

4 THE BANK'S CROSS-CUTTING ISSUES

A social framework helps to determine the success or failure of any project's sustainability.

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Introduction

Mr. Chairman, distinguished participants, ladies and gentlemen: I am delighted to have this opportunity to address the distinguished delegates from the PRC, Kazakstan, Kyrgyz Republic, and Uzbekistan.

What do we mean by cross-cutting issues?

Cross-cutting issues include poverty reduction, human resource development, environment and governance. These issues are fundamental to the rationale for this workshop.

The Central Asian republics and Xinjiang PRC share a long tradition of commercial, cultural, ethnic, and linguistic links. These links are symbolized, perhaps, in the historic Silk Road, which brought together sparsely populated and geographically remote areas.

- Social trends, built up over so many centuries, are therefore very important elements in regional cooperation and future developments. Upon independence, the Central Asian Region had strong and well developed systems of social infrastructure and social safety nets.
- Environmental parameters have also played a critical determining role in shaping the region. There are pressing environmental problems which need to be addressed — these often need effective regional cooperation.

- Governance issues are dominated by structural adjustment and reform in the Central Asian Region, and the development of new forms of regional cooperation between the newly independent nations. Structural reform provides new opportunities for transforming social services. Yet, it has had social costs, with declining living standards and declining quality of social services, in varying degrees between Central Asian countries. There have been recent costs for pension security, protecting family structures, and improving gender relations.

Cross-cutting issues represent a challenging agenda for discussion in the context of this workshop.

In this talk I want to focus particularly on the social dimensions, especially human resource development, poverty, and gender.

I will also focus on the opportunities for the transport sector as modern transport links are obviously essential to build upon the region's ancient ties. Modern transport links foster "intra" and "inter" national trade and commerce that are fundamental to development. They present a vital basis for tourism in this fascinating region. They also bring increased social contact, cultural links, and better access to essential social services, to build the human resource base.

Today I will focus on these discussion points.

- Why does the Bank place importance on social dimensions in planning? How does this apply to transport projects in particular?
- How does social analysis help to maximize the development opportunities from transport projects? In other words, is social analysis good for development and for business?
- How does social analysis help to screen out any negative effects, or social costs of transport projects?
- What are the Bank's key policies, which will apply to planning for transport projects?

Importance of Social Dimensions in Planning

The Bank recognizes that all projects and programs are implemented within a social framework. This will help to determine their success or failure. Moreover, their future sustainability depends, partly, upon social factors.

In planning transport projects, for example, there are some basic starting points concerning people, who are the clients or users.

- Who are the likely users of the roads, railways, or air services?
- Where are the populations concentrated?
- How are they dispersed?

- What kinds of services do they want and need?
- How much are they willing and able to pay?
- What are the new trends in social linkages, communications, and population movements?
- How can we anticipate those new trends in delivering services that have maximum benefit for people and are most likely to be used?

Social analysis can help to capture and to enhance the likely benefits from transport investments.

If we ignore these questions, we might miss major opportunities for development. The former Soviet Union used a centralized model for planning transport and communications. This approach did not focus much on local needs, trends, demands and links between parts of the region, thus missing potential for local growth.

Without careful preparation, transport projects might inadvertently cause unintended social costs. The following areas should be considered.

- Will the construction displace people from their land, their homes, or communities through land acquisition?
- Will transport open up access to hitherto isolated groups, who could benefit from better access, but who might, also, become open to exploitation?
- Will various social ills spread unchecked as a result of better communication — illegal trade, land speculation, infectious diseases?
- Will transport enterprise reform bring loss of jobs or of essential social services that formerly provided health, education, and other benefits to the workforce?
- Will related economic reform measures disadvantage groups who are already vulnerable?

Social analysis is important in helping to identify these costs and in developing strategies to mitigate them. We can, through careful project and program design, foster social inclusion so that all groups benefit. Social harmony is a vital factor in enhanced regional security.

Maximizing Development Opportunities from Transport Projects

In the Bank, the first step in social analysis is the Initial Social Assessment (ISA). This is required for every development project, whether it is a public or private sector project. The ISA is a reconnaissance field mission, usually conducted during the reconnaissance or fact-finding mission early in the project preparation cycle. The ISA determines the kind of project preparatory technical assistance feasibility study. This detailed work is the social analysis.

There are well-established methods for social analysis. Briefly, these include:

- social surveys, taking a representative sample, through face-to-face interviews, or through mail questionnaires;
- participatory rapid appraisal methods, such as data review, structured and unstructured interviews, focus group discussions, and community meetings;
- stakeholder consultations, meetings; and
- workshops with key stakeholders.

In transport projects, critical questions focus on the clients or users.

Who will use the transport systems? For what purposes?

User or client groups can be diverse:

- long distance travelers;
- long distance freight dispatchers;
- local people traveling or dispatching freight; and
- investors, service providers, tourists, officials, and others visiting the area.

Who else will benefit?

Other people benefiting might include:

- construction and maintenance workers;
- people living and working within the project sphere of influence, but not using transport services; and
- the possibility of new clients who would use the transport services given greater publicity or better quality.

What are the needs, demands and preferences of these different groups?

Different types of users have different needs for service. These often need investigation. These might vary by geographic area, occupation, age, gender, or other factors. Different users can be targeted with different services.

Could the number of people benefiting be increased through design changes?

Such changes might include:

- changes in transport alignments to reach more people;
- new feeder roads to maximize the spread of markets or social services;

- employment opportunities through labor intensive construction and maintenance;
- opportunities to build local capacity for construction or maintenance;
- complementary improvement of essential services and utilities, especially health, education, power, water, telecommunications, and input supply; and
- complementary expansion of markets and employment opportunities.

How much are people willing and able to pay for transport services?

Different user groups may have different ability and willingness to pay. There may be scope for different levels of service to meet different needs. New clients might be attracted given certain fare structures.

Thus, by assessing client needs, preferences, and demands, we can enhance project benefits and project returns.

How Social Analysis Helps to Screen Out any Negative Effects, or Social Costs of Transport Projects

Social costs can include a range of effects.

Workers in transport enterprises may lose jobs or social services

The extensive social protection system of the Central Asian republics, in particular, was largely focused on the workplace. Transport rehabilitation may involve restructuring of transport enterprises. There may be social costs of restructuring and transition, and the need to dismantle good quality social services and worker benefits.

This may present new opportunities for human resource development, for transforming the skills base and work practices. It may provide potential to improve the quality and distribution of essential services, though transformed arrangements.

At the same time, a social safety net may be needed. The social costs of transition need mitigation, for example, through these measures:

- consultation with all stakeholders, especially employees, on strategies to mitigate the social costs of transition;
- development of fair and transparent mitigation measures to protect worker livelihoods;
- inclusion of retrenchment packages, counseling, retraining for new skills, especially modern business skills, and assistance in job seeking and job placement; and
- protection of the interests of vulnerable groups of workers, including women.

People in close proximity to the rail line or road might be at risk for their safety, health, or well-being

Various mitigation measures are possible:

- traffic safety precautions and publicity programs, developed in consultation with those at risk;
- enhanced health programs, with public education measures, to deal with the influx of outsiders to the transport sphere of influence; and
- enhanced measures to deal with illegal trade, resource extraction, or unfair trading practices which better transport might bring.

People might lose land, houses, other assets, community base, resources or income sources due to land acquisition or environmental hazard. These constitute resettlement effects

These losses can be permanent or temporary, and occur along the alignment or at sites for stations, airports, etc.

Bank policy requires, first, efforts to avoid or minimize such resettlement effects by design change, for example, moving the transport alignment away from the most heavily populated areas.

Second, if resettlement effects are still unavoidable, measures are needed to improve or at least restore, the economic and social base of people affected. Resettlement planning has a number of steps, as follows:

- a socioeconomic survey is conducted and consultations held with all people affected; and
- a resettlement plan is prepared, according to Bank policy and the national policy framework. This is a time-bound action plan, with a budget, allocating responsibilities for management, grievance redress, monitoring, and evaluation.

Without mitigation measures, resettlement effects can result in significant project delays.

People especially at risk of change can include indigenous or minority peoples

Indigenous or minority peoples have a social and cultural identity that is distinct from the mainstream. This means development could disadvantage them. Bank policy requires efforts to address their special needs, to ensure that development has their informed participation. If transport projects are likely to impact on indigenous peoples, special measures may be necessary to ensure they do not suffer adverse effects.

Indigenous peoples might be particularly at risk from increased access brought about by transport projects. Such risks can include:

- health risks from an influx of outside construction workers and travelers;
- land speculation resulting in loss of land;
- unfair trading practices by sharp businesspersons; and
- resource extraction which might leave them without access to traditional subsistence or income.

An indigenous people's development plan may be necessary. This involves:

- consultation with indigenous peoples;
- studies of possible adverse impacts on their way of life;

The Bank's Key Policies on Social Dimensions

The Bank's social dimensions are as follows:

- poverty reduction;
- Women in development;
- human resource development; and
- vulnerable groups

The associated processes used to address these issues are:

- participatory approach;
- gender analysis;
- benefit monitoring and evaluation;
- social analysis; and
- cooperation with nongovernment organizations.

The Bank's policy on the Role of Women in Development was drawn up in 1985. This is being revised into a new gender and development policy that will be available shortly. A new policy is also to be developed to address the Bank's cooperation with nongovernment organizations, first issued in 1987. A policy on involuntary resettlement was introduced only in 1995. The policy on indigenous peoples is under revision and will come out shortly. There are handbooks and guidelines available on most of these key policies. The resettlement policy has been translated into standard Chinese and will be later translated into Russian. Other policy handbooks and guidelines are also going to be translated to make them more accessible.

- special measures to avoid or mitigate these effects; and
- special measures to strengthen their capacity to deal with change.

Gender issues are important in transport projects

Development may present new opportunities and new risks for women.

In the Central Asian republics, women benefited from legal protection against gender discrimination. Some of these achievements in women's status and access to services and income are now in jeopardy. Women are particularly at risk from declining social services and the employment opportunities they encompassed.

In the PRC, women have also benefited from a legal basis of equality. Yet, actual access to income and services can also be constrained. Benefits from transport projects for women may include better access to services, utilities, markets, and employment opportunities, for themselves and their children.

Women might also suffer from increased levels of risk, including from enterprise reforms. In the Central Asian republics, workplace restructuring has often disadvantaged women in particular. Women might also suffer particularly from health and safety risks.

Bank policy requires gender analysis in all projects to assess benefits and risks for women separately. It requires increased opportunities for their participation in mainstream developments.