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Review

Households, livelihoods and mining-induced displacement and resettlement

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ABSTRACT

In mining and resettlement practice, one critical oversight is the conceptualisation of households in the formulation of livelihood reconstruction initiatives. While households have received considerable attention in development studies, principally in relation to sustainable livelihood activities, the substance of this research continues to evade the attention of policy makers and practitioners in the mining industry. This article highlights the importance of household level analysis in mining industry policy and resettlement practice. The authors argue that unless the material pressures and possibilities for impoverishment and improvement are realized at the household level, livelihood restoration practice in MIDR will continue to stagnate.

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1. Introduction

In the opening sentences of his article on Famines, Sen (1980) writes that “Economics has been called the dismal science. But it may not be quite dismal enough”. While resettlement and mining does not command the same level of disciplinary recognition as economics, its standing as a dismal practice could hardly be contested. In this article the authors explore how and why the study of mining-induced displacement and resettlement (MIDR) is in such a poor state, and in particular, the lack of clarity offered in policy and practice about the function of the household unit in mitigating the immiserating effects of MIDR. Household analysis offers valuable insights about human relationships at

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the sub-community level, including how people interpret and respond to the effects of project-induced displacement.

According to The World Bank's (1996, p. 92) Bankwide Review of Projects Involving Involuntary Resettlement 1986–1993, less than five percent of development-induced displacement or resettlement (DIDR) was attributable to the mining sector. This percentage does not reflect the global impact or presence of MIDR, but merely the percentage of World Bank funded projects in that sector during that period. The international scale, and total number, of involuntary resettlements caused by mining activity remains unaccounted for.[1] Preliminary data provided by Theodore Downing in his now decade-old report Avoiding New Poverty: Mining-Induced Displacement and Resettlement (2002), suggests that the rate of MIDR is far greater than reported.

The failure to maintain a global account of case studies and impacts of MIDR is but one part of this dismal picture. Progressive updates to social safeguards at the international level, increasing uptake of those standards in corporate policy, together with a generally improved set of legislative requirements at the national level have not served the extractive industry effectively in its ability to address fundamental social risks associated with MIDR.[2]

Michael Cernea, arguably the world's most prominent displacement scholar, has insisted for over three decades on the need to drastically improve the science surrounding DIDR.[3] According to Cernea (1997) a myriad of risks factors beset the entire enterprise. Institutional commitment notwithstanding, perhaps the single most prominent cause of resettlement failure is the general absence of frameworks and methods for ensuring that displaced persons are in fact socially and economically better off as a result of the exercise (Cernea, 1988; Scudder, 1991; McDowell, 1996; Maitra, 2009; Downing and Garcia-Downing, 2009; Maldonado, 2012). This general absence extends to resources, penalties and contemporary research. Evidence from the field suggests that when developers fail to invest in a comprehensive program of livelihood reconstruction activities, it is 'impoverishment' and not 'improvement' that results as the default outcome.

In resettlement practice in mining, one critical oversight is the clear conceptualisation of households in formulating and operationalising livelihood reconstruction initiatives. While it is true that households have received considerable attention in development studies, principally in relation to the establishment or preserving of sustainable livelihood activities; the substance of this research continues to evade the attention of policy makers and practitioners of MIDR.

The aim of this article is to examine the representation of the 'household' within contemporary MIDR policy and practice. Owen and Kemp (2015), argue that owing to the nature of the industry, its product and business lifecycle, and a persistent difficulty in realising corporate social responsibility (CSR) objectives, MIDR has unique factors that warrant greater attention. These factors include the nature of incremental expansion in land access, cohabitation patterns between mines and communities, patterns of leveraging for compensation and associated dependency, and the complexities of governance arrangements that congeal around mining operations (Owen and Kemp, 2015). These unique factors have direct implications for the manner in which the industry recognises and relates to "households" and by extension its basic obligation to restore livelihoods.

The article is structured into seven sections. The following section provides an overview of knowledge on MIDR and describes the nature of the livelihood challenge. The third section positions households as a practical point of engagement for better understanding this challenge. The fourth section summarizes the existing global standards and their approach with respect to households. This section also outlines the industry's approach to households in corporate policy and practice. In section five the authors explain why households are so poorly incorporated into resettlement policy and practice. In section six, we explore the implications of improved diagnostics and engagement at the household level, and in section seven we conclude.

2. Mining, resettlement and the livelihood challenge

2.1. State of knowledge

The state of knowledge around resettlement and mining is poor. This condition emanates from several decades of largely undocumented practice by the sector in remote and governance-weak contexts, and an industry that has, for the most part, not engaged with a rapidly changing landscape of debate and scholarship around resettlement. Key concepts that form the basic working vernacular for resettlement experts, words such as: "dispossession", "reconstruction", "social disarticulation", do not feature within the mining industry's operating language on MIDR.[4] Industry policy statements refer diligently to International Financial Institutions (IFIs) safeguards, but only in general terms. The same level of internal questioning and external engagement that observers have witnessed in relation to business and human rights, or more recently on Free Prior and Informed Consent (FPIC), has simply not occurred for resettlement (Owen and Kemp, 2014, 2015).

Outside of the minerals sector, the knowledge base on displacement and resettlement has continually expanded over almost fifty years (Gans, 1968; Colson, 1971; Mathur and Cernea, 1995; Cernea, 1997; Cernea and McDowell, 2000; Somayaji and Talwar, 2011). According to Downing (2002), this knowledge base provides "a rich vein of knowledge" with "reasonable guidelines" on how to avoid the most critical of risk areas associated with the mineral sector. Across the spread of international standards, the "core wisdom is that restoration of livelihoods and rehabilitation are more likely when all potential impoverishment risks are identified early and when organisational and financial arrangements are made to mitigate or avoid these risks" (Downing, 2002; p. 12).

Much of this core wisdom is captured in a broadly agreed model of generalised impoverishment risks. More than 15 years ago, Cernea (1997) developed the *Impoverishment Risks and Reconstruction (IRR) Model for Resettling Displaced Populations,* which outlined eight foundational risks and a method for reversing their effects. The model's risks include 'landlessness', 'joblessness', 'homelessness', 'marginalisation', 'food insecurity', 'loss of access to common property', 'increased morbidity' and 'community disarticulation'. The IRR model has received sustained and detailed examination across a variety of disciplines and sectors. Critiques and

[1] We use 'resettlement' to refer to the comprehensive process of planning, displacement, relocation, livelihood restoration and social integration, over time. The term 'relocation' is used to describe the physical displacement and movement of people from one place to another.

[2] The World Bank's Safeguard Policy 4.12 on Involuntary Resettlement (2001) has served as the global reference point for DIDR for more than 15 years. Aligns with this standard, which has in turn been widely endorsed by the global mining industry. From herein, we refer to these safeguards and standards as "the global standards".

[3] We note that Michael Cernea's work has been criticised as too linear and input-driven (De Wet, 2006). This article does not constitute a critique of managerial approaches to resettlement. We simply reference this work due to its prominence in the field of planned resettlement.

[4] The Mining, Minerals and Sustainable Development (MMSD) study (IIED 2002) is one of the strongest examples of where the industry engaged in a discourse of social risk, including on the topic of mining and resettlement. However, the post-MMSD take up of this language on the topic of resettlement has been limited.