

# Mitigation or Manipulation?

## “Side Effects” of Dam Mitigation Measures on Indigenous Communities

by Ikuko Matsumoto, MEdSc 2006

### Introduction

The negative impacts from dam construction have been discussed for many years. Thayer Scudder insists “[t]he adverse social impacts of large dams have been seriously underestimated” (Scudder 1997a: 63). Large dam projects have brought enormous criticism from civil society as well (McCully 2001). Due to this onslaught of criticism, dam project proponents now have to (1) recognize and manage the social and environmental impacts of construction and (2) legitimate dam construction with “appropriate” mitigation measures and a monitoring program which applies a participatory, bottom-up development process. Proponents of dam building are also attempting to create social development projects that generate “benefits” for the affected communities, which will counterbalance the present negative environmental impacts. The World Bank’s Environmental Assessment (EA) policy “identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts” (WB 1999: 1). Development agencies also believe that adverse impacts can be mitigated and managed throughout project implementation (WB 1999). However, with the development of these mitigation measures, questions arise as to whether the negative impacts on local commu-

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nities have been truly alleviated. Have communities received benefits, or have they been negatively impacted by these social development projects?

In the case of the San Roque Multi-Purpose Dam Project in the Philippines, mitigation measures and social development projects in the affected communities actually escalated corruption in the communities and created conflict among communities and families. This paper focuses upstream of the San Roque Dam Project on the indigenous communities in *barangay* (village) Dalupirip and *barangay* Ampucao (members of the Ibaloi indigenous tribe) in the Itogon municipality and attempts to uncover how mitigation measures failed to achieve their goals and why. Analysis is based on field research and interviews conducted in the Philippines and Japan from June to August 2005, documents collected during field research, and the author’s involvement with advocacy activities on the San Roque Dam Project from 1998 to 2004 as a program director of an NGO in Japan.

### Background

The San Roque Multi-Purpose Dam Project is located on the Agno River in northern Luzon Island, Philippines. The dam structure is located in Pangasinan province and its reservoir and watershed area are located in Benguet province, southern Cordillera mountain region. The earth and rock-filled dam creates a 12.8 km<sup>2</sup> reservoir area and the dam itself is 1,100 m long and 200 m high, making it the 12<sup>th</sup> highest embankment dam in the world. Its estimated construction cost is \$1.2 billion

Barangay Dalupirip along the  
Agno River  
Photograph by I. Matsumoto



(Osmun et al. 2001; IWPDC 2001). The purpose of the project is power generation, irrigation, flood control, and water quality improvement. The dam is a privately-facilitated electricity project under the Philippine's National Power Corporation (NPC), which contracts with an international consortium, the San Roque Power Corporation (SRPC), and is financed by the Japanese Export Credit Agencies, the Japan Bank for International Cooperation (JBIC)<sup>1</sup> (RWESA et al. 2003).<sup>2</sup>

The dam is located at the foot of Cordillera mountain, home to around 1.2 million indigenous people collectively called Igorots, meaning "mountain people" (Molintas 2004: 4-5). The Ibaloi people are one group among the Igorots and are affected by the dam project. One of the affected indigenous areas, where *barangay* (village) Dalupirip was located, was called the "rice basket" of this region in the years of World War II (Afable 1999a). People created villages along the Agno River, and rice terraces spanned the whole valley. In addition to farming, people relied on gold panning, honey gathering, and eel fishing for subsistence and income. After the construction of two dams, Ambuclao Dam and Binga Dam on the Agno River in 1956 and 1960, many of the villages, rice paddies, vegetable gardens, and gold panning sites along the

Agno River were lost. This was due to the accumulation of silt along the river bank upstream of the reservoir, which was mainly caused by mountain erosion and industrial mining. Therefore, the neighboring indigenous communities lost major sources of income due to the dam projects. The Philippine government, however, did not adequately compensate these people for their losses (Carino 2000).

In the 1950s, there was a proposal for another dam on the Agno River. After an appeal by the indigenous communities, however, President Magsaysay and a later president, Fidel Ramos, pledged that the new dam would not be built in the indigenous communities in Itogon (Afable 1999a). In the 1970s, the Cordillera indigenous people widely rejected a World Bank-funded series of dams along the Chico River that would have displaced 90,000 Bantok and Kalinga people (Molintas 2004: 5). However, yet another Agno Dam, the San Roque Dam, was planned just a few kilometers downriver from Itogon municipality, "in politically much safer territory" (Afable 1999a). Local indigenous communities were strongly against the San Roque Dam and sought the help of national and international NGOs to support their opposition to the project (RWESA et al. 2003).

## Mitigation Measures for Indigenous Communities

To persuade civil society and the local government and then gain political support for the project, the presidential office of the Philippines and JBIC required additional social and environmental standards for the project, particularly addressing indigenous people's issues. Ultimately, the San Roque Dam Project consisted of comprehensive, participatory mitigation measures and social development projects for the indigenous communities. However, how did these comprehensive mitigation measures work in the field? The outcome of land compensation, the watershed management project, and the social development projects are explored further in this paper.

### **Land compensation**

The Philippine government committed to apply the Indigenous Peoples Rights Act (IPRA), a newly established law in 1997, to enforce land compensation for the Ibaloi indigenous community (NPC et al. 1999). IPRA is considered a landmark in legislation for indigenous people, recognizing what indigenous peoples in the Philippines have long been fighting for—the right over their ancestral domain, social justice and human rights, self-governance, empowerment, and cultural integrity (Molintas 2004). Indigenous people's lands in Itogon are recognized as “public domain” since they are located within the governmentally designated “watershed area”. Indigenous people, therefore, do not have any legal rights to the land they historically lived on (Prill-Brett 1994). However, to compensate for the San Roque Dam, the Philippine government decided to replace the land titles and then pay for the taken land by following indigenous land titles (NPC et al. 1999).

### **Watershed management project**

The watershed management project was

established to obtain Itogon municipality's endorsement of the San Roque Dam Project. Its formal purpose was to reduce erosion on the mountains. One of the conditions states that “the NPC and DENR (Department of Environment and Natural Resource) shall adopt [a] Watershed Management Plan using a bottom-up approach starting from the *barangay* level” (Municipality of Itogon 1999: 1). The project aims to achieve community forestry management and consists of forest protection, biodiversity conservation, land tenure improvement, soil and water conservation, livelihood projects (projects to improve household income such as skill training, livestock raising, cooperatives), research and development, and community organization. To address villagers' requests, the reforestation project also includes agroforestry projects to plant fruit trees, such as mango, coffee, banana, and papaya, in open areas (IIWMP 2001).

### **Social development projects**

Other major mitigation measures for the dam project are social development projects in the affected communities, mainly in the Itogon municipality. The goal of these projects is to cover expenses for daily community needs and to create positive impacts from the dam project. They were implemented based on requests from either the Itogon municipality or each *barangay* and included projects such as paving roads between indigenous communities, creating an electrical grid in Itogon, fixing bridges, improving small scale irrigation canals, installing community-owned agricultural machines, improving school facilities, and supporting teachers' salaries.

## Consequences of Mitigation Measures

At first glance, the San Roque Dam mitigation measures for indigenous communities were executed more carefully than other development projects in the Philippines. Even so, it is important to assess how these mitigation measures have

been executed thus far. Despite the elaborate measures, the projects actually escalated corruption and conflict among indigenous communities.

### **Land compensation**

Among the mitigation measures, the land compensation plan created the most serious conflicts and increased corruption among communities and families. Molintas, a lawyer in the Philippines working on indigenous rights issues, asserts that “the differences in the concepts of land ownership and management between the State and the indigenous peoples in the Philippines have led to a massive land grab of indigenous people’s domain” (Molintas 2004: 14). Since the indigenous people’s land certification process under the new Indigenous Peoples Rights Act (IPRA) was new to everyone, extremely complicated, and required many written documents, people had to hire lawyers to prepare the documents to obtain land compensation. The Cordillera People’s Alliance, a regional alliance of indigenous people’s organizations, raised concerns that “the process [of IPRA] is just as complicated, costly, time-consuming and exhausting as those provided for in earlier law” (CPA and DINTEG 1998: 15). Molintas states that “many indigenous peoples are not aware that there is such a thing as land titling” (Molintas 2004: 14). Thus, in the case of the San Roque Dam, middle-class, well-educated people who have enough money to hire lawyers and a basic knowledge about the new legal system received certificates for indigenous people’s land title and were compensated quickly for their land. This created serious conflict among communities. Many middle-class people, regardless of whether they actually owned the land before, received certificates for land, which left many people who originally owned land without property. One villager said “they made money out of us.”

There are now several legal cases regarding ownership of indigenous land. However, this is restricted to a certain number of people; most

can do nothing about losing their land. The rapid application of IPRA changed and distorted local political power and created more serious problems in the indigenous communities.

### **Watershed management project**

For many generations, people in southern Cordillera have raised cattle for a living. This has led to the burning of hillsides to allow for new forage to grow (Afable 1999b). Despite the community-based watershed management project, reforested mountains are burned two to three years after reforestation efforts, so there is no perceivable progress in the reforestation of the mountains. Thus, the mountains around Agno River are still bare of trees. In addition, it is said that some villagers light fires on the mountains to produce more reforestation jobs. The JBIC and its consultants found minimal improvements created from the watershed management project, which was attributed to negligible local community capacity to manage the project (JBIC 2005).

However, another cause of failure is due to indigenous people’s skepticism about state control of their domain and land in the watershed management projects. From the Binga and Ambuklao Dams, Ibaloi people already experienced a reforestation project under the dams’ Watershed Reservation Regulations, which led to the restriction of land use within the watershed reservation. The regulations state that “no person shall be allowed to enter and/or occupy watershed reservations and make *kaingin* (swidden farming) therein without the prior approval of the Ministry” (Carino 2000: 24). All watershed occupants were also threatened with the closure of watershed reservations from “exploitation, occupancy or development” whenever the Minister deemed it “in the public interest” (ibid.: 24). Therefore, for indigenous people, there is no motivation to cooperate in a process where the state occupies the people’s domain and land under the name of “watershed management projects.”

### **Social development projects**

Dozens of social development projects were created to assuage the communities. However, villagers told me that municipality and *barangay* officials and associates have been pilfering money from each of the small development projects. Some villagers claim that because of the local government officials' lack of honesty, road-paving and bridge repair stopped in the middle of the projects. Corruption within the social development projects has a large impact on the villagers due to their marginal income from subsistence farming and gold panning. The corrupt officials, suspected of using the laundered project money, built themselves large, new concrete houses that villagers called "San Roque houses." Thus, the relationships among local government officials, their associates, and other villagers took a turn for the worse.

### **Local perception of projects**

Most locals believe that mitigation measures and these "beneficial" projects have a negative effect on communities. A resident in the *barangay* of Dalupirip mentioned that it is a shame villagers are content with these short-term projects, since they and their descendants will suffer from the long-term effects of the dam project, such as river siltation. One of the *barangay* leaders in Dalupirip who opposes the dam said, "before several development projects

came into Dalupirip together with the San Roque Dam, the community was more independent from the state government and we had rigorous autonomy in Dalupirip. We made decisions by ourselves and people supported and respected each other. However, after all these land compensation, watershed management project, resettlement project, and social development projects, Dalupirip are not Dalupirip like before any more." An elder of Dalupirip said "because of the San Roque dam project, I feel we have more negative impacts rather than the benefit in Dalupirip, even with abundant development projects."

### **Conclusion**

Despite elaborate mitigation measures, the dam projects actually created conflicts among communities and families, strengthened government control, escalated corruption in the communities, and diminished indigenous peoples' autonomy. Patrick McCully argues that: "Some mitigation measures can reduce some of the harmful impacts of dams, others may be worse than useless" (2001: 49). Scudder also asserts through his study in Canada that, though there were several social development programs, "the overall impact has been negative" (1997b: 641).

Projects that were supposed to mitigate negative impacts and bring benefits to the com-



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Ibaloi Indigenous people in Dalupirip  
*Photograph by I. Matsumoto*

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munities led, in fact, to social deterioration. It is ironic that mitigation measures *per se* disturbed the dignity and rights of indigenous people. The application of IPRA for land compensation created serious conflicts among indigenous communities due to “land-grabbing” by “powerful individuals” (UN 2003). James Scott insists “in dictatorial setting[s] where there is no effective way to assert another reality, fictitious facts-on-paper can often be made eventually to prevail on the ground” (1998: 83). Indigenous land certification, obtained through a pile of legal documents, thus distorted customary land rights. The watershed management project has made little progress in reforesting the southern Cordillera mountains; however, it has strengthened state control of the indigenous people’s lands. Ferguson insists that “development” achieves bigger political mandates through its “side effects” (1994). Ibaloi indigenous communities explicitly unified through “development” projects and the state strengthened its control over the southern Cordillera mountain region through watershed management projects. Paved roads, sturdy bridges, electric grids, new agriculture machinery, and more solid school buildings: these are tempting development projects for rural villages in the Philippines.

Indigenous communities tend to keep quiet about their opposition to mega-hydropower projects to obtain these social development projects and try to ignore the problem that siltation along the river will create in the future. Moreover, social development projects accelerated corruption and conflict among the indigenous communities.

Michael Goldman asserts: “The environmental projects are the legitimizing vehicle of the dam: without a strong public commitment to environmentally sustainable development, the World Bank and its counterparts would encounter robust resistance” (Goldman 2005: 201). The social and environmental mitigation measures of the San Roque Dam became not

only propaganda from the Philippine government, the private sector, and the funding agencies, but also a tool to legitimize the project. In other words, mitigation measures for the San Roque Dam became a necessary and adequate tool for them to secure legitimacy for being involved in a destructive project and to avoid accusations from the public. These mitigation measures are also “facts-on-paper” (Scott 1998: 83) to avoid accusations from the public and tend not to work on the ground.

Moreover, the Philippine government, the private sector, and the funding agencies utilized mitigation measures to manipulate civil society. Robert Wade and Michael Goldman strongly criticize the “greening” and “green neoliberalism”<sup>3</sup> of the World Bank (Wade 2002; Goldman 2005). I argue that “green neoliberalism” is not only a “powerful framework for intervention” used by the World Bank, but also by other financial agencies to some extent, such as bilateral development agencies, Asian Development Bank, and the European Development Bank alike. While funding agencies push “civil society agendas” of social justice and environmentally sustainable development, they legitimize their lending to mega-development project and push neoliberal “financial ministry mandate”<sup>4</sup> with economic development. In the case of the San Roque Dam, one of the biggest missions of the JBIC is expanding overseas business opportunities for Japanese companies. That is nothing less than neoliberal economic policies of Japan. We need to urge international and bi-lateral financial agencies to ensure the civil, political, economic, social, and cultural rights of local communities on their development and challenge them to reform their neoliberal “financial ministry agenda.”

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### Endnotes

- 1 JBIC was established by merger between the Export Import Bank of Japan and Overseas Economic Cooperation Fund in 1999.
- 2 Since the Japanese companies Marubeni Co. and Kansai Electric are part of this international consortium, the Japanese government gave loans to this project through the Export Import Bank of Japan (JEXIM), currently named the Japan Bank for International Cooperation (JBIC) (RWESA et al. 2003).
- 3 According to Goldman, "Green neoliberalism" is pushing neoliberal economic mandates through social development, mitigation measures, environmental policies, and others.
- 4 According to Wade, "financial ministry mandate" is the economic policy aim to convince the world of the truth of liberal free-market ideology.

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