally at state building, but more recently adapted towards integration into a neoliberal globalization agenda.

Part 3, “Conservation and Displacement,” examines the politics of nature’s

protection and exploitation as related to displacement. In Chapter 8, Colette Murray considers the differential situation of two communities of African descent living in Costa Rica's Limon Province over a thirty-year period. She focuses in particular on the racialized displacement that followed the establishment of two national parks in the early 1970s and the resulting conflicts over access to resources and changing definitions of territory, ownership, and local identity. In Chapter 9, Sharlene Mollett concentrates on the inter-ethnic tensions and animosities that have arisen over recent decades with respect to land tenure development policy in Honduras. In particular, she shows how state agrarian and conservation policies have combined to reproduce resource tenure insecurities for peasant and indigenous populations.

Although they are grouped within the three broad categories listed above, the essays in this volume intersect at many other points of connection and debate. For example, Chapters 1 and 3 both examine legal frameworks with regard to displacement. Chapters 6 and 7 pay particular attention to indigenous communities and their mobilization against displacement. Chapters 5 and 9 focus on the issue of land reform as an important facet of understanding the complex relationship between development and displacement. In Chapters 1, 2, and 3, the authors also ask important questions about the role that private capital, rather than the state, plays in the dynamics of DID. What obligations and responsibilities do corporations bear for displacement? How do different states interact with both local and transnational corporations? As the Chapter 1 case study on mining in the Andes indicates, the relationships between Canadian mining companies and the Canadian and Peruvian states are complex ones. Focusing on resource extraction in the oil and logging sectors, El Jack and Barney raise similar questions regarding the roles and regulation of private interests that engage in displacing practices.

Many other themes and issues link the following chapters. One of the most common threads is the opacity with which displacement-inducing projects and policies have been carried out in the absence of local participation and influence in decision making. Many of the chapters point to a lack of consultation with – and, in some instances, outright deception of – the displacement-affected communities. Indeed, many of the development projects described here exhibited the traditional top-down model of planning and implementation, and were driven by a paternalistic notion that experts, whether state bureaucrats, agency-based development practitioners, or representatives of private capital, were best suited to understand and evaluate both general conditions and local impacts. This paternalism belied the new rhetoric of participation and transparency that much of the development world has now claimed as its own.

The lack of involvement of the displaced in the project planning that affected them was so pronounced that in many instances they were unaware of its potential impacts or indeed that plans existed at all. For example, in

the case of the Narmada development, the first sign that villagers had of plans to create an interlocking system of 30 large dams, 135 medium dams, 3,000 minor dams, and over 30,000 micro water-harvesting schemes was when strangers appeared, took measurements, and wrote numbers on stones. Only later did the villagers learn that these were surveyors and that the numbers indicated how many metres of water would submerge the land on which they lived. Therefore, the struggle for participation in Narmada, and in other areas as well, began with a demand for access to basic knowledge of DID plans – planned project benefits, a list of costs, and a description of measures designed to mitigate impacts. Vandergeest’s Chapter 5 discussion of land tenure reforms and land use zoning shows that these programs work from current development orthodoxies to mobilize the participation of villagers – but only in zoning their villages, not in the overall design of the program. It is Chapter 1, however, that is perhaps most telling in its account of how detailed formal guidelines for community participation can be circumscribed by the need to meet project objectives and timelines, and how participation often remains based in the paternalism or notion of trusteeship that has run through development since its emergence in Europe.

Several of the chapters also problematize the notion that negotiation between stakeholders is an alternative to top-down development, bureaucratic inefficiency and corruption, or outright (and often violent) conflict. Such negotiating mechanisms are often constructed with the state’s intervening as a supposedly neutral arbiter between competing interests. But, as many of our contributing authors indicate, such a dynamic is deeply problematic for a variety of reasons, not least of which is the fact that the conflicts are not between private capital, on one hand, and peasants, migrant workers, or indigenous peoples, on the other, but rather between the displaced and the state itself. Moreover, “stakeholder” rhetoric often posits a flattened notion of negotiation, one that fails to acknowledge the vast power differentials that exist between different actors. In Chapter 8, for example, Murray describes how, in the creation of two national parks in Costa Rica, “differential power is central to understanding the nature of participation,” particularly with regard to the access that various interest groups have to resources and the legal and administrative apparatus of both the state and civil society organizations.

Even when processes of negotiation are created with such power differentials in mind, their genuine adoption and enforcement remains in question. In Chapter 2, El Jack, describing gendered violence and displacement during oil development in Sudan, suggests that a lack of both proper monitoring and the political will to enforce protective negotiating mechanisms has led to human rights violations and massive impoverishment. Similarly, in his Chapter 3 discussion of commercial logging in Malaysia and Thailand,

Barney argues that local communities have to some extent protected themselves against state-driven displacement through a negotiated appeal to both customary rights and colonially developed regulation, but that such protection is contingent upon the ability of the judiciary to actually uphold the laws. Power and position, once again, are central to our understanding of these dynamics.

We have left it to the individual authors to assign specific meanings to the key terms of DID through the presentation of their cases. However, in the remainder of this Introduction, we will explore some of these terms and concepts in more depth, focusing in particular on the ways in which displacement connects with development, neoliberalism, transnationalism, and ethics.

Development and Displacement

A volume with a set of case studies devoted to “development-induced displacement” must grapple with some obvious questions: What do we mean by both “development” and “displacement”? That is, what kinds of processes are encompassed by the term *displacement*, and under what circumstances can we causally link displacement to something called development?

Any brief review of current texts on development reveals widely divergent definitions or understandings of the subject. Perhaps the most common approach is that taken by authors such as Philip McMichael (2000: xli, 7), who, in his widely used critical introductory text, refers to development as “nationally organized economic growth” and to the “development project” as the adoption of a European model of economic growth or modernity. McMichael effectively identifies development with modernity and, as Gilbert Rist (1997) says, its naturalization within the nation-state. This view is consistent with those of more optimistic early development economists such as Arthur Lewis (1955: 9-10), for whom maximizing per capita GNP was the basis of development strategy. As Lewis wrote in *The Theory of Economic Growth*, the growth of output per capita “gives man greater control over his environment and thereby increases his freedom,” a basic idea that one finds in many other early texts on development (cf. Peet 1999: 17).³ It further implies that there are some historical processes through which many countries have passed (though not all authors might agree on which of these processes are necessary) in order to get to this state of greater income and freedom, involving social and economic changes such as commercialization, industrialization, urbanization, secularization, individualization, and globalization. Many of these changes imply at some level the displacement, voluntary or otherwise, of people, and more recent critical texts such as McMichael’s tend to highlight these negative impacts. McMichael’s account of development, replicated in many other development texts, finds that development as a project was initiated during the 1940s and gathered

strength through the 1970s with the proliferation of multilateral, bilateral, and private development organizations and the decolonization of Africa and Asia. According to McMichael, globalization is now remaking or displacing development as economic growth becomes globally rather than nationally organized.

For Arturo Escobar (1995) and the many scholars who have been influenced by a particular interpretation of Foucauldian social science, development is primarily a set of discourses and practices that has produced and sustained the “third world” as an object to be developed. Despite some differences in relative emphases accorded to political economy and discourse, Escobar, like McMichael, indicates that the end of the Second World War marked the initiation of a coherent development project, a project that encompassed the total restructuring of the underdeveloped world in the pursuit of material prosperity and economic progress. Authors working from this perspective emphasize development as a form of power essential to the increasing influence of the state and development organizations in the everyday lives of people in Africa, Asia, and Latin America. This strand of scholarship, sometimes labelled “post-development,” often asserts that this power is fundamentally destructive of traditional ways of living, for which it fails to offer viable or sustainable alternatives.

Although some of the insights opened up by post-structuralist approaches inform this Introduction and many of the chapters in the volume, we think that these frameworks need to be both qualified and supplemented in important ways. In relation to the historical accounts of development, alternative views that date development back to the nineteenth century (Cowen and Shenton 1996; Cooper and Packard 1997; Rist 1997) not only offer a more grounded conception of development but also consider ideas that are particularly useful to the diverse approaches represented in this volume. Michael Cowen and Robert Shenton’s (1996) landmark analysis is particularly important because it offers a way in which to understand contemporary debates about DID. The authors distinguish between two analytically distinct but often conflated uses of the term: as immanent process and as an intentional action on the part of development agents. The former is a pre-modern, cyclical use that enters into the modern notion of development – where, in a cycle resembling that of plant life, decay and destruction are an essential part of the development process. With the advent of capitalism, development was refashioned as the “potential and possibility for a linear movement of human improvement” (Cowen and Shenton 1996: 7). The latter – in many ways the more familiar conception of development – now points to *planned* interventions by the state and other associated agencies to shape and direct socio-economic change. The key is that these interventions are meant to bring order to the sometimes chaotic changes that result from the radical alterations of social structures and relationships effected

by the emergence and workings of capitalism. Cowen and Shenton argue that these two forms of development co-emerged and were in fact counterpoised to one another during the nineteenth century as a way of bringing order to progress. They suggest that much intentional development by colonial administrations, despite its lack of success, was designed to limit the destructive effects of immanent capitalist development, or progress. In this sense, then, intentional development (as opposed to the cyclical process of development and decay) was meant “to ameliorate the disordered faults of progress” (Cowen and Shenton 1996: 7).

Anthropologists (Li 1999a, 1999b; Moore 1999; Gupta 1998) and other social scientists who draw on Gramscian analyses have identified various contestations, negotiations, compromises, and even “cooperation” in the practice of development. They argue that relationships between colonial states, indigenous societies, and the various actors within communities, local and national states, and, more recently, global institutions, shape the character of the increasingly complex interactions between and among development subjects, agents, and institutions. These authors tacitly or explicitly question the somewhat simplified understanding of power in some post-structuralist and Foucauldian-influenced views of development. That is, they assert that power is not entirely encompassed by a monolithic, one-dimensionally imposed “hegemony” exercised by overbearing development states and multilateral development agencies, or even a somewhat more subtle but still coherent governmentality enacted through a development “industry” that creates its development objects through its discourses. Through careful, often site-specific research, they have demonstrated the multiple ways through which the historical constitution of communities, environments, and territories is constantly in the process of reconstructing meaning and identity.

In this volume, we are particularly interested in how these shifting meanings in the language of development pivot around the complex claims on resources expropriated and used by post-colonial states, global capital, and multilateral agencies. Like Tania Li (1996, 1999a, 1999b), Donald Moore (1997, 1999), and Akhil Gupta (1998), we see development as a site within and through which multiple contestations over power and identity take place. In this view, development both creates and confronts symbolic aspects of community claims and struggles that materially transform communities, or as Moore (1996: 127) puts it, “cultural meanings are constitutive forces, that is, shapers of history, and not simply reflections of a material base.” Also highlighted in these specific, nuanced, and thick depictions of development as contested meanings and compromised practices are the different ways in which local, regional, national, and global scales intersect – where the meanings and claims regarding territories and resources that are the material path of development are spatially regulated and fought

over, especially, as we shall see, by development-displaced population, or those who would claim to speak for them.

In general, many of the approaches cited above contribute to our understanding of development; each has its limits, but each has its uses. However, given the historically informed character and contested and complex ways in which development is deployed, we have avoided imposing a single definition of development here. Instead, as mentioned above, the authors were encouraged to define for themselves what they meant by development, as related to the displacements they described. Still, because the project as a whole sought to provide causal accounts and to find the agents responsible for displacement, the studies here tend to focus largely on *intended* development; that is, they examine development that is about purposeful intervention and that seeks (or claims) to bring human improvement to its subjects. This focus does not imply that development actors are not accountable for unintended consequences. On the contrary, it is the tacit contestation in this volume, to be made more explicit in a companion volume, that “development” in its various meanings raises fundamental ethical questions. Indeed, it is the very tension and ambivalence between the intentional and the immanent in development that those who would justify displacement often seek to exploit. It should be clear from the chapters herein that there are many processes and events that ought to be anticipated by development planners, making the analysis of DID that much richer, more complex, and, indeed, both poignant and normative. We will briefly touch on this below in the section on development ethics.

Although we have refrained from a categorical definition of development, there are, nonetheless, certain central ideas as to how the concept of development emerged and has been contested that are crucial to the study of development-induced displacement. Most important is the idea that development processes can achieve improvement only through destruction and that development as intentional practice has long been organized, at least in part, around finding ways of limiting the destructive effects of capitalism. The current attention to minimizing DID and reconstituting lives and livelihoods after displacement occurs can be understood as the latest phase in a movement that has had different manifestations over two centuries. This tension between the processes of destruction, displacement, and renewal has been evocatively described by Marshall Berman in his *All That Is Solid Melts into Air*. Berman directs our attention to the fact that authors including Goethe, Baudelaire, and Marx organized their narratives of modernization around the dialectic between destruction, displacement, and renewal, and traces what this has meant for the modernization of cities through city planning. Today, this same tension continues to frame the debates over development and whether it should be jettisoned or renewed in the face of its recent failures. In other words, the idea that development is inherently

destructive does not originate with contemporary critics but can instead be traced to the beginning of development thinking. It has always been a prominent feature of Marxist-influenced development theory, which draws on Marx's account of the development of capitalism as a double process of a violent separation of workers from the means of production to create a proletariat, and an equally violent appropriation of surplus through primitive accumulation to create capital. Some Marxists go so far as to argue that the destruction inherent in capitalism, though necessarily violent, is justified in the end because it develops the productive means that make socialism possible.⁴

Outside of Marxist critiques, coercion and violence in development have often been played down but have nonetheless been central to much liberal economic thought since Adam Smith. At the very least, there has been ambivalence or an agnosticism about the character of states and what they could or would do to achieve development aims. Some strands of early political modernization thinking, and the more recent modernization and neoliberal development doctrines from the 1950s to the present, have implicitly argued their way around the need for coercion through the idea that the benefits brought by development can induce people to voluntarily change their ways — thus, in effect, rendering the destruction of livelihoods non-coercive. Despite this, we must keep in mind that various forms of modernization theory always stressed that traditional ways of life had to be destroyed or disciplined in order to make way for modern man (Inkeles and Smith 1974; Cooper and Packard 1997). Indeed, in economic thought at least, these were transitions that had to be borne if growth were to be achieved; the passing of “traditional society” was not to be lamented.

If development as a discourse, an ideology, and a practice carries within it seeds of such a necessarily destructive nature, how then does one conceptualize displacement? In the most literal definition, development-induced displacement is the forcing of communities and individuals out of their homes, and often also their homelands, for the purposes of economic development. Such geographic displacement can be within a city or district, or from one village or neighbourhood to another; it can also involve displacement across long distances and borders, sometimes to economically, socially, and culturally quite different settings. However, a wider conception of displacement is also possible. We have chosen to define displacement very broadly to include the loss of access to the means of livelihood, economic activities, and cultural practices without the necessity of geographic movement. In other words, people do not have to physically move in order to be displaced.⁵ They are displaced, for example, when they lose access to some local resources important to livelihoods and identities — water, forests, fisheries, grazing land, and so on. People can also be considered displaced when their occupations are undermined, as occurs, for example,

through the adoption of neoliberal pricing policies for agricultural products. In Chapter 4, Kooy extends the idea of displacement to include a situation in which people become marginalized from participation in decisions affecting resource access and management – this marginalization will arguably contribute to growing reliance on migratory labour as a way of supplementing inadequate incomes in Northeast Thailand. This broad definition is consistent with our emphasis on indirect as well as direct forms of displacement. Such a definition helps us to encompass the diverse destructive processes of development described previously.

It is important, in this sense, to recognize that development-induced displacement is not an inherently negative process, though the term conjures a sense of loss and unwilling removal. Changing the status quo, redressing inequalities in social relations, and creating more equitable and sustainable modes of living also require the destruction of at least some existing structures. Indeed, within the development donor community, the growing realization of the negative impacts of DID has led not to a rethinking of development itself but rather to attempts to better anticipate and manage those consequences. But, underlying proposals for improving resettlement programs, such as those advanced by Michael Cernea (1997), a former World Bank senior advisor for sociology and social policy, is the idea that the destruction can be justified if the benefits of a project can be distributed so as to restore and improve the lives of people whose livelihoods are lost, to the point where they become willing participants. The issue then becomes, if affected populations are willing participants, can they be listed among the displaced?

This question takes us back to the thorny problem of coercion and displacement – whether the destruction inherent in development can be justified if it is not coerced, and whether the loss of livelihood and identity can in these cases be considered a form of displacement. In this volume, we have adopted the broad position that displacement is by definition coerced. To put it another way, we hold that when, on a completely voluntary basis, a person leaves one place or activity for another, this process would not be considered displacement. It is precisely the production of such voluntariness – through a series of incentives and the promised restoration of livelihoods – that Cernea proposes as an ideal mechanism for dealing with displacement. Such a logic seems circular: the problem of displacement is abated by making participants willingly and happily endorse a development project or program – and thereby negating its displacement effects. In such a scheme, one could argue that displacement no longer occurs, since coercion no longer exists.

In the real world of development projects and policies, however, such an idealized situation rarely, if ever, exists. In some instances, certain participants have been able to profit from a particular project – as in the example

of local landowners who sell their lands at prices that have risen in anticipation of a proposed large-scale venture such as a dam, airport, or highway. But these situations tend in any case to consolidate existing power inequities, enriching those who already have access to property and resources. There is often little redistributive benefit to these processes. The vast majority of individuals and communities affected by DID are land-poor and otherwise marginalized groups such as indigenous populations who often have little or no formal property rights to exploit. In the cases described in this volume, moreover, those who were displaced almost never obtained a significant share of the project benefits, and in no example were livelihoods and ways of life completely restored. In actuality, the failure to produce voluntariness through distribution of benefits or restoration of ways of life not surprisingly ended in coercion, a pattern that figures prominently in all the case studies in this volume.

Significantly, those who argue that displacement can be addressed by voluntariness typically pay little attention to the sometimes difficult-to-see processes through which consent is manufactured within the context of unequal power and the structuring of choices. Although this theme is not strongly elaborated here, post-structuralist accounts of the production of subjectivity might have much to say regarding it. In most of the case studies, power worked less through open coercion than through subtle processes of unequal negotiation and compromise.

Neoliberalism and Displacement

When this project was launched, we did not intend it to become an examination of the displacement effects of neoliberal development policies.⁶ This theme emerged because the broader project enabled the authors to conduct fieldwork in contemporary instances of development-induced displacement. Although the case studies are grounded in the historical past, because they focus on contemporary situations it was inevitable that various faces of neoliberalism would emerge as manifest and decisive backdrops and contexts for understanding the displacement process. But contrary to what one might expect, given the critical orientation of many of the authors, this book is *not* just another clear-cut demonstration of the singularly impoverishing effects of neoliberalism. Instead, rather than asserting that neoliberal development has unprecedented displacement effects – a historical claim that would be difficult to substantiate – the authors more usefully highlight the fact that displacement has become more visible and contested because of certain contradictory features of neoliberalism.

On one hand, the studies show how neoliberal development policies (such as the facilitating of resource extraction, the need to clarify property rights,⁷ and the promotion of market-based allocation, export-based growth, and a deregulatory political economic environment) do in fact produce widespread

indirect and direct displacements. On the other hand, they also reveal how the promotion of “good governance” and the mobilization of civil society groups around greater accountability, transparency, and participation in the development process have contributed to the increased visibility of displacement and have given considerable leverage to groups that oppose displacement-inducing policies and projects. These latter processes are arguably not outside of neoliberalism, but directly linked and increasingly inherent to neoliberalism. In other words, neoliberal development norms have spilled over into mobilizations around demands for liberal democratic procedures that become weapons against DID. This requires further elaboration, not least because, although one increasingly hears that the Washington Consensus is no longer in play, its legacy lives on in reconfigured forms, as, for example, through the conditionalities and programs forcing the decentralization of power and property.

Certain strands of liberal development thinking are shifting *from* the idea that the subjects of developments are in effect “wards” of the trustees of development agents (the state, experts, etc.) to a notion that they should be rights-bearing agents able to make informed choices. As Szablowski writes in Chapter 1, “Liberal legal systems derive their legitimacy from a conceptualization of the individual as an active rights-bearing agent who is protected from arbitrary government action by the rule of law and by the principles of procedural fairness. A person is entitled to know the rules she or he faces and is also entitled not to be dispossessed without the opportunity to present a case that contests the facts and legal interpretations asserted by another party. Within the liberal legal framework, abuse of these rights delegitimizes the result.”

Although liberal legal principles have been criticized on many counts – for example, because their protection of individual rights translates into the protection of private wealth and power over collective goods – they are nevertheless what gives Szablowski’s critique of the World Bank’s involuntary resettlement policy its traction. It also opens up a broader debate about how development subjects *should* be able to participate in making decisions about development processes. Examples can be found in many chapters in the volume: in Chapter 4, for instance, Kooy shows not only how neoliberal restructuring transforms water from a “gift” to a commodity but also that the transformation is tied to a change in how subjects and their entitlements are constituted through attempts to make water-delivery organizations accountable to service “users.” Thus, we would argue that tensions exist within neoliberalism that structure conflicts around displacement with unintended consequences.

It is also important to stress that these case studies demonstrate the uneven evolution of neoliberalism’s purposes from its earlier incarnations, which principally emphasized economic adjustment and stabilization reforms.

These studies variously reflect the irregular way in which the specificities of the tensions within neoliberalism have been applied and executed in their global, national, regional, and local contexts, the working milieus of neoliberalism, as it were. Here, we are dealing with a number of cases in which, at least until the early 1990s, neoliberalism operated under the guise of political non-interference, and in which multilateral, regional agencies and some “donor” governments frequently appeared indifferent to liberal democratic and more participatory forms of governance in certain parts of the world.

Especially, but not only in Africa, however, early agnosticism about liberal democratic governance withered, in part due to the mounting criticism of the failure of these policies in and of themselves. Additional criticism focused on the inappropriateness of appearing to collude with authoritarian partners to effect economic reform during a time of increasing demands for democratization from below, within civil society, and from local and international non-governmental organizations (see Haggard and Webb 1994: 1-36; and Mkandawire 1994: 155-73). The realization that politically liberalizing governments could add legitimacy to economic reforms sealed the pragmatic consideration of coupling them with political and administrative reform. Particularly in Africa, there was the posing of conditionalities in terms of practices and structures for “good governance,” understood in terms of liberal democratic reforms that opened up political processes to limited participation by certain sectors of civil society, promoted accountability and the rule of law, and so on. This package of liberalization set out a relationship between the creation of a minimally procedural democracy, which was consonant with the regulatory, administrative, technical, extractive, and proprietary aims of adjustment, and a new contractual relationship between different development constituencies (see Abrahamsen 2001; Doornbos 2001).

Especially in an environment of conditionality and debt, neoliberalism became, then, not just an economic program to free up market processes, but also a reconstitution of citizenship as a contractual, market-type relationship between state agencies, development organizations, certain NGOs as service providers, and citizens as clients (see Callaghy et al. 2001; and Chapter 4 in this volume). Rather than being just a set of deregulatory adjustment and stabilization procedures, neoliberalism can now be viewed as a package of policy prescriptions that both links up with and reconfigures a variety of actors, agencies, and institutions. This remains true even though it is by no means uniform in its application or effect across the case studies presented here and, in some instances (Chapter 2), it appears to be absent.⁸ In short, this history, as all the case studies demonstrate, is more or less bounded by both the conceptual ambiguities and the practical exigencies

of these changing maps of development practice, and the need to seek new vistas for development practices and their unforeseen outcomes.

This reconstitution of the relationship between development proponents and clients appears to have undermined, or at the very least confused, the ideological basis of the inherently paternalistic idea that developers are in effect “trustees” (Cowen and Shenton 1996: x-xi) of less developed societies, trustees whose status as development agents empowers them to make decisions on behalf of the world’s poor until such time as they develop their own capacities. Whether these new dispensations decentralize paternalism and empowerment from above remains to be seen.⁹ What many of the case studies in this volume show, however, is that development and state agencies work with only partial success to incorporate and tame forces unleashed by the neoliberal reconstitution of citizenship. The result has been an intensified contestation over policies and projects that cause displacement, the transnationalization or even globalization of opposition movements, and repeated efforts to contain opposition to neoliberal development institutions.

Transnationalism and Displacements

Although a full elaboration upon the phenomenon of transnationalism lies beyond the scope of this book, it is useful to note that diverse transnationalisms – or transborder, transboundary, or transterritorial processes and flows – have important implications for development in general and DID in particular. Here, we use transnationalism as a basic shorthand for two things, both of which involve (and sometimes converge around) dialectical relationships between globalizing processes and local practices, or between local initiatives and the mechanisms and workings of globalism.

The first is linked to social movement analysis, which (among other things) examines the organization of the transnational identities and practices of national or local social movements (Kriesberg 1997: 3-19; Keck and Sikkink 1998: Introduction, *passim*). Here, local leaders have organized international or global openings for local actors to shape movements’ goals and strategies through international networking, seeking to gain support for causes and issues beyond the locale, region, or state within which they reside. Conversely, international organizations have also sought to give support for the aims and practices of such local movements. It should be evident that many questions concerning displacement have been mobilized by agents in this way, whether in the language of human rights and/or of development (see Schmidt 2001; and Chapters 7 and 8 in this volume). For example, the increasingly transnational and networked character of anti-dam movements has facilitated the systematic collection of information about the scale of dam-induced displacement, assisted many particular movements through

the enlisting of allies around the world, and provoked a thorough assessment by development proponents of the value of dams, given their widespread displacement effects (World Commission on Dams 2000).

Second, transnationalism has been used by authors such as Alejandro Portes, Luis E. Guarnizo, and Patricia Landolt (1999) to describe economic and other forms of displacement that have taken place in parts of Latin America and that have resulted in immense international migration and “new diasporas,” primarily (but not only) to urban centres. This is a migratory system that is itself tied to the global neoliberal reorganization of production, which, due to the economic crisis of the 1980s and the resultant move from import substitution to export-oriented development, was reshaped in part by neoliberal policies and by conflicts around various parts of the world (Portes, Guarnizo, and Landolt 1999; Van Hear 1998: 4-7).

Two further pertinent elements of transnationalism are the ways in which the migrants’ identities are shaped in being incorporated into their new countries, and the ways in which they also remain active in the places they left (see Levitt 2001). If development implies that people move or ought to move, not just from their immediate locales to places beyond their communities, but also in ways that produce transborder and transnational communities or networks, what are the implications for themselves and those whom they leave behind? Does transnationalism now enter into a normative discussion of the benefits and costs of displacement in a world that includes both a dramatically changing global economy and changing migratory and immigration policies? These are questions that cannot be answered in a volume focusing largely on locality-specific case studies but that nonetheless warrant further thought in future work on development and displacement.

Ethics and Displacement

In drawing out these causal links between development and displacement, the essays in this volume also explore the normative-ethical positions held by key actors in the cases. Until recently, development practitioners and agencies rarely displayed the patience to consider the ethics and morality of their decisions. Development ethics emerged as a sub-field of development inquiry in the mid-1970s, to evaluate change that presumed to improve people’s lives. Authors in this field assert the need to seek out, explore, reveal, and test the moral values, stated or unstated, explicit or implicit, in the prescriptive goals of development theory and practice (see Gasper 1994; Goulet 1995: 5-7). We cannot explore here the various ethical approaches, though many of them will be taken up in a companion volume; nonetheless, at a very basic level, all the chapters in this book seek to integrate the meanings of development into debates around essential ethical questions: What are the costs of change and who bears them? How can we decide

when costs are outranked by gains? Who has the right to intervene, by what procedures, and to promote what ends? What is social improvement? What fundamental changes are desirable or undesirable? What are appropriate goals in planned interventions, and what actions are acceptable as the means by which they are achieved? Specifically, in relation to displacement, how is displacement justified? How have such justifications evolved over time and what might some future trends be? Our intention here was not to adopt a judgmental or morally prescriptive attitude with regard to the cases we examined. That is, our contributing authors did not look to identify “villains” and unethical behaviour by individuals and organizations in various contexts, even though for DID there are a surfeit of cases of social injustice. Rather, we chose to focus on the normative or ethical frameworks underpinning both the projects and policies that displace as well as the attempts to challenge and address these problems.

The dominant normative-ethical position used to rationalize projects that displace has historically been utilitarianism, with its simple theory and results that seem easy to apply. It appears to allow for degrees of right and wrong and provides an unambiguous choice among alternative actions applicable for every circumstance: always choose that which has the greatest utility. In concrete, project-related terms, this choice is usually expressed as “the public interest” or as “public goods.” An assumption running through many projects holds that often vaguely defined benefits that accrue at larger scales (national, global) trump concrete losses experienced at smaller scales. Projects have often explicitly served the purpose of nation (or state) building, and project proponents have often made direct appeals to nationalist rhetoric or paramount utility of “national interests” to further their objectives. One of the best examples of this appears in the justification of dam building in the post-colonial world. In India during the 1960s, the country’s first prime minister, promoting the Narmada Valley Development Projects, exhorted villagers to sacrifice their lands and livelihoods for the benefit of “Mother India.” Nehru himself had once famously referred to dams as the “temples” of a modern and secular India, and he laid the foundation stone for the Sardar Sarovar Project, the planned linchpin for the Narmada projects. Such language is still echoed loudly in the justifications given for major projects that displace, whether they are dams, highways, railroads, planned cities, or other similar initiatives.

But, as the other cases in our volume indicate, such language continues to resonate with other situations as well. A broadly utilitarian framework underpins the explicit rationalization of many projects and policies. Today, the villagers in Narmada are told to abandon their homes not only to build a stronger India but, more explicitly, to save impoverished farmers and townspeople in drought-stricken regions of the country. The very concept of “the public” on whose behalf a “good” is being created has been greatly expanded.

In Chapter 8, Murray describes parks creation in Costa Rica as an ethical imperative spurred in large part by the efforts of Northern environmental groups concerned with preserving nature as a “global” good, but with little discussion of local effects or social justice concerns. In many of the other cases, economic benefits for a vaguely defined “majority” – derived primarily from resource extraction – are seen to trump the rights of minorities. In Sudan, oil development, with its devastating effects on ecology and people alike, is justified in order to “better” the population as a whole. In Andean Peru, mining is promoted as a way of “improving” the lives of local people, through more jobs and affluence.

If utilitarianism has been the primary ethical lens through which development that displaces has been both seen and justified, it has also been the chief underlying normative framework in efforts to address or ameliorate the situation. Cost-benefit analysis (CBA), for example, has emerged as the main evaluative tool used by development agencies and national governments to decide whether projects should be undertaken. Examples include operational directives for the World Bank and various regional development agencies, directives that are predicated on the use of CBA. This is particularly true in more open political situations where it is difficult (though as our cases demonstrate, certainly not impossible) to plan DID projects and policies from on high and with little oversight or local participation.

But cost-benefit analysis has itself been critiqued as being on its own an inadequate determinant of just or equitable development policy and practice. Those who have challenged processes of DID, including the authors in this volume, claim that cost-benefit analysis is altogether too limited and constrained by utilitarian frameworks, which demand winners and losers, and that it is fundamentally a tool that enshrines existing power inequities. Therefore, it is insufficient for any truly equitable, let alone transformational, development discourse. These critics have asked how one decides what is in the larger good, as well as who gets to act as arbiter in such determinations. By default, the role of arbiter is usually filled by the state, which is hardly neutral in these decisions.

We can identify at least two rather different attempts to find alternative bases for a development ethics and development practice. The first, drawing in effect from post-development argumentation that alternatives need to be found outside a dominant Western model of development, seeks to recover displaced and marginalized non-Western ethics.¹⁰ There are many examples, including the recovery of *adat* law in Indonesia, customary forms of property, or culturally diverse forms of trusteeship. In Chapter 6, Sheila Gruner’s interest in outlining the moral basis of local autonomous economic models among indigenous and Afro-descendent peoples illustrates this approach; she is careful to maintain a distinction between these alternative economic models and development. To the degree to which these alterna-

tives are framed as existing outside of development and modernity, however, this approach sits uneasily with an understanding of development and modernity that not only allows for multiple modernities but also is skeptical of attempts to distinguish between the West and the Rest, non-colonized and colonized. Adat, for example, far from being a non-Western customary legal and ethical code, was produced by Dutch colonizers as a way of formalizing and recognizing customary practices; though not invented by the Dutch, adat was a codification of research conducted by Dutch proponents of recognizing the traditional laws (Peluso and Vandergeest 2001; Zerner 1994). This is not to dismiss the exploration of marginalized alternatives, but to suggest that they might be more important as a basis for collective action opposing displacement (as described in Chapter 6) than as distinct non-Western ethical systems.

A second alternative is a rights-based approach to DID. Rights-based approaches are used increasingly to assess development (see Maxwell 1999) and are deemed a fairer and more just evaluative tool for managing (or, better, avoiding) displacement. Indeed, several recent initiatives for addressing DID have adopted an explicitly rights-based approach, including the guidelines on internal displacement produced by the Brookings Institution and the UN Refugee Agency. Although not without its problems, this approach at least provides for a matrix of evaluation that sees decisions less in terms of a calculus of costs and benefits and more in ways that are inclusive of fundamental benchmarks in terms of rights criteria: a rights-based approach sets the achievement of human rights as an objective of development and uses thinking about human rights as the scaffolding of development policy. It invokes the international apparatus of human rights accountability in support of development action and is not solely concerned with civil and political rights (Maxwell 1999: 2). Some of the rights that figure into this approach include the right to a sustainable livelihood, to services including health and education, to life and security, to be heard, to maintain or create distinct identities, and so on. These themes appear frequently in this book as well. We cannot judge claims for the best evaluative framework; rather, we simply point to the need to remain vigilant regarding the way in which these projects are appraised.

Conclusion

What this volume makes clear is that the ills of development are not likely to be fixed by increasingly elaborated models for accomplishing good resettlement. At the same time, the case studies fail to support the post-development view that the only ethical response is to reject development altogether. Rather, we find hope in those movements that see within the contradictions of development a challenge to the paternalism or trusteeship that has characterized development for two centuries. Such challenges,

voiced by those who typically do not reject development, offer the best chance of bringing people who bear the consequences of DID into the development process as subjects, to work through the unavoidable dialectic of improvement/destruction in ways not organized by development's experts. These case studies are worth reading if for no other reason than to explore the various and repeated challenges directed at displacement's justifications by both the authors themselves and the displaced people whose participation in the research process contributed to the narratives produced here.

Notes

- 1 For overviews of the DID literature, see Dwivedi (2002), who provides an excellent review of current models and methods in DID; Sanchez-Garzoli's (2001) lengthy bibliography on internal displacement; and the special issue of the *International Social Science Journal* edited by Feldman, Geisler, and Silberling (2003) on DID, which presents a useful set of case studies and a critical analytical framework for understanding DID.
- 2 Neoliberalism emphasizes trade liberalization and export-led growth, as well as financial market liberalization and financial capital mobility, fiscal and monetary austerity, privatization, and labour market flexibility. The package is sometimes labelled "the Washington Consensus" in reference to the institutions based in Washington, DC, that promoted these policies (World Bank, IMF, US government).
- 3 Peet (1999: 17), for example, outlines five main *approaches* to development – economic, sociological, neo-Marxist, post-structural, and feminist – all of which begin within the economic and the notion of growth.
- 4 Lenin, for example, held this view, though it is not at all clear that Marx did, despite his description in Chapter 31 of *Capital* and his searing evocations in *The Communist Manifesto*.
- 5 The notion of displacement in the absence of *de-location* might strike some as an oxymoron, in that displacement implies removal. However, as we show here, and as is clear from many of the chapters in this volume, people who are not physically relocated can still be displaced from their livelihoods. Displacement thus also points to the sense of loss that accompanies the deprivation of the means and resources through which to continue those livelihoods. For many people, the issue of "improvement" is neither here nor there: the real issue lies in their ability to choose the shape that their lives will take.
- 6 Although most of our case studies have obviously not assessed the longitudinal effects of displacement, Chapters 2 and 6 describe long patterns of displacement that have recently boiled to the surface in Sudan and Colombia. In these instances, displacements have come out, revealingly, in moments of violent, deeply structured historical conflict. However, it is no accident that they have occurred within the context not only of civil war but also of wars linked to resource extraction. In these chapters, El Jack and Gruner argue that these resource wars are not only coincidental to liberalization but also consonant with it. Although neither we nor the authors claim a direct correlation between displacement, conflict, and neoliberalization, we are all of a mind that neoliberalism matters deeply.
- 7 Until recently, it was habitually assumed that changes in property rights were linked to a complex growth process that ultimately ought to tend towards, if not end in, Western types of tenure security. As is made clear throughout this volume, however, and as the World Bank now realizes, there are many circumstances in which the historical and cultural patterns of geographic mobility of actors are crucial to the safeguarding of livelihoods. Such mobility is not only made viable through customary land tenure systems; it is also the foundation of their *flexibility* and permits both the assimilation and variability of rights within and between communities where migration is an essential part of people's livelihood cycles (see Platteau 1996).
- 8 Even here, the Islamist government in Sudan embarked upon home-grown adjustment programs in a climate of conflict and civil war in the early 1990s.

- 9 For a recent, and devastating, critique of the pretensions of the World Bank and similar agencies that claim to ameliorate poverty, see Paul Cammack (2002). He shows that under the guise of pro-poor development, the “new development orthodoxy” of neoliberalism has been purposely expanded, overturning the development state orthodoxies of the 1960s and introducing pro-capitalist policies that are now, deceptively, linked to socially beneficial outcomes. Using successive World Bank reports, he demonstrates that the “Bank and other institutions, far from disseminating recipes for development that will benefit all sectors of society, are constructing a legitimising ideology that conceals the contradictions of capitalism as a global system, and re-presents it as a remedy for the very human ills it generates” (160).
- 10 We thank one of the anonymous reviewers of this chapter for reminding us of this option.

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Part 1
Displacement, Multinationals,
and the State

1

Who Defines Displacement? The Operation of the World Bank Involuntary Resettlement Policy in a Large Mining Project

David Szablowski

Over the past decade, globalizing industries such as mining have witnessed an intensifying battle over the development of large-scale projects in the global South. During this period, advocacy campaigns have been particularly successful in conveying the plight of many local and indigenous communities faced with dispossession, environmental degradation, and impoverishment as a result of megaproject development. These critiques have done damage to the legitimacy of parties involved in developing these projects, including private-sector corporations, financial institutions, multilateral development banks, and governments. As a result, a fiercely contested and many-sited debate is taking place concerning the principles that ought properly to govern relations between such projects and local communities impacted by their operations. This is a battle to define what will be required of project developers (often over and above state legal requirements) before their operations can be deemed to meet a new benchmark: “social acceptability.”

Development-induced displacement (DID) is an important paradigm that is being deployed by certain actors involved in these debates. In particular, the World Bank has used the concept of DID as the basis for a transnational legal regime that it applies to projects for which bank agencies provide financial services. This regime is centred on a particular set of rules relating to its involuntary resettlement policy (IR policy). What promise does the development-induced displacement paradigm offer to those embroiled in the complex social conflicts that arise from large-scale project development in the global South? This chapter argues that, to answer this question meaningfully, norms and principles should not be considered in a vacuum. To understand what DID principles can mean to project-affected populations on the ground, it is important to examine the institutionalized means by which such policies are translated into practice.

Studying Legal Regimes

As has long been recognized in socio-legal studies, how legal regimes determine facts, define terms, and apply rules in practice depends greatly on how they are structured, on who has what kind of say in decision-making processes, and on how interpretive authority and power are distributed among different actors involved in the regime. Such regimes, whether or not they are managed by a state, are also social fields of action with their own internal rules and processes. A practical understanding of the operation of a legal regime requires an understanding of the rules of the game underlying the social universe within which the operation takes place (Bourdieu 1987).

This chapter offers an analysis of the operation of the transnational legal regime enforcing the World Bank involuntary resettlement policy in the context of mining development. This analysis will focus on the ensemble of actors involved in producing the regime's regulatory decisions, their structural roles in this process, and the nature of their contests over interpretive authority. The aim is to elucidate how the regime performs in the context of mining development: what form of regulatory influence does it exert over relations between mining companies and local communities? And to what degree does it legitimate these relations?

The World Bank Involuntary Resettlement Policy: Regulatory Architecture

The World Bank Group is made up of several agencies, the best-known of which are those engaging in public-sector development activities with governments, the International Bank of Reconstruction and Development (IBRD) and the International Development Association (IDA). However, the Bank Group also includes two agencies, the International Finance Corporation (IFC) and the Multilateral Guarantee Agency (MIGA), which deal with the private sector, providing financial services to facilitate investment in the countries of the global South. Created in 1957 and 1988, respectively, these latter two agencies are mandated to pursue poverty reduction in the developing world through the promotion of private-sector development. IFC acts as a banker and investor, providing equity and debt to private-sector investment projects. MIGA is a loan guarantor that provides political risk insurance.¹ Both agencies are involved in financing large mining projects. In a contract for financial services made with either IFC or MIGA, a client must covenant to comply with that agency's "safeguard policies" (formal policies designed to address project-related negative social and environmental impacts) and submit to the agency's supervision and enforcement procedures. Failure to comply constitutes grounds for termination of the contract.

Initially drafted in the 1980s, and revised several times over the past two decades, the IR policy is the first social safeguard policy created by the World

Bank (Fox 1998: 304). The relevant version for the purposes of this discussion is Operational Directive 4.30 on Involuntary Resettlement (hereafter OD 4.30 or the directive), which was in force from 1990 to 2001. Projects approved for IBRD or IDA assistance on or after 1 January 2002 are subject to a new version of the policy that is divided into two documents, the first dealing with policy and the second with procedure. These are Operational Policy 4.12 and Bank Procedure 4.12 on Involuntary Resettlement (OP/BP 4.12).² At the time of writing, IFC and MIGA had not adopted these new policy documents and were awaiting the results of an external review of their safeguard policies.³ Although IFC continues to use OD 4.30, MIGA has adopted an interim IR policy pending the results of the review. Because the project presented in the case study was approved for MIGA assistance in 1998-99, the analysis provided here will focus upon the text of OD 4.30. However, in order to keep the analysis up to date, endnotes will refer to the corresponding provisions of the new policies (OP/BP 4.12) and will indicate where their content varies significantly from that of the previous text. The thrust of the critique presented here concerns a structural element found in all versions of the Bank Group's IR policies.

The policy on involuntary resettlement is an attempt to address a specific set of project-related social and economic impacts: those which arise from the appropriation of land without the informed consent of its owners, occupiers, and users. For local people, the forced sale of land can mean a loss of access to resources, income-earning opportunities, shelter, and/or the disruption of social networks that underpin vital production systems. Compensation schemes mandated by states frequently fail to provide either full or effective compensation for the physical and social resources lost by people with land-based livelihoods. Such systems restrict compensation to officially recognized forms of property, ignoring what is often a substantial part of the resource base underlying rural livelihoods (such as informal or *de facto* property rights recognized locally); they neglect entire categories of loss inflicted on disrupted communities (including lost access to social networks crucial to agricultural production systems and start-up costs faced by relocated people); they assume that cash is an uncomplicated form of compensation easily translated into new productive assets (disregarding local capacities and opportunities for money management, local inflationary effects, and cash as a form of property that can be appropriated by a single actor). The result, repeatedly documented in studies on the subject, is deepened impoverishment among people often already considered very poor (see Cernea 1988, 1997, 1999; Cernea and McDowell 2000; McDowell 1996; World Bank 1996).

The stated purpose of OD 4.30 is to "ensure that the population displaced by a project receives benefits from it" (para. 3).⁴ This is to be achieved first by addressing the considerable risks of socio-economic harm that can arise

to local populations from the forced acquisition of land by a project and, second, by assisting such populations with their efforts to “improve their former living standards, income earning capacity, and production levels” (para. 3).⁵ The resettlement policy’s central requirement is that those impacted by a project’s land acquisition process should be *at least* as well off afterwards as before the project’s intervention into their lives (para. 3).⁶ To this end, the project sponsor (that is, the mining company) must structure land acquisition as a participatory development intervention. This intervention, called a “Resettlement Plan,” must be designed, managed, and monitored by qualified experts (paras. 6, 22, 23).⁷ Involuntary resettlement must be avoided where feasible, and otherwise minimized (para. 3[a]).⁸ Effective compensatory measures must guard against the threat of impoverishment for displaced persons⁹ and should permit them to improve their standard of living (paras. 3-5).¹⁰

At its core, the intention of the resettlement policy is similar to that of a far older regulatory mechanism employed by liberal states: the requirement for compensation for the expropriation of private property pursuant to the state’s power of eminent domain. Under the doctrine of eminent domain, states reserve the right to force a sale of property that is required in the public interest. Sale is made at fair market value: a sum presumed sufficient to compensate a rational actor operating within a market economy (who will then be in a position to purchase a productive asset equivalent to the one sold). The doctrine of eminent domain recognizes that absolute freedom of contract and property could obstruct or impose unfair costs on certain desirable public goods (Rose 1994). Forcing a property holder to sell his or her land is deemed to be justified by the public importance of the good pursued and by the full compensation of the property holder according to liberal economic principles (that is, compensation for fair market value of legally recognized property interests) (Rose 1994: ch. 6).

IR policy, however, asserts a logic very different from the liberal, market-oriented paradigm used both by states and enterprises to frame property transactions. Instead, it reads like a version of eminent domain conceived by social scientists and rural development professionals. It seeks to base compensation on a more comprehensive socio-economic accounting of community assets and project-related impacts. It directs the project sponsor to treat formal and informal property equally;¹¹ it emphasizes the need to facilitate the reconstruction of damaged social components of local production systems; and it focuses attention on the impacts of lost income-earning opportunities and lost access to public services (paras. 2, 3, 7, 14, 17).¹² Given the seriousness of displacement, it requires that IR be avoided or minimized where feasible (para. 3[a]).¹³ It emphasizes the need to tailor compensation carefully to the target population and to view the situation overall as a development opportunity. The basket of compensatory mea-

asures available for rebuilding and improving local living standards includes asset replacement, cash compensation, development projects to improve physical assets (such as land reclamation and irrigation projects), development projects to improve human capacities (such as training), and the provision of employment opportunities (paras. 13-19).¹⁴ In the case of rural populations, the resettlement policy strongly favours land-for-land exchanges over exchanges of cash for land (para. 13).¹⁵ Furthermore, it views the full remedying of harm (that is, the restoration of pre-existing livelihoods) as the *minimum* level of acceptable compensation (para. 3).¹⁶ The resettlement policy also draws attention to equity issues, calling upon the project sponsor to identify “vulnerable groups” within the affected population (which may be women, indigenous people, landless peasants, and so on) and to ensure that such groups are properly included in the compensation framework (paras. 8, 16).¹⁷ And finally, the resettlement policy requires that planning, execution, and follow-up of resettlement activities be conducted with the participation of both the affected population and any “host” communities to which it may be relocated (paras. 7-10, 13).¹⁸

The resettlement policy thus represents a considerable normative challenge to how business is conventionally transacted by a mining enterprise. First, it argues for much broader conceptions of property and compensation than those specified within liberal legal systems. Second, and more fundamentally, the policy calls for a wholesale reconstruction of the property transaction relationship. In a liberal legal framework, the responsibilities of the parties to one another usually end with the exchange of compensation for land. The resettlement policy, however, holds the project sponsor responsible for the *economic outcomes* of its transactions with local people. The company is directed to ensure that its compensation actually does “at least ... restore” to pre-project levels the “living standards, income earning capacity, and production levels” of “displaced persons.” The company is cast into an unfamiliar role as a fiduciary with considerable paternalist responsibilities and (as we shall see) powers. This is a foreseeable site of normative conflict. The regulatory regime that emerges around the resettlement policy will have to respond to forces within (and perhaps external to) the mining company that seeks to maintain the logics and practices of “business as usual.” We can predict that the result of this normative conflict will have a significant impact upon the overall regulatory influence of the regime.

Of course, terms such as “living standards,” “displaced persons,” and “participation” are far from self-defining, particularly when transplanted into different socio-economic environments. What forms of harm are compensable? When is a harm considered to be remedied? Who counts as displaced? What is a valid participatory process? The regulatory impact of the directive’s legal regime will to a large extent depend upon the mechanisms through

which the directive is interpreted and applied in the local environment. This regulatory architecture is set out in OD 4.30 itself, in the sponsor's contract with IFC or MIGA, and occurs in the planning and permitting processes that accompany project design and development.

Briefly, the project sponsor is charged with conducting the field research and participatory consultation necessary for its design of the resettlement plan. This material (in the form of written reports) and the plan itself are reviewed for approval by IFC or MIGA¹⁹ in Washington DC and by an independent engineer (an environmental engineering consulting firm contracted pursuant to the financing agreement to act as an independent monitor of environmental and social compliance). In the case of a large mining project, staff from the bank agency will also typically arrange for a short visit to the project site. After any revisions, the plan is then implemented by the project sponsor, who is required to make ongoing progress reports to the bank agency. Since 2000, a Compliance Advisor Ombudsman (CAO) office has been established in Washington DC to address compliance issues respecting IFC- and MIGA-financed projects, including local complaints (CAO 2001).

What are the implications of this structure? One of the most striking is the marginalization of local people within the process of interpreting and applying the directive in their local circumstances. There is no requirement to provide local people with copies of the directive; nor is it mandatory that they be made aware of its existence as a body of rules binding company action with respect to compensation for their livelihoods and property.²⁰ Furthermore, there is no requirement to advise local people of the existence of IFC, MIGA, the independent engineer, or the CAO, or of the means of contacting them. Accordingly, local people are effectively shut out of any direct involvement in the IFC/MIGA review process. The form and extent of their involvement is determined by the company's participatory process, and their input is mediated to the supervising agency via the company's reports. In contrast, the bank agency has a positive duty to inform its customer of the directive (para. 24)²¹ and to finance technical assistance to enable the customer to carry out its resettlement responsibilities (para. 23).²² Without alternative input, the company's reports tend to become the only authoritative "legal facts" describing the local environment, its economic and social structures, the degrees of impact, and the needs and entitlements found to exist among local people. Reviewers at the bank agency and the independent engineer are able to check for reasonableness, methodological soundness, and consistency, but are largely faced with the facts as presented. Subsequent discussions regarding the application of the directive are conducted exclusively between the company and the reviewing agencies.

The resulting construction of the role played by local people is markedly different from that accorded to legal persons²³ by liberal legal systems. Liberal legal systems derive their legitimacy from a conceptualization of the

individual as an active rights-bearing agent who is protected from arbitrary government action by the rule of law and by the principles of procedural fairness. A person is entitled to know the rules she or he faces and is also entitled not to be dispossessed without the opportunity to present a case that contests the facts and legal interpretations asserted by another party. Within the liberal legal framework, abuse of these rights delegitimizes the result. In contrast, the IR directive circumscribes the role played by local people as actors and casts them instead as passive subjects. Although they are to provide information and to be consulted as to their preferences, they are principally expected to act as the objects of expert study. Interpretive conclusions are drawn by experts who elicit and use the input of local people alongside other raw material. Under the recently created CAO complaint procedures, local people can gain some measure of active participation once something “goes wrong.” However, initiating such a complaint requires a knowledge of the structure and procedures of the directive’s legal regime, which can be quite difficult for local people to obtain and which the regime itself does little to facilitate.

Rather than granting concrete procedural rights to local people, the directive imposes a duty on the project sponsor to ensure their “participation” in planning and decision making.²⁴ Participation denotes a generalized form of procedural involvement that has become ubiquitous among development practitioners and within some circles of researchers. It is a flexible rather than formalistic approach. The practical content of participation is tailored by development and research professionals to be appropriate to local circumstances and the issues in question (Davis and Soeftestad 1995). Although a commitment to participation has become nearly universal within the development field, the question of what constitutes valid and effective means of participation remains highly contested. Durst (1994: 64), for example, calls it an ideology “devoid of a shared meaning and a common methodology.” Furthermore, it is often argued that much participation is tokenistic, involving no real impact upon the decision-making process (Cooper and Elliot 2000; Lohmann 1998). Certainly, a wide spectrum of perspectives and practices is currently classed within the category of participation: participation may encompass a rigorous involvement in decision-making procedures or it may not (compare, for example, the approach set out in IFC Environment Division 1998 with the nuanced analysis suggested by Carter 1998 and the emphasis on accountability in Feeney 1998). The ambiguous requirement of participation also indicates a paternalistic framing of the role played by local people. Although World Bank IR policy affirms the need for special measures to ensure the effective compensation of local people, it offers limited respect for local agency. As a result, the degree and manner of local involvement in the process are other factors to be determined largely via the legal facts and interpretations developed by the project sponsor.

It is worth recalling that, for local people, there is a great deal at stake in the ways that IR policy is interpreted and implemented. The results of the processes of interpretation and implementation will determine whether the people are dispossessed of their livelihoods and provided – or not – with effective means for reconstruction or compensation. Furthermore, as will be discussed, the application of IR policy can have an important legitimization effect upon the land acquisition process, which, in turn, may impede the community’s capacity to mobilize support from transnational allies. Given the importance of these matters to the lives of local people, the marginalization of local people within the process of interpreting and applying IR policy demands a very high burden of justification.

What, then, is intended to ensure the integrity and legitimacy of this process? It is the expertise and integrity of the professionals hired to run it (OD 4.30 paras. 22, 25).²⁵ In the regulatory regime of the directive, interpretation is presented as a technical activity rather than a political or contestable one. Specialized personnel are employed by both the mining company and IFC/MIGA. The research, analysis, participatory design, and resettlement planning are performed by the company’s specialists and reviewed by the bank’s specialists. These tasks are presumably assessed on the basis of a shared professional perspective on standards of practice, accepted procedures, and mutually recognized norms. The process is analogous to scientific peer review: the adequacy of the practitioner’s credentials and methodology, the thoroughness of the procedures, and the reasonableness of her/his conclusions within the accepted parameters of a professional discourse all attest to the work’s validity. In the same spirit, the interpretation of terms such as “participation,” “displaced person,” “living standards,” and “resettlement” ultimately derives from the content of these shared professional practices, standards, and judgments. The integrity and legitimacy of these interpretations therefore rest upon the premise that they will be produced by disinterested and autonomous technical professionals applying scientifically validated professional norms and judgments.

Thus, as we have seen, World Bank IR policy inserts the development-induced displacement (DID) paradigm into a regime in which decision making is treated as the province of experts, apparently to the detriment of the rights of agency and self-determination of project-affected populations. How IR policy operationalizes DID as a framework for addressing project-related impacts and benefits on local populations is for these reasons bound up with the construction of this new form of professional specialization, its autonomy, interpretive authority, and the context within which it operates.

The Social Specialist

The term “social specialist” is used here to refer to expert professionals hired by mining companies and World Bank agencies to frame and address com-

munity issues. They play a key role in the construction of who and what is “the community”: its geographical and political scope, its social, cultural, and economic character, its legitimate needs and entitlements. The conclusions of social specialists are invested with the authority of their individual academic and professional credentials. On the face of it, social specialists would appear to play a role analogous to that of lawyers within national legal regimes: they are the regime’s specialized interpreters. Just as legal training is required in order to translate a controversy into the language and logic of a lawsuit (and to transform it in the process – Bourdieu 1987: 833), so it is the particular task of the social specialist to phrase project-related social conflicts within a “social acceptability” framework.

Social specialists do not exercise their interpretive functions in a vacuum. In the mining industry, their activities are integrated within the hierarchical planning and decision-making structure of the mining enterprise itself, typically under a department responsible for “community relations” which either employs them as staff or retains them as external consultants. Decisions taken by the department must be coordinated with other corporate departments and ultimately approved by senior management. Land acquisition and resettlement planning, for example, will also involve staff from departments responsible for legal compliance, environmental issues, operations, and so on, and must be structured within the overall budgeting and timetabling processes for planning and project development.

This suggests a series of related questions. What authority or influence is exercised by social specialists within this organizational structure? To what extent, and in what circumstances, do social specialists possess the authority required to assert interpretations and representations that will be carried out in practice? How strong is the interpretive authority of social specialists within their institutions as compared with that of other actors with competing interests? There are a number of compelling reasons to question the extent and depth of their influence and interpretive authority.

First, there is a lack of consensus within the mining industry concerning the legitimacy of social responsibility policies. Strong feelings exist throughout the industry that it has been the victim of unfair and misinformed criticism (Wilson 2000). According to this view, the creation of these policies and of community relations departments represents an unreasonable concession to political correctness. At their most extreme, proponents of this view contend that community activities should consist chiefly of public relations efforts rather than promotion of substantive change. A less extreme version of this line of thought places social issues at the periphery of a mining company’s core concerns: they may have to be addressed but must not get in the way of “real” work.

Second, both mining companies and environmental consulting firms are dominated by professionals from physical science disciplines such as

geology, biology, and engineering. Social scientists working on interdisciplinary impact assessment teams have identified among many physical scientists a tendency towards a “disciplinary chauvinism” characterized by a lack of understanding of or respect for the premises, methodologies, and results of social science inquiry. These attitudes, particularly when they are held by senior decision makers or “research brokers,” may result in the underfunding of social research (“What is it you guys really do to use all that money?”) and the failure to contract qualified personnel to address social issues (“anyone can determine the social consequences of development”).²⁶

Third, there are strong structural motivations in the industry for continuing with “business as usual” – particularly with regard to diminishing the impact of social responsibility requirements on the timing and cost of other operations. Strict control of production costs and timetables is a paramount value within the mining industry. Metals prices are established on volatile world markets, and the success of a mining enterprise depends on achieving production at the lowest possible cost. In addition, the need for considerable borrowing in order to develop a large mine places a high premium on the efficient use of time: the faster a mine can become productive, the less debt servicing will be necessary. These values are deeply embedded in a company’s institutional culture as well as in the individual professional cultures of its staff. The capacity of social specialists to insist on action that increases costs or requires delays may be limited both by overt policy and by the “natural” dispositions of company personnel active in the decision-making process (including the social specialists themselves).

Finally, the profession of social specialist in the context of mining remains poorly institutionalized and offers little to bolster the interpretive authority of individual practitioners. It is not a professional category with accreditation, compulsory professional standards, or disciplinary self-regulation. It is not clear what qualifications are required for social specialists. Although many who are hired in this capacity are anthropologists or sociologists, others may be physical scientists or managers who have acquired some practical experience with community issues. In Peru, it is not uncommon to find Peruvian mining engineers (“old hands” at dealing with communities) or even former industry-side labour negotiators in senior positions in community relations departments. Not surprisingly, little foundation exists for the creation of the interpretive consensuses which help to consolidate a profession’s specialized authority (see Burdige and Vanclay 1996: 66-70; for a contrary view, see Finsterbusch 1995;²⁷ for evidence of growing institutionalization of professional standards, see ICGP 1995 and IAIA 2002).²⁸

These observations call into question two assumptions concerning the capacity of social specialists to ensure the integrity and legitimacy of regulatory decisions produced by the directive’s legal regime. It is not clear that social specialists operating within the mining industry have a strong sense

of shared professional standards and judgments to serve as authoritative and reviewable guidance in interpreting and applying IR policy (particularly with respect to such specialized terms as “displacement,” “resettlement,” and so on). In addition, these observations suggest that social specialists may have difficulty formulating or asserting interpretations (that are carried into practice) that conflict with dominant logics, assumptions, and practices within the company. In the words of a social consultant with substantial mining industry experience, “The difficulty for consultants of providing objective and complete assessments of the potential impacts from project development when they are being paid to assist a company to develop a project can be quite extreme” (Joyce and MacFarlane 2001: 8). In addition, the influence of individual social specialists can be diminished by those higher up in the decision-making structure. Consultants who collect field information can often be several steps removed from those who write the general conclusions of a study (Fearnside 1994). How these conclusions are drafted is typically subject to great scrutiny by corporate clients. We can expect that internal contests for interpretive authority and power are important issues with respect to how mining companies define and address social matters.

Insight into the dynamics of these contests may be derived from the trajectory of the introduction of social specialists within the individual agencies of the World Bank Group itself. The World Bank introduced its social safeguard policies and social departments in response to concerted outside pressures. Since the 1980s, advocacy networks connecting Northern NGOs with grassroots movements and NGOs in the South have waged sustained campaigns to promote change and accountability in bank-funded projects (Fox and Brown 1998). Although these pressures have scored significant successes in establishing or changing formal policies and procedures at the bank, changes in actual practice have been much more elusive. For example, the bank-wide review of public-sector projects carried out between 1986 and 1993 revealed a systematic and widespread pattern of non-compliance with the resettlement directive (World Bank 1996). Social specialists employed at the public-sector side of the bank have been free to write and publish as they wish; however, they have had to struggle against the marginalization of their influence upon actual practice (Fox 1998; Francis and Jacobs 1999; Gopinath 1996). Factors identified as contributing to this marginalization include the economist-led corporate culture of the bank and institutional disincentives to rigorous application of social safeguard policies.²⁹

J.A. Fox and L.D. Brown (1998) have suggested that external pressure on the bank can help to increase the authority and reform opportunities available to social staff within the bank. During interviews they conducted in the social departments of the World Bank agencies, informants agreed with

this suggestion: they felt that the presence of outside pressure helped to increase their standing within their organizations. As community issues become more important problems, those qualified to address them gain greater importance and authority. This dynamic is likely to apply as well to the social departments working within mining companies: that is, the authority of social specialists will be strongly influenced by the relative presence, absence, and form of outside pressure and scrutiny of the process.

Case Study: Compañía Minera Antamina

This case study concerns the initial phases of relations between a majority Canadian-owned transnational mining enterprise and local communities in a remote rural district in Andean Peru. More specifically, it focuses on corporate-community relationships during acquisition of land and introduction of project into local environment. This work is based upon field research undertaken in 2000 and 2001 at the mine site in the district of San Marcos, as well as in the departmental and national capitals. I conducted interviews with a wide range of informants including indigenous peasants, peasant leaders, municipal officials, townspeople, company staff and management, government representatives, and NGO staff. Additional interviews were conducted in Washington DC with NGO representatives and with social and environmental staff from the World Bank, IFC, and MIGA.

Compañía Minera Antamina and the District of San Marcos

The district of San Marcos is located in the Conchucos Canyon region, in the department of Ancash, in the central Peruvian Andes. Nationally, San Marcos is counted among the poorest and most marginalized of areas, with high levels of malnutrition and illiteracy, and a significant rate of permanent emigration. The majority of its residents are Quechua-speaking indigenous peasants who practise subsistence agriculture. Neither San Marcos nor the Andes generally lends itself to tidy, comfortable images of “community.” Andean environments such as these are riven with a long history of opposing solidarities, internal divisions, and conflict – particularly with respect to conflicts over land.

Rural environments in the Andes have often been regarded as isolated pre-modern spaces in which traditional communitarian practices have persisted along with quasi-feudal forms of exploitation dating from the Spanish conquest. Over recent decades, a profound and ongoing series of transformations has disrupted the familiar classifications of traditional/modern, Andean/coastal (Diez 1999: 263). Land reform in the late 1960s and 1970s provided *campesinos* (indigenous peasants) with new freedoms and removed the linchpin of the existing system of dominance maintained by *mestizo* (mixed descent) local landlords and bosses. Large-scale emigration from the rural Andes to coastal urban centres was greatly accelerated in

the 1980s and 1990s by the persistent crisis of the rural economy and by deepening political violence. The “modern” *criollo* (Creole)³⁰ coast has itself been transformed by the arrival of millions of Andean migrants vigorously engaged in informal urbanization and commerce and struggling with economic and social marginalization. The “traditional” rural Andes has experienced a constant flow of returning and visiting migrants, with profound and ongoing effects upon Andean social and political institutions (Paerregaard 1998; Diez 1999). As a result, even the most remote corners of the Andes are continuously articulated with the urban world. This articulation, and the spanning by migrants of spaces with different and changing rationalities, puts into question the meaning of Andean identities. It opens for Andean peasants the possibility of social and economic transformation, of greater access to the benefits of the modern metropolitan world, even as they experience marginalization in both rural and urban settings.

Rural livelihoods in the Andes are based upon a fragile balance. To whatever degree possible, traditional agricultural production and non-market exchange are supplemented by production for regional markets,³¹ seasonal migration for salaried labour, and remittances from migrants. Diversified agriculture is managed across ecological zones that vary with altitude and microclimate. Families and communities ensure access to a mixed basket of goods by spreading their own production across various zones and by maintaining local networks involving both traditional and market forms of exchange.³² However, the need created by demographic pressures far exceeds the productive capacity of these strategies, making emigration to the cities of the coast a necessary survival strategy for households and communities (Figuroa 1989).

The land sought by the Antamina project in San Marcos is located at an elevation above 4,300 metres and forms part of an important high-altitude pastoral production zone called the *puna*, which is chiefly used to pasture animals.³³ Legal ownership of this land was divided between two peasant communities (legal entities that hold communal title under Peruvian law)³⁴ and a number of families of peasant smallholders. These lands, whether privately or collectively owned, are relied upon by a relatively extensive group of users (which includes owners, extended family, renters, and retainers) for livelihood interests that vary from person to person and family to family – including cash income, goods, domicile, and employment. Small numbers within this group (often retainers or poor relations, but sometimes landowners) are either permanently or seasonally resident in the *puna* and act as shepherds tending the animals of others (GRADE 2000; Orlove 1977; Pinedo 2000; Rios Ocsa 1992).

In September 1996, the Peruvian government approved a joint bid by two Canadian mining firms to exploit the undeveloped Antamina copper-zinc deposit, awarding them the concession previously held by a state-owned

company. Rights to the concession were vested in Compañía Minera Antamina (CMA), a Peruvian company created and initially owned by the two partners.³⁵ In 1996, at US\$2.3 billion,³⁶ Antamina was the largest mine project financing ever arranged (Watkins 1999). The financial consortium that provides the project with debt and investment guarantees includes the World Bank's MIGA; accordingly, pursuant to its financing contracts, the project is obligated to comply with the World Bank involuntary resettlement policy.

The discussion that follows presents a compressed account³⁷ of the land sale and resettlement processes conducted in San Marcos between 1997 and 1999. It is divided into two parts, dealing with the processes of land acquisition and resettlement. It is followed by an account of subsequent events that took place in 2000.

Making the Deal: Persuading Peasants to Sell Land

CMA's community relations staff were given the task of acquiring legal title to lands required by project designers for the mine and its associated infrastructure. The project's land acquisition, resettlement, and development plans had been made in advance, pursuant to studies commissioned from social and development experts and pursuant to the company's assessment of its various legal and regulatory obligations (including Peruvian contract and property law, CMA's MIGA commitments, and environmental permitting).³⁸ Accordingly, in convincing landowners to sell, community relations staff were required to use a pre-set package of offers. Negotiations with the various landowners took place over roughly one year.

During the course of these negotiations, it is likely that CMA negotiating strategies evolved as staff discovered what tended to persuade peasants and what did not. In many ways, these discussions became a diffuse negotiation process in which peasants with the limited standing to do so engaged with company representatives regarding the terms upon which the mining project should be allowed entry into San Marcos. CMA and peasant negotiators did not restrict their discussion to the narrow issue of price: peasants wanted to know how the arrival of the mine would change their lives and the environment around them. Many peasants feared the destructive capacity of the project and its effect upon existing livelihoods. Foreign mining operations from the nineteenth and early twentieth centuries in Peru were well known in the country for their appropriation of peasant lands and their devastating environmental effects (CooperAcción 2000; Mallon 1983). Furthermore, the fragility of many livelihoods in San Marcos meant that few could afford to lose the lands being sought by the project. In addition, many peasants hoped that the mine would bring transformative economic opportunities, particularly in the form of work for the young, but also as a market for local agricultural goods.

CMA representatives were successful in inducing contracts of sale by responding to both the hopes and anxieties prevalent within peasant communities. With respect to transformative economic opportunities, CMA staff offered what was viewed at that time as a high purchase price for land³⁹ and the promise of a number of development projects for the benefit of local people. In addition, it appears that in many cases these offers were supplemented by misleading assurances that the mine would bring large-scale, secure employment for the local people of the region (GRADE 2000; Szablowski 2004). With respect to peasant fears of loss of access to the high-altitude pastures, CMA negotiators invoked the company's resettlement plans made pursuant to its resettlement commitments to MIGA. Landowners were told that purchased lands would be replaced in a subsequent resettlement process. The resettlement offer provided an assurance not only to owners but also to the larger community that depended economically on highland pastures that existing production systems would not be dismantled as a result of the sale (Szablowski 2004).

During my interviews, peasant informants reported that CMA negotiators also threatened intransigent peasants with the state's powers of expropriation in favour of mining development. Pursuant to Peruvian law, after initiating negotiations for the purchase of surface rights, a mining-concession holder can apply for and be granted an easement, at the state's discretion, essentially expropriating required surface rights in exchange for a nominal payment to their owner.⁴⁰ The threat of expropriation was used both to encourage reluctant vendors and to discourage those who sought to bargain for more than the company was offering.

Breaking the Deal: Redefining Resettlement

CMA's land acquisition strategy represented an initial success for the company. The project obtained title to the lands it required at a price that was kept under the company's control and in circumstances of relatively general local approval. This climate of approval, however, would be short-lived. Some five months after the land acquisition process was complete, it became apparent that CMA's operations department had appropriated those lands set aside by the company for resettlement purposes. Community relations was not aware of the change until it began resettling peasants into areas that soon became construction sites. Furthermore, driven by the substantial gains to be realized by early completion of the project's facilities, operations insisted upon an accelerated timetable for the clearance of required lands. Community relations was directed to accept these new arrangements. With the rainy season approaching and with no time to acquire replacement land, the land-for-land resettlement plan was dropped in favour of a faster cash-based program⁴¹ (see GRADE 2000; Ian Thompson Consulting 1999: 9).

For local peasants dependent upon the purchased lands, the cash-based program represented a dramatic reversal of policy. Although the promise of land-for-land resettlement had been made to owners during the land acquisition process (in some cases in writing), cash-based resettlement was offered only to those identified as “permanent residents” of the high-altitude pasturelands. These relatively small numbers of shepherd families were pressured to accept very high levels of monetary compensation in exchange for their immediate departure.⁴² Owners were no longer the targets of this negotiation process.

Distrust of company promises deepened as the other major commitments made locally by company representatives failed to materialize. At that time, little evidence was seen by peasants of CMA’s plans for local development projects.⁴³ Furthermore, the hope of widespread employment with the mine was becoming increasingly faint. Accordingly, when the evictions took place in early 1999, many peasants found their principal hopes dashed (no stable employment, little results from development promises, a fleeting rather than steady access to income) and some of their worst fears realized (loss of productive assets underpinning household economies, deep community divisions sparked by differential levels of compensation). Many peasants raged against the company, which remained, at that time, deaf to their complaints. In the countryside, the company’s identity was rapidly reconstructed in the popular imagination: transgressive, deceitful, and corrupt, it came to be regarded as a powerful destructive force which, many were convinced, would pollute and destroy their lands.

Since this time, a number of important events have once again significantly altered relations between the project and local communities. In early 2000, nearly a year after the evictions, local municipal, peasant, and civil society leaders drafted a long letter of complaint against CMA that was sent to a range of national and international authorities. Faced with the company’s intransigence, these leaders sought outside help. Letters were sent to, among others, the national ombudsman, the office of the president, the national congress, the Canadian embassy, and (due to references by company staff to World Bank policies) the World Bank office in Lima. In contrast with the national authorities (who, according to my informants in the district municipality, offered no effective reply), the World Bank activated a swift regulatory response to the letter. This led to substantial correspondence between MIGA and CMA, followed by a visit to the mine site by MIGA staff, an independent compliance review commissioned from a Peruvian development research institute, and an extensively researched report identifying cases of non-compliance with the bank’s involuntary resettlement policy. Furthermore, during and following these events, CMA restaffed and revitalized its community development office, initiated its first sub-

stantial local development projects for the population at large, promoted and financed the creation of a local development roundtable and a local environmental committee,⁴⁴ and began to settle claims based on its written promises of resettlement.⁴⁵

Many of these developments represented important gains. In my interviews, CMA representatives reported that during the period of company silence following the evictions in the puna, a change in community relations policy and practice was already in the works. However, corporate behaviour suggests a period of uncertainty, indecision, and internal struggle regarding the appropriate character of community engagement. In any event, it appears that the community complaint to the World Bank played a key role in bringing out once again the socially responsible face of the company⁴⁶ in San Marcos or, at the very least, in shaping its character and accelerating and strengthening its return.

Analysis of the Case Study: Were the Objectives of World Bank IR Policy Achieved?

The purpose of the following analysis is to examine the effectiveness of the IR policy regulatory regime (as managed by MIGA) in accomplishing its stated objectives. In particular, the aim here is to evaluate the influence of the regime's key means for ensuring the accuracy, integrity, and legitimacy of its regulatory decisions: the delegation of fact-finding and interpretive discretion to company social specialists, and the supervisory role played by expert MIGA staff. Accordingly, for the purposes of this study, we must look at the regulatory decisions made before local actors in San Marcos succeeded in making direct contact with MIGA with their letter of complaint. Actors in San Marcos showed enough initiative and good fortune to stumble upon the means to activate a review process. We cannot assume that all local actors will be able to do so. The discussion that follows will look at the IR policy's economic and participatory objectives.

Did the IR policy's legal regime succeed in achieving the policy's fundamental goal of ensuring "at least" the restoration of the "living standards, income earning capacity, and production levels" (OD 4.30 para. 3[b]) of those displaced by CMA's land acquisition program? As stated previously, the high-altitude pasturelands were relied upon directly by relatively extended groups of persons (including formal owners, renters, relations, retainers, and employees) for a range of livelihood interests (including income, goods, employment, domicile, and savings).⁴⁷ Of these groups, only two received compensation from CMA: those identified as either legal owners (who received the sale price) or as permanent residents of the highlands (who received cash resettlement payments).⁴⁸ It goes without saying that, in the absence of other measures, those who were uncompensated suffered direct economic losses as a result of the land transactions.

But what about the others? Did the cash compensation received by owners and residents enable them to rebuild their previous standard of living? Due to the lack of effective pre-resettlement socio-economic baseline data, this is very difficult to assess.⁴⁹ A Lima-based development research institute subsequently contracted to evaluate the resettlement process has argued that the monetary payments offer no guarantee that medium- or long-term living standards have been maintained (GRADE 2000). Certainly, there is evidence to suggest that many recipients were not able to translate the payments they received into new productive assets. Local inflation, especially in prices for land and housing, sharply diminished the payments' value. For many, cash proved to be easily susceptible to appropriation, to claims made through family and social networks, or to simple consumption. Many of my peasant informants reported that after two years, both the money and the land were gone. The notion that many had experienced a net loss from the transactions was strongly asserted by peasant informants. Although it is very likely that some possessed effective money management skills, others (in particular the shepherds of the highlands) had no experience with large sums of money and had limited opportunities to invest them. It is likely that for many peasants, a form of productive property had been exchanged for one that would chiefly be consumed.

How well did the legal regime ensure the quality of local participation in regulatory decision making? To what degree were local people involved in the interpretation and application of the IR policy? The case study shows that this involvement took place over various stages. During the initial stages of resettlement planning, local people were studied by social specialists and were able to voice their concerns at informational meetings conducted by CMA. Subsequently, MIGA's review of the resettlement plan took place without active local input. To the extent that this review considered local perspectives, it relied upon accounts provided by the EIS and CMA reports. During the sale of land process, those identified as landowners were involved in negotiations with company staff. However, CMA negotiators took pains to ensure that these negotiations did not result in any change in the company's established plans. During the resettlement process, negotiations were initiated concerning potential relocation sites; however, as described above, this process was soon replaced by an ultimatum demanding near-immediate departure.

Throughout, CMA sought to retain unilateral control of the interpretation and planning functions of the regulatory regime. Its repeated modus operandi was to select the group which, according to its own criteria, was entitled to compensation, decide upon a compensation plan, then approach the group and seek to compel it to accept the plan without change. Local people were not provided with copies of OD 4.30; they were not provided with explanations of its contents; they were not provided with the techni-

cal and advocacy assistance necessary to understand and represent their own interests. CMA did refer publicly to the directive, but only as a voluntary policy that the company had elected to follow (see Klohn Crippen Consultants 1998: appendix 2). CMA did not advertise its binding commitment to implement OD 4.30; nor, as far as I have been able to ascertain, did it advise local people of the existence of potential complaint procedures through MIGA (or, after 2000, through the CAO).

As a result, the broad population of highland-dependent families (many of whom did not fall within CMA's categories of owner or permanent resident) were not engaged in the process of determining who would qualify as "displaced" by the land transactions, how they would be impacted, and what forms of resettlement would help to remedy the situation. What justifications can be forwarded for this state of affairs? Certainly not that the impartiality and expertise of CMA's social specialists made public engagement unnecessary. The marginalization of the affected population from active involvement in interpreting IR policy has served principally to limit community bargaining power.

The Autonomy of Corporate Social Specialists

CMA's social specialists were provided with a departmental organization, a set budget, and space within the construction timetable. The company committed personnel, time, and funds to community relations work in an overt strategy to win local hearts and minds. However, this case study has shown that, despite the platform given to social specialists within CMA, in many respects, their status has been quite limited within the organization. Over the period examined, the community relations department was subject to unexpected external revisions of its plans and budget, and it was excluded from important information-sharing and decision-making processes involving its key operations.

The case study also suggests that, in important ways, the interpretive logic used by CMA's social specialists in applying IR policy was strongly influenced by the demands of prevailing corporate imperatives. This is evidenced by the monetization of resettlement in contravention of the directions of OD 4.30; it is also shown in the shifting definition of "displaced person." During the land negotiations, the resettlement program was presented as a pledge to landowners (and perhaps to the greater highland-dependent community) to replace purchased land. However, resettlement was later reconceived by CMA staff as a right that belonged exclusively to permanent highland residents. Essentially, the term "displaced person," denoting entitlement to resettlement compensation under the IR policy, was redefined. This shifting conceptualization occurred in sync with the changing demands placed on community relations staff by core corporate priorities accompanying the step-by-step advancement towards mine development: first, the

owners needed to be persuaded to sell; next, the occupiers needed to be persuaded to leave. The close alignment of policy interpretations with corporate objectives in this case suggests limits to the capacity of corporate-employed social specialists to act as the impartial guarantors of the application of IR policy.

The Supervisory Role Played by MIGA

As described earlier, social and environmental staff at MIGA are intended to play a supervisory role in the regulatory regime. During a project's evaluation and approval phase, they examine the documents generated by its social staff; in the case of large mining projects, MIGA staff also conduct a site visit in order to review the project's team and verify the bona fides of company efforts. MIGA staff conducted such a site visit at Antamina in 1999 (CAO 2001). After project approval, MIGA supervisors rely upon the reporting obligations set out in the contract of guarantee, which require project staff to provide compliance information on a regular basis (the task of reviewing these reports may be delegated to the independent engineer) and to notify MIGA with respect to special developments.

How effective were these structures at ensuring IR policy implementation? CMA's poor implementation record before the time of the community complaint does not speak well for these types of arrangements. Social staff whom I interviewed at World Bank agencies stated that they are usually left with the "legal facts" as presented by company specialists. A further complicating factor with respect to MIGA appears to have been a comparatively low priority assigned to social issues at that agency.

MIGA's department responsible for social and environmental assessment and monitoring is small. Only two persons – neither of whom is a social specialist – constituted the agency's core in-house review staff when research was conducted. As a result, MIGA regularly relies upon social specialists from IFC for project review (CAO 2002: 9, 14, 16). However, despite this arrangement, MIGA's treatment of social issues has been problematic. A study conducted by the Compliance Advisor Ombudsman (CAO) of MIGA's application of its environmental and social review procedures from 2000 to 2002 noted "major shortcomings" in MIGA's social review of projects (CAO 2002: 14). The study disclosed poor performance in identifying and reporting social issues, in contrast with environmental ones. The interviews I conducted at World Bank agencies in 2000 reinforced the idea that at MIGA there was little regard for social safeguard issues. At MIGA, OD 4.30 was frankly described as a "fundamentally flawed" document, largely inappropriate for the private sector. It is also noteworthy that, before the San Marcos community complaint was sent to the World Bank, no social specialists were assigned to the evaluation teams of MIGA or to the independent engineer responsible for the Antamina project (CAO 2001).

Concluding Remarks: World Bank IR Policy and Development-Induced Displacement

The events presented here lend support to the thesis advanced by Fox and Brown (1998), that the authority of “reformers” (such as concerned social specialists) to implement controversial new practices in institutions such as the World Bank and mining enterprises tends to increase with the presence of effective external pressure and diminish without it.⁵⁰ Before local actors in San Marcos succeeded in issuing a complaint directly to MIGA, social specialists appeared to exert a much less rigorous regulatory influence over the behaviour of their organizations than they would afterwards.⁵¹ If Fox and Brown are correct, this would argue against structuring IR policy decision making in a way that privileges expert influence at the expense of effective public participation. Rather, strong and active public participation (backed, for example, by access to independent sources of advice, technical and financial assistance, and the standing to present arguments and negotiate agreements) may prove to be a necessary counterforce to the gravitic pull exerted on IR policy decision making by the business pressures involved in project development. In any event, the CMA case study suggests that the corporate expert-driven decision-making model does not possess clear advantages in accuracy and regulatory effectiveness that would justify denying to project-affected groups the right and the means to defend their own interests.

There is a further danger presented by the particular way in which World Bank IR policy has operationalized the development-induced displacement paradigm. Although the bank’s expert-driven model may in a particular case fail to produce effective regulation on the ground (stopping, for example, at half measures), it may nevertheless exert a quite disproportionate legitimization effect, reaching far beyond the local community. Unless aggrieved community members are able to get their message out, the story that is heard outside of the local environment will be that which is conveyed by company reports. From the perspective of Lima, Washington, or Toronto, the details of issues and conflicts in a locality such as San Marcos tend to become indistinct. It is here that the expert reports provided by social specialists can be, perhaps, most valuable, as they outline inter-linked processes of community participation, careful identification of displaced persons, and the provision of generous resettlement benefits. Equally, adherence to exacting World Bank policies and review procedures can be advertised as persuasive evidence of social acceptability. Meanwhile, disorganized community protests can be dismissed as the work of a few malcontents.⁵²

In conclusion, it can be said that the development-induced displacement paradigm can hold promise for project-affected people to realize some rights to existing livelihoods and development benefits to which they may not

otherwise have access. However, the case study suggests that the manner in which the paradigm is operationalized by the World Bank IR policy is seriously flawed and not at all guaranteed to achieve this goal. If the DID paradigm is to offer real solutions to social conflicts arising from project development, the existing IR policy decision-making model should be rejected in favour of an alternative that recognizes not only the economic rights of project-affected people, but also their right to active and effective involvement as parties to the regulatory processes through which these economic rights are given definition.

Acknowledgments

This is a revised version of a 2002 article entitled "Mining, Displacement and the World Bank" originally published in *Journal of Business Ethics* 39 (3): 247-73.

I would like to thank Harry Arthurs, Pablo Bose, Liisa North, D. Jane Pratt, and Peter Vanderveest for their insightful comments on earlier drafts of this work.

Notes

- 1 "About IFC," <http://www.ifc.org/about/>. "About MIGA," <http://www.miga.org/screens/about/about.htm>.
- 2 For an overview of NGO and World Bank correspondence relating to the consultation process leading to the adoption of OP/BP 4.12, see <http://www.ciel.org/Ifi/wbinvolresettle.html>.
- 3 See "Safeguard Policy Review," <http://www.ifc.org/cao>.
- 4 OP 4.12 para. 2(b) provides that "resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in the project benefits."
- 5 OP 4.12 para. 2(c) states that "Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them."
- 6 OP 4.12 para. 2(c).
- 7 OP 4.12 para. 19.
- 8 OP 4.12 para. 2(a).
- 9 OD 4.30 does not define the term "displaced persons" and at times uses other phrases such as "adversely affected population." OP 4.12 is more precise with its terminology. Entitlement to assistance under the policy is restricted to "displaced persons" defined as those who suffer "direct economic and social impacts" that arise from the "involuntary taking of land" resulting in relocation or loss of shelter, loss of assets or access to assets, or loss of income sources or means of livelihood, whether or not the affected persons must move to another location. Within the meaning of the policy, persons may also be "displaced" due to adverse livelihood impacts resulting from the loss of access to legally designated parks (OP 4.12 para. 3, note 3). "Involuntary" is defined as "actions that may be taken without the displaced person's informed consent or power of choice" (OP 4.12 note 7).
- 10 OP 4.12 paras. 2, 3.
- 11 Unlike OD 4.30, OP 4.12 makes a distinction between holders of legal title and those with informal livelihood interests in land. Those with rights recognized by the state (or with a claim to such rights) are entitled to compensation for the land they lose and to other resettlement assistance. Those without state-recognized rights, who nevertheless count as "displaced people" due to their livelihood reliance upon the lands taken, are not entitled to compensation for land. Instead, they are provided with "resettlement assistance" and "other assistance, as necessary, to achieve the objectives set out in this policy" (OP 4.12 para. 16). However, restricting land compensation to holders of legal title does not affect the responsibility under the policy to ensure livelihood restoration and improvement for all displaced persons. Therefore, in theory, the distinction need not result in significant

- differences in compensation between title holders and other displaced persons. The policy provides that “resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate” (OP 4.12 note 20). It remains to be seen how the distinction is managed in practice.
- 12 OP 4.12 paras. 6, 13.
 - 13 OP 4.12 para. 2(a).
 - 14 OP 4.12 paras. 6, 11, 12, 13(b).
 - 15 OP 4.12 specifies that land-based resettlement strategies should be preferred for both indigenous peoples with traditional land-based modes of production and for displaced persons whose livelihoods are land-based (OP 4.12 paras. 9, 11). Non-land-based options (involving both cash and employment or self-employment opportunities) may be considered where they are the preferred option of displaced persons, where provision of land would affect the sustainability of a park or protected area or where sufficient land is not available at a reasonable price (the lack of such land must be demonstrated to the bank’s satisfaction) (para. 11). Paragraph 12 provides that cash compensation for lost assets may be appropriate where either livelihoods are not land-based, where active markets for land, housing, and labour exist, or where land taken for the project is a small fraction of the affected asset and the residual is economically viable.
 - 16 OP 4.12 para. 2(c).
 - 17 OP 4.12 para. 8 lists among potential vulnerable groups “those below the poverty line, the landless, the elderly, women and children, indigenous peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.”
 - 18 OP 4.12 paras. 6(a), 9, 13(a).
 - 19 Depending on which agency is involved in the project’s financing.
 - 20 OP 4.12 para. 6(a)(i) does require that “measures” be taken to ensure that “displaced persons” are “informed about their options and rights pertaining to resettlement.” This is an improvement. However, the case study presented here suggests that these provisions must be much more specific (at a minimum) if the intent is to mandate effective participatory rights that provide affected people with the information, standing, and capacity to play an active role in the decision-making process. What constitute appropriate “measures” is precisely the issue.
 - 21 BP 4.12 para. 2.
 - 22 OP 4.12 para. 32(b) provides that the bank may “at a borrower’s request” supply “financing of technical assistance to strengthen the capacities of agencies responsible for resettlement or of affected people to participate more effectively in resettlement operations.”
 - 23 These are rights-bearing entities, including persons and corporations.
 - 24 When OD 4.30 was drafted, the term “participation” was deliberately chosen in preference to the weaker alternative of “consultation” (D. Jane Pratt, personal communication 2001). This represented a victory for advocates of the social perspective within the World Bank, but, as the following discussion illustrates, the issue soon became one of defining what participation means in practice.
 - 25 OP 4.12 paras. 19, 32; BP 4.12 para. 2.
 - 26 The quotes, characterizations of “disciplinary chauvinist” attitudes, are from R.J. Burdge and P. Opreyszek (1994: 170) and R.J. Burdge and F. Vanclay (1996: 69), respectively. These studies, as well as A. Chase (1990) on the perspectives of engineers, are generally useful.
 - 27 K. Finsterbusch (1995) states the case for the autonomy and institutionalized recognition of the field developed by social assessment practitioners. His argument differs chiefly from those of critical or reformist practitioners not in its substance but in its emphasis: after all, the cup that is criticized for being half empty is also half full. Finsterbusch stresses the profession’s achievements, particularly in developing common methodologies and in obtaining recognition for the value of its work. Of course, he has to qualify these claims. Of the six methodological steps he identifies as “necessary for a *minimal but adequate* SIA [social impact assessment],” he points out that two are either mostly not done or “often neglected and shortchanged” (emphasis added; *ibid.*: 247, 242). Although he argues that “the field has matured and earned sufficient legitimacy to become a standard intellectual

tool for decision making,” he also notes that “its acceptance, however, is still incomplete. SIA is opposed by some economists and engineers who are not convinced that its benefits will be greater than its costs” (ibid.: 243). His discussion also alludes to other problems faced by the profession with references to “the typical social impact assessor who is in the midst of an underbudgeted SIA” (ibid.: 244). As a principled practitioner, Finsterbusch holds that more needs to be done in the way of professional oversight and control. He advocates a deepened professionalization of SIA, arguing for a decision-making model that features external review of SIA work by outside experts and a greater reliance on professional standards and judgment in preference to rigid written requirements. He also stresses that it is “the obligation of the SIA community” to assert itself further in order to police the frontiers of its field of practice and “to use political and bureaucratic influence to attain the adoption of professional standards so that fraudulent SIAs are more difficult to get away with” (ibid.: 246).

- 28 There are also indications of development of a professional specialization in resettlement issues. Although much of this development has taken place within the World Bank, the International Network on Displacement and Resettlement (INDR) “provides a virtual, global communications network of scholars, practitioners, and policy makers attempting to prevent development-induced impoverishment” (INDR website, <http://www.displacement.net>, accessed 9 August 2002).
- 29 The bank’s “culture of approval” rewards managers who get the most loans “out the door.” Painstaking application of onerous social requirements tends to stand in the way of a manager’s personal advancement (Gopinath 1996; Fox 1998: 320).
- 30 Whites of Spanish descent.
- 31 As a result of low prices, low productivity, and high transportation costs, it is common for Andean peasants to be priced out of regional and national markets. Many peasant informants in San Marcos reported that they produced for subsistence rather than sale because prices were below production and transportation costs.
- 32 It is also argued that production is distributed across various zones in order to manage the risk of disaster. Better a small and secure income than a larger one that is more prone to unacceptable risks. See Adolfo Figueroa (1989).
- 33 The animals kept in these high-altitude pastures play an integral role in Andean livelihoods. They are a source of important goods (chiefly meat and wool) used for consumption, barter, sale, and artisanal production. They also serve as a vital source of cash (typically very scarce in Andean peasant economies – Mayer and Glave 1999). The market for meat and animals ensures that money can be stored in animals until it is needed for immediate costs such as medicine or a child’s education (Orlove 1977; Ríos Ocsa 1992).
- 34 *Ley General de Comunidades Campesinas* No. 24656 (enacted 13 April 1987).
- 35 The ownership of CMA has gone through a number of changes since the project’s inception. The company was initially formed in 1996 when two Canadian mining firms, Rio Algom and Inmet, won a privatization bid to develop the Antamina mine. For financial reasons, Inmet dropped out of the project before it received government approval in 1998. Rio Algom was joined at that time by two other Canadian companies, Noranda Inc. and Teck Corporation. Subsequently, a Japanese company, Mitsubishi, joined with a 10 percent interest while project financing was being arranged. In 2000, Noranda made a takeover bid for Rio Algom, which failed when the latter arranged to be acquired by UK mining firm Billiton. In 2001, Billiton merged with the Australian mining giant BHP; subsequently, Teck merged with Cominco, another Canadian firm. Thus, at the time of writing, CMA was owned by BHP-Billiton (33.75 percent), Noranda Inc. (33.75 percent), Teck Cominco (22.5 percent), and Mitsubishi (10 percent) (see Antamina’s website: http://www.antamina.com/01_antamina/En_empresa.html).
- 36 US\$1.32 billion of which is debt.
- 37 For a fuller account, see D. Szablowski (2004).
- 38 Unfortunately, restrictions of space do not permit a full discussion of the requirements imposed on the Antamina project by Peru’s environmental assessment regime. Very briefly, this regime required CMA to submit a comprehensive technical evaluation called an environmental impact study (EIS) of the project’s likely environmental and social impacts.

The EIS must also set out proposed measures for mitigating the impacts identified. Government approval of this lengthy and highly technical document is required before a large mining project will be allowed to proceed (see, generally, *Código del Medio Ambiente y los Recursos Naturales* D.L. No. 613 and D.S. No. 016-93-EM as modified by D.S. No. 059-93-EM). This regime has serious deficiencies, including weak participatory measures and limited monitoring and enforcement capacity (see Pulgar-Vidal 2000 for a detailed commentary). In addition, the task of evaluating and approving the EISs of mining projects has been controversially delegated to the Ministry of Energy and Mines rather than to the Ministry of the Environment (*Ley Marco para el Crecimiento de la Inversión Privada*, D.L. No. 757, art. 51). The social chapter of the Antamina project's EIS represents a very superficial treatment of the relevant issues and fails to provide an effective baseline from which to assess local impacts. The chief social commitments made to secure environmental approval from Peru's Ministry of Energy and Mines were compliance with World Bank IR policy and investment of a total of US\$6.2 million in local development projects in San Marcos and other areas over a period of three years (Klohn Crippen Consultants 1998).

- 39 CMA offered US\$400 per hectare of pastureland and US\$1,000 per hectare of cropland. At the time, this was significantly higher than both the level of compensation set by the Ministry of Agriculture and compensation paid for highland pastures by other mining companies. No real market for highland pastures existed in San Marcos. Very few exchanges had taken place, in recent decades, that were not inheritances (Pasco-Font et al. 2001).
- 40 Article 7, *Ley de Tierras* No. 26505 (enacted 17 July 1995) as modified by law No. 26570 (enacted 4 January 1996).
- 41 During my interviews, CMA representatives reported that the cash-based program was adopted when peasants refused to agree to vacate lands in exchange for the company's promise to provide replacement lands in the future.
- 42 Some sixty-eight families, identified as "permanent residents" of the purchased lands, were each offered sums up to US\$33,000 in order to leave forthwith. In contrast, some two hundred owners sold land to CMA, the majority of whom received less than US\$8,000 apiece (GRADE 2000: 11, Anexo 2).
- 43 My interviews with development NGOs that were negotiating with the company to be contracted for the expected development programs reveal that, during this period, CMA's development plans in San Marcos were suspended.
- 44 These bodies are intended to coordinate with CMA staff concerning local environmental and development issues.
- 45 Individual landowners with written promises of resettlement were paid US\$5,000 apiece in settlement of their claims. Those who had not bargained for commitments in writing were not provided with this compensation by CMA.
- 46 It should be noted, however, that despite the company's efforts since 2000, trust has been notoriously difficult for the company to rebuild in San Marcos, and strong local suspicion has continued to problematize CMA's engagement with communities.
- 47 In keeping with the economic perspective of World Bank IR policy, this list does not attempt to include spiritual, cultural, or "way of life" interests provided by the acquired lands.
- 48 The determination of who was a "permanent resident" was very poorly realized by the company. Community relations staff failed to take into account the seasonal pattern of residency in the highlands, particularly in circumstances where extended-family members would tend one another's herds on a rotative basis. Where three related households rotated these duties between them for four months at a time, all too often, CMA identified only one of them (or none of them) as permanently resident and thus entitled to resettlement compensation.
- 49 A key problem in this respect is the lack of an effective baseline study of the population economically dependent on the highlands. The baseline information prepared in CMA's EIS and resettlement plans is inadequate for this purpose (Klohn Crippen Consultants 1998; GRADE 2000). The failure to gather and maintain such data is in itself a serious breach of World Bank IR policy (OD 4.30 para. 11).

- 50 A number of social specialists whom I interviewed at World Bank agencies agreed that outside pressure on community or social issues increased their authority within their institutions.
- 51 It is worth noting that the risk of CMA's non-compliance with MIGA environmental policies or guidelines carried significant perils for both CMA and MIGA. For MIGA, non-compliance threatened a potential scandal akin to those that rocked both the IBRD and IFC in the 1990s (see Fox and Brown 1998; Friends of the Earth 2000). For CMA, the issue of non-compliance presented the risk of serious problems with its financial consortium. Potential non-compliance would have to be reported to the project's lenders and guarantors. Furthermore, non-compliance, if not corrected within a period set forth in MIGA's contract of guarantee, would entitle the agency to cancel its contract, thereby withdrawing its coverage – a risk unlikely to be appreciated by the project's financial stakeholders (*MIGA Environmental and Social Review Procedures*, para. 44; MIGA 2001).
- 52 The legitimation effect of the IR policy's legal regime may also help to distance project-affected groups from the allies they may need most: national and transnational advocacy networks. NGOs and advocacy campaigns thrive on simple paradigmatic stories of dramatic black-and-white struggles. Where stories are more complex, ambiguous, and difficult to access, linkages between local actors and national and transnational NGOs (or the media) can be much more difficult to create (Li 2000: 171).

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