Thinking through the Features of “Worthwhile Development”: A Dam Scenario

**I am:** World Bank representative. **You are:** Citizens of Koskovia.

The Republic of Koskovia a poor country with a predominately agricultural economy.

¼ of population lives on <$2.00/day.

The World Bank has been approached by the GoK to provide funds and technical support for the construction of a mid-sized hydropower dam on the Stacizinha River.

Primary beneficiaries:

* 2 large multinational mining companies (heavily taxed)
* several domestic companies involved in the resource-extraction industry
* country’s electricity consumers: 🡪 The company that the government is considering contracting to for the building and maintenance of the dam, and the officials at the Ministry of Energy with whom they are consulting, estimate that the cost of electricity will be reduced for approximately 1 million people in the country’s capital city, though no one has said by how much.
	+ drop in electricity prices will offer much-need relief to the urban middle class, while enabling a small share of the urban poor to afford electricity for the first time. Ultra-poor in the sprawling slums skirting the Capital still will not have electricity. Little electrification outside the Capital is expected any time soon.
* Government – increase in revenue in the form of corporate taxes

**Site 1** overlaps the traditional homeland of a small (<10,000) indigenous community that relies almost exclusively on the nearby forest for its livelihood and spiritual meaning and whose language is threatened by the community’s dwindling numbers. Damming this part of the river will flood a large portion of the group’s historic homeland and require the physical relocation of half to two-thirds of the population. It will not destroy the forest on which the remaining members rely. The displaced will be relocated to another forested area to the East and given job training and shelter. [*physical displacement*]

**Site 2** is farther downstream, where the river’s rich resources support the livelihoods of a mid-sized (<50,000), non-indigenous fishing community. Damage to the eco-system of the river below the dam is expected to be substantial (though experts disagree on the extent of the damage). Locals and environmental advocates argue that the dam would almost entirely wipe-out the fisheries on which this community relies, though the flooding would be contained in a way that would not physically displace the villagers from their homes. They have not been offered relocation or compensation, though the government has not ruled out job-training programs for those who lose their livelihoods. [*economic displacement*]

The World Bank is conducting its stakeholder analysis and has organized workshops with four key stakeholder groups:

* 1. The indigenous community (affected by Site 2)
	2. The non-indigenous fishing community (affected by Site 1)
	3. Several mid-level officials from the central government, including representatives of the Ministries of Agriculture, of Labor, and of Energy.
	4. Representatives of the two main mining companies.
	5. Indigenous elite

The World Bank would like to ask each group to deliberate independently, and then share their recommendations to the Bank representatives before deliberating with each other to try to arrive at a mutually agreeable solution. Options include:

* 1. Build the dam on Site 1 (with any other policy recommendations)
	2. Build the dam on Site 2 (with any other policy recommendations)
	3. Do not build the dam (with any other policy recommendations)
	4. Other?

# Moderator Information

Structure:

1. Introductions: 5 min (5:00-5:05 pm)
2. Group Discussions: 10 min (5:05-5:15 pm)
3. Group Reports, Round 1: *What* is your group’s recommendation? *Why* did you make the recommendation you did? 15 min (5:15-5:30 pm)
4. Negotiation Blitz: Groups can try to convince other groups to join them in their decision, work together to propose alternatives, etc.: 10 min (5:30-5:40 pm)
5. Group Reports, Round 2: Has your group changed its recommendation? *Why* or *why not*? 15 min (5:40-5:55 pm)
6. De Brief: What values underlie the justifications given in Group Reports? 10 min (5:55-6:05 pm)
7. Connect these to the 7 values of worthwhile development: 5 min (6:05-6:10 pm)
8. Take away (no decision is value-neutral): 5 min (6:10-6:15 pm)

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| OPTIONAL COMPLICATIONS | QUESTION |
| The dam would irrevocably alter the characteristics of the river, and submerge thousands of acres of forest habitat, impacting everything from fishes to birds to forests to coastal deltas subjected to erosion. On the other hand, it will cut down on the use of coal power. | Does the environment have “rights”? If so, can we displace people to create conservation land? |
| The biggest costs accrue to the poorest and most vulnerable, even though the net economic impact for the country is positive.  | Do we have to give special consideration to the worst off (ie, to “maximize the minimum”)? |
| We can devise a plan to compensate the oustees, using transfers from the beneficiaries, in a way that makes them no worse off than before. (Kalder-Hicks efficiency uses transfers to reach a Pareto optimal outcome.) | What kinds of compensation are adequate? Economic? Other? Are there some things we can’t compensate for? |

**Which values are at work in your decisions?** 7 values of “worthwhile development”:

1. Human well-being
2. equity (which gives priority but not exclusive concern to reducing inequality)
3. empowerment
4. cultural freedom (or what Will Kymlicka and the 2004 *Human Development Report* refer to as "cultural liberty")
5. human rights
6. environmental sustainability
7. integrity (in relation to corruption).

—Jay Drydyk, Peter Penz, & Pablo S. Bose, *Displacement by Development: Ethics, Rights, and Responsibilities* (CUP, 2011).

**What are we dealing with here?** Types of displacement & resettlement:

* Resettlement means more than the loss of the home to the local communities and thus financial compensation is not always a straightforward solution.
* *Physical* displacement is the actual relocation and the loss of previous shelter.
* *Economic* displacement refers to the loss of assets or access to assets leading to loss of income sources or means of livelihood
* *Voluntary* resettlement concerns situations where the seller is not obliged to sell and the buyer may not resort to expropriation of land or other compulsory measures should negotiations with the seller fail.
* *Involuntary* resettlement takes place when communities do not have the right to reject land acquisition and resettlement. Involuntary resettlements occur in the case of:
	+ Land expropriations based on the principle of eminent domain
	+ Negotiated settlements when the buyer may expropriate or restrict access on land use if previous negotiations have failed

**In making our decisions, what are we worried about?** Ethical failings that typically arise when development causes displacement:

* Failings in Outcome:
	+ Displaced people may not be identified
	+ If they are identified, they may not be properly compensated
	+ If they are identified, they may suffer greater hardship and reduced well-being
	+ If they do not suffer hardship, they may still not be adequately rewarded for the efforts and risks of resettlement through benefit-sharing
* Failings in Process
	+ Failures by the developer to obtain stakeholder agreement
	+ Failure to engage in dispute resolution prior to key decision points such as project identification and site selection, project design, construction, implementation, operation
	+ Failure to conduct needs assessment

**Can we come up with specific principles to help us avoid the problems?** Four sets of broad rights and responsibilities must be exercised if these failings are to be avoided. Principle that:

1. people should not be displaced except for the sake of responsible development
2. displaced people should not be victimized
3. they should share in the benefits of the projects that displace them
4. they should be empowered rather than disempowered by the process

**Martha Nussbaum’s list of 10 central capabilities.**  What ought people be able to be or do that they value? What does a life of human flourishing look like?

*Life*

Being able to live a complete and satisfying life into old age. Not having life cut short or being made such that it hardly seems worth living.

*Bodily Health*

Living with good health, and not in a state where ill health seriously affects the quality of life. Having access to medical help as needed. To have good food and be able to exercise in ways that sustain health.

*Bodily Integrity*

Being able to go where you want to go. Being free from attack and abuse of any kind. Being able to satisfy healthy bodily needs.

*Senses, Imagination and Thought*

Being able to use all of one's senses. Being free to imagine, think and reason. Having the education that enables this to be done in a civilized, human way. Having access to cultural experiences, literature, art and so on and being able to produce one's own expressive work. Having freedom of expression, including political and religious.

*Emotion*

Being able to become attached to other things and people outside of ourselves, loving and caring for them. Experiencing grief, longing, gratitude and justified anger. Not being subject to fear and anxiety or blighted by trauma or neglect.

*Practical Reason*

Being able to consider and develop understanding of good and evil, and to think critically about the world and one's own place in it. Being able to live with one's conscience.

*Affiliation*

Being able to associate with others, living with them and acting for them. Showing concern for people in general and interacting with others. Having sympathy and compassion, acting to help people. Seeking justice and making things right. Protecting others and the rights of people, including freedom of speech and freedom from fear.

*Other Species*

Being able to live with the full range of creatures and plants that inhabit the world around us. To be able to enjoy nature and appreciate its beauty.

*Play*

Being able to laugh, play games and generally have fun. Not having one's enjoyment and recreation criticized or prevented.

*Control Over One's Environment*

Being able to participate in political activities, making free choice and joining with others to promote political views. Being able to own property and goods on the same basis that others do so. Being able to seek and accept work, and to be treated reasonably at work. Being free from unwarranted search and seizure.

**What have we learned today?** Take-away:

* Each policy decision is informed by a set of ethical considerations.
* No decision is value-neutral.
* Must recognize the normative nature of policy making, including for international development.
* Must critically analyze the assumptions and trade-off.

**Where would we go from here?** If we had a whole semester on development ethics, we might… drill down into each of Drydyk’s 7 Values of Worthwhile Development or Nussbaum’s List of Central Human Capabilities in detail, and apply them to different aspects of development. We might also look at:

* Utilitarianism vs Deontological view (each person as end in herself)
* Cultural rights, groups rights,
* Indigenous rights
* The Right to Development
* Etc;

**This scenario was based on:**

1. Hydro-electric dam with mining corporations benefiting: **Kariba Dam** on the Zambezi River in Rhodesia (now Zambia and Zimbabwe) (1955-9). 57,000 Tongans displaced and resettled.
2. Hydro-electric dam with devastating consequences for fisheries but important electrical benefits for poor country, “pits opportunities for economic and infrastructural developments against environmental worries”: proposed **Xayaburi Dam** on the Mekong River in northern Laos (present-day).

What kinds of rights might be impacted, positively or negatively, by community relocation?

* Property
* self-determination
* health
* housing
* water
* food
* cultural integrity
* language use
* education
* …almost anything!

Other sources of displacement by development:

* Mining
* Conservation land
* Agricultural expansion
* Infrastructure projects
* Tourism (eco-tourism)
* Altered livelihoods and markets

Benefits of dams:

* Water storage
* Flood control
* Irrigation
* Electrical Power Generation
* Industrialization
* Increased croplands
* Improved navigation – Stabilized annual flows
* Improved domestic water availability
* Recreation
* Ecological

Stakeholder Identification Assessment Tool

**Communities**

• The local community near your site

• The local community near your head office

• The regional community

• The national community

• The international community

**Specially impacted**

• Nearest neighbors

• Elderly/ill/incarcerated/disabled

• Indigenous Peoplesa

• Racial minorities/oppressed groups

• Children/schools/orphanages

• Others

**Government officials**

• Local officials

• Regional officials

• State officials

• National officials

• Opposition officials

• Others

**Industry**

• Individual companies

• Competitors

• Suppliers

• Customers

• Industry associations

• Business associations

• Others

**Regulators**

• Local agencies

• Regional agencies

• State agencies

• National agencies

• International organizations

• Others

**Environmental Non-Governmental**

**Organizations and Community Based**

**Organizations**

• Local groups

• Regional groups

• State groups

• National groups

• International groups

• Individual green activists

• Others

**Other advocacy groups**

• Health and safety groups

• Human rights groups

• Social justice groups

• Political groups

• Others

**Other civic organizations**

• Churches and religious organizations

• Trade or labor unions

• Educational organizations

• Fraternal organizations

• Charitable organizations

• Organizations serving children

• Organizations serving the elderly

• Professional and trade associations

• Others

**Internal**

• Board of directors

• International advisory board

• Top management

• Shareholders

• Legal people

• Health, safety, and environment people

• Employees

• Retirees

• Families of employees

• Human resources/employment department

• Others

**Specially concerned people/groups**

• With interest in your site (small-scale miners)

• With interests in your company (existing

partners)

• With interests in your industry

• Who are already involved

• Who want to be involved

• With emergency response job

• Who you wish to involve

• News media

• Others

Courtesy of: *ICMM Community Development Toolkit,* International Council on Mining and Minerals (2005)

http://www.icmm.com/page/629/community-development-toolkit