

## **SOCIAL SUSTAINABILITY AND COMPENSATION IN COMPULSORY LAND ACQUISITION: DOSE IT MATTERS ON SATISFACTION**

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### **ABSTRACT**

Compensating for different types of losses are continuously experiencing in Sri Lanka due to types of disasters or compulsory land acquisition. The land Acquisition Act No. 09 of 1950 makes the provision to acquire the lands from private landowners for the public interest and to pay the monetary compensation to recover the losses. The National Involuntary Resettlement Policy (NIRP) was intended to address involuntary resettlement, integrating land acquisition and payment of compensation. However, there is a real distrust about satisfaction of the victims on the end results mainly based on many aspects. In fact, the findings vary from place to place. Therefore, this paper aims to critically analyze the factors representing of the social sustainability concept in compensation procedure of compulsory land acquisition of Sri Lanka, expressly reviewing the reservoir development project of Yan Oya and its resettlement community. Five-point Likert scale questionnaire was used to collect data from thirty re-settlers selected from three locations on nine criteria. Further, six prominent community leaders were interviewed for further confirmation. The findings reveal those five factors representing social sustainability aspect were successful to some extent, while there were significant inconsistencies amongst assessed components within individual cases. Hence, the study reveals that pure monetary compensation process was unsuccessful since it represents the inadequacy to cover all losses of victims. Thus, for a coverage of total loss a resettling strategy is essential while with more concerns to the social sustainability aspects.

**Keywords:** Compensation, Compulsory land acquisition, Resettlement strategy, Satisfaction, Social sustainability.

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### **1. INTRODUCTION**

The power of the state to seize private property rights in land for public purposes without the owner's or occupant's agreement is known as compulsory land acquisition (Akujuru, 2014). Accordingly, the compulsory acquisition is government directed activity without any vote of landowners. In Sri Lanka, the Acquisition Act No. 09 of 1950 allows for the acquisition of land from private owners for public use. As per the provisions of land acquisition act, government is paying compensation for affected people during the acquisition process to bring them to prior position. The process of compensation is defined as the amount paid to a disposed landowner in exchange for the land seized as well as any additional losses incurred as a consequence of the compulsory land acquisition (Alias & Daud, 2006). Despite the prevailing regulatory framework, the number of critics has emerged related to the amount of compensation paid. The monetary compensation includes, economic distresses including market value of acquired land, injurious affection and severance to balance land, loss of business and change of residence. Besides, social, and cultural grievances can also be seen from compulsory acquiring and monetary compensation

is less focus to improve the quality living standards which cause to force displacement. Even in compensation payment for disaster losses there is no provision to consider the social and cultural aspects as per professional views (Kumara & Wickramaarachchi, 2017). To retain the effectiveness and to increase the satisfaction of compensation in compulsory acquired lands, many countries have endeavored to attain sustainability dimensions. Hence, not only economic but improving social coherence is also important to consider.

Meanwhile, the equivalence is a crucial term that has been moved to strive beyond equivalence to improve the condition of people impacted whenever conceivable. This principle is articulated in the World Bank Policy of Involuntary Resettlement that described as "displaced persons should be assisted in their based efforts to improve their livelihoods and standards of living or at least restore them, in real terms, to pre-displacement levels or levels prevailing before the beginning of project implementation, whichever is higher" (World Bank, 2013). In view of this policy, involuntary resettlement is one of way which helps to improve people's living standard and improve their livelihood. Moreover, it is important to note that resettlement is another way of making compensation for acquired land especially with agricultural land and which is considered as alternative to monetary payment of compensation. Hence, involuntary resettlement is one of initiative that focusing on incorporation of sustainability concept into compensation procedure.

Sri Lanka too formulated the National Involuntary Resettlement Policy in mid-2001 to address the current gap in the Land Acquisition Act while addressing disputes such as increased poverty of victims due to loss of land, livelihood, food insecurity, jobs, skills, etc., loss of identity of individuals, and the greatest loss in the process is the loss of connection between people and the environment (Godamunne, 2012). The sustainability of National Involuntary Resettlement Policy in Sri Lanka has been criticized for failing to identify a variety of risks associated with resettlement, such as landlessness, joblessness, homelessness, social marginalization, etc. (Hettiarachchi, 2015). Thus, it is inevitable to re-think on the social upliftment in compensating to keep the victim back on previous position. Therefore, the current study is interestingly assessed the social sustainability concept in compensation procedure of compulsory land acquisition of Sri Lanka to determine fair and adequate compensation procedure for affected parties.

## 2. METHODS

On par with the theoretical settings, following are the criteria that have been discussed to represent the satisfaction in a compensation procedure including a re-settlement strategy. Accordingly, both aspects of social and economic have been entailed in satisfaction attributes while difficult to distinct, due to certain interrelationships. Therefore, the study conceptualizes all the identifying factors as in Table 1, to analyze and understand compensation and resettlement issues in present compulsory land acquisition process.

**Table 1: Factors Determine the Satisfaction**

Factors		Description
F1	Neighborhood Environment	It is more vital to plan and create a community than to just create a group of dwellings, as this will give people a sense of belonging (Steinberg, 2007).

F2	Sanitation Facilities	Maintaining appropriate sanitary amenities including, pipelines, wastewater and waste disposal in housing construction is a crucial aspect in ensuring community satisfaction in the long run (Kennedy et al., 2008).
F3	Transport Facility	Basic amenity of transport facility including roads, public transportation should be provided properly when people are resettled (Hettige & Haigh, 2016).
F4	Educational Facility	Basic amenity of education facility including schools, Montessori, Dhamma Schools, and other educational institutes should be provided properly and conveniently when people are resettled (Karunasena, 2010).
F5	Financial Status	The financial status should be ensured via attributes including income, expenditure, loan facility and alternative income sources when people are resettled (Kennedy et al., 2008).
F6	Employment Opportunity	Agricultural skills and nonagricultural vocational trainings, livelihood restoration should be available when people are resettled (Sapkota & Ferguson, 2017).
F7	Market Availability	The accessibility to main marketplaces, specially selling the cultivation, therefore marketplaces should be provided properly and conveniently when people are resettled (Sapkota & Ferguson, 2017).
F8	Electricity Services	Basic amenity of electricity should be provided properly when people are resettled. (Weerasena et al, 2018)
F9	Public Health Services	Basic amenity of public health facilities should be provided properly when people are resettled (Karunasena, 2010).

*Source: author developed based on Literature 2020*

The empirical evidence provides for the study from the land acquisition process of Yan Oya irrigation project which located in the North- Eastern Province and administratively belongs to the two districts of Anuradhapura and Trincomalee in Sri Lanka. The data is obtained from primary and secondary sources. Primary data is obtained from the structured questionnaires and an interview schedule. There were 234 families identified as fully affected (both land and housing unit) and 99 families were from Anuradhapura district. Out of 99 families, thirty families (30) who are currently resettled were selected by adopting the convenience sampling approach. Accordingly, the sample is comprised of respondents with three new resettlement locations namely 'Malporuwa', 'D-6 Aluth Gammanaya' and 'Omarakada' (these three resettlement locations will be identified as Malporuwa = case A, D-6 Aluth Gammanaya = case B and Omarakada = case C for the purpose of this article). Field observations were conducted to confirm the actual physical characteristics of re-settlers. The key informant interviews were carried out with six prominent community leaders in three case areas. The study relied on secondary data that collected through documentary reviews to understand the project details. The data was analyzed with descriptive statistics and content analysis method. In content analysis, the factors were ranked as high weighted mean values and the factors were scaled as 1 to 9 ranges (threshold level 1 for low satisfaction and 9 for high).

### 3. RESULTS AND DISCUSSION

The total numbers of male respondents were more dominant than females in case B and C that equally distributed in case A. The respondents were categorized into three age groups: below 30 years (n= 2), 30-50 years (n=13) and 51 years and above (n=15). Hence, the family size of the respondents were identified as per the three categories viz., 1(n=2), 3 to 5 (n= 23) and 6 and above (n= 5). Most of the respondents had an Ordinary Level education (n=13) or less (n = 12) while a smaller number had Advanced Level education (n =5) and anyone had not degree or diploma level education status.

The levels of user satisfaction in the overall three case studies are shown in Table 2. The score of three (3) can be regarded as the cut-off point for satisfaction/dissatisfaction, given the manner the ratings were assigned using the five -point Likert scale options.

**Table 2: Level of satisfaction of resettles**

Factor	Mean value	SD
Neighborhood Environment	3.47	0.725
Sanitation Facilities	2.98	0.543
Public Transport Facility	2.94	0.521
Educational Facility	3.42	0.719
Financial Status	2.74	0.403
Employment Opportunity	2.86	0.503
Market Availability	3.18	0.678
Electricity Services	4.89	1.896
Public Health Services	3.39	0.689

Source: Survey data, 2020

Results in table 2 indicate that there are five criteria showing values above the cutoff level of 3, from the three case studies, implying that all respondents were satisfied with these five criteria namely, the neighborhood environment (m=3.47), educational facility (m= 3.42), electricity supply (m= 4.89), public health services (m= 3.39) and market availability (m= 3.18). When comparing satisfaction based on the three resettled locations, however, there are disparities in respondents' opinions depending on location changes for various reasons. Therefore, this study includes content analysis to examine the data in order to match the variables with historical context and draw reliable conclusions, which were gathered through semi-structured interviews with prominent community leaders in three resettled sites.

**Table 3: Results of Content Analysis**

	Case A		Case B		Case C		Weight Mean	Ranking
	RS1	RS1	RS1	RS1	RS1	RS1		
F1	7	8	6	8	8	6	7.1	3
F2	4	5	4	4	3	4	4	6
F3	1	1	3	2	1	1	1.5	9
F4	6	7	7	5	6	7	6.3	4
F5	2	2	2	1	4	2	2.1	8
F6	3	3	1	3	2	3	2.5	7
F7	5	4	5	6	5	5	5	5
F8	9	9	9	9	9	9	9	1

F9	8	6	8	7	7	8	7.3	2
Overall Satisfaction	Yes	Yes	No	No	No	No		
F1- Neighborhood Environment, F2- Sanitation Facilities, F3- Public Transport Facility, F4 - Educational Facility, F5- Financial Status, F6- Employment Opportunity, F7 - Market Availability, F8- Electricity Services, F9- Public Health Services								

*Source: Survey Data, 2020*

The respondents of case A were positive attitudes on overall resettlement program while respondents of case B and C were negative perceptions. Thus, the content analysis confirmed that the factors of electricity facility, public health service, neighborhood environment, education facility and market availability have reflected highest weighted means values with first five rankings. However, there were significant inconsistencies in the assessed components within individual cases (case A, B, and C). Giving reference to table 3, people who resettled in the vicinity of the reservoir with close contacts with previous settlements (Case A) were totally satisfied with the neighborhood environment than those who resettled in other two cases of B and C, that are distant from previous settlements. The high social integration and cohesiveness with same neighbors in previous location, to made collective decisions to continue their paddy cultivation were main reasons for high satisfaction on neighborhood environment of the case A residents. Settlers from Case B and C were unhappy for loss of the integration and not yet been able to form any association in the new settlement. Subsequently, satisfaction related with the sanitation facility, majority respondents from case B and C dissatisfied with current, pipe, sewage system and trash while case A expressed fair satisfaction. Considering the satisfaction on transport facility, all three cases respondents reflected dissatisfaction due to prevailing disputes of bus transportation and deprived roads e.g. struggle to reach to fulfill some services especially health services people require to hire three-wheelers which is somewhat costly option. Further, high percentage of respondents in Case A were satisfied with available educational facility, due to the construction of a new school within new resettlement. The satisfaction level for financial factor is mainly measured as per the attributes of respondents' income, expenditure, loan facility and alternative income sources in which comparing the context of before and after resettlement. Accordingly, majority of the respondents of all three cases shows dissatisfaction with their financial status after the resettlement. There is a sudden dropdown of the income in three villagers. The lessening of income from alternative income sources and the shortage of compulsory resources including land and irrigation facility were main identified reasons for income reduction. Conversely, the average monthly expenditure of sample household was LKR 18,400/- before land acquisition which increased up to the average level of LKR 24,500/- after the resettlement. The high food expenses as the result of losing subsistence farming and agricultural production especially paddy production were main reasons. The survey verified that respondents of all three cases have not much tend to obtain loan facility after the resettlement and few has been obtained loans for the purposes of build their housing and agricultural activities as well. Even though, majority of respondents of all three cases, especially case B had dissatisfied with available alternative income sources due to small portion of land parcels of new resettlement location were loosed their livestock and other subsistence farming income. Thus, the references based on the employment opportunities, majority of case A and B respondents dissatisfied on livelihoods after the resettlement due to losing agricultural lands and rendering most people to joblessness. However, respondents in Case C had a positive attitude about employment opportunities as a result of receiving distinct land lots for their agricultural production. Even though, some responders in Case C were disappointed due to inadequate irrigation water supply system. Almost all the respondents from the three resettled locations indicated strong satisfaction in relation to the electricity services available in three new resettled locations. Finally, majority

of respondents in cases B and C expressed high satisfaction with available public health services, while Case A respondents expressed lower satisfaction when compared to cases B and C.

#### 4. CONCLUSION

Analysis shows that the social sustainability aspects of neighborhood environment, education, market availability, electricity and public health services were successful some extent while there were significant inconsistencies amongst assessed components within individual cases that confirmed from both quantitative and qualitative studies. It can be noted that people in the resettled communities in overall study are not satisfied with the measures of public transport, sanitary, financial status and employment with livelihoods. Hence, the study reveals that pure monetary compensation process was unsuccessful since it represents the inadequacy to cover all losses of victims. Thus, for a total loss a resettling strategy is essential. Selecting the resettlement option also may not be adequate if more attention on social sustainability aspects were not given. It is obvious that recipient needs must be recognized and addressed from the beginning, rather than simply providing a "shelter." Thus, it can be recommended to re-think on compensation procedure while at least assisting the new settlers to formulate social associations till they become familiar to each other. While enhancing the victim's economic satisfaction, the attention on social matters also important. Furthermore, the study indicates that the framework is effective in assessing satisfaction on compensation and resettlement, particularly in terms of social sustainability. However, the measurements and impacts may not apply consistently in all contexts.

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