

## **Book Review**

### **A Product of the World Bank's politics on BIG DAMS**

**Book** *Indirect Economic Impacts of Dams: Case Studies from India, Egypt and Brazil*, Editors: Ramesh Bhatia, Rita Cestti, Monica Scatasta, RPS Malik, The World Bank and Academic Foundation, 2008, pp 371, Rs 995/-

There is no doubt that this is a very interesting book. The title, the profiles of the authors and first nine of the ten chapters give an impression that this is a book about economic issues related to big dams. An unsuspecting reader is likely to go away with that impression if the reader either does not read the last chapter or does not know a bit about the background history of the evolution of this book and the issues connected with it.

But thanks to chapter ten of the book, written by John Briscoe, the point man in the World Bank on the issues around politics for large dams over the last decade, it becomes clear that "the current book is an important part" in pushing for "re-thinking of the role of infrastructure in development", or in simpler language, in pushing for bringing back the Big Dams into the investment portfolio of the World Bank. That chapter actually provides hints how Briscoe and his team played a central role in ensuring that the World Bank does not accept the report of the World Commission on Dams (WCD) and in stead pushed for bringing back funding of big dams into the agenda of the World Bank. The whole story of how this was achieved by Briscoe and his team is out there in the last chapter, if read carefully.

It needs to be added however, that the World Bank (and everyone concerned with large dams) participated in and funded the work of the WCD right from its inception to the end and even follow up work, the World Bank President publicly said that the WCD process was the most unique, open, inclusive participatory and exemplary process in the entire global development history. The World Bank had promised that when the report is out it would ensure that the recommendations would be taken into consideration for adoption into its own policy. Unfortunately, after the release of the WCD report in November 2000, the Bank officials, armed with considerable clout of the institute, actually went around the world lobbying with some of the vulnerable developing country governments to ensure that the governments speak up in the Bank meetings against adoption of WCD recommendations.

Now this books makes it clear that the whole exercise of taking up the study of the indirect benefits of large dams has been initiated and funded by the Bank at huge expense (USD 75 000 per case study, see p 116), a large part of the work has been done by the World Bank staffers or consultants and now it has been published by them. In fact, this whole exercise was initiated soon after the WCD report was released in Nov 2000 and was aimed at countering the WCD report, as Briscoe accepts in this book. Moreover, the claimed outcomes of Bhakra study, one of the three large dam centered studies of this book, have been used by the World Bank officials since at least four years.

Coming to the contents of the book, let us take them on their merit, for a moment forgetting the politics behind the study. Firstly, none of the four individual studies include comprehensive evaluation of all the economic, social and environmental impacts of the

dams in their assessments; they crucially leave out most of the adverse impacts of the dams from their calculus. They only try and evaluate the indirect economic *benefits* of the dams, with a view to justifying the big dams.

But, this is clearly a biased exercise. The World Bank has already done many exercises in estimating the benefits of large dams. The gap in their work which actually requires more study is in estimating the impacts of social and environmental *costs* of these projects. This study is thus not helpful in filling the gap in the Bank's work.

Looking at the studies themselves, they are full of inaccuracies, exaggerations and omissions. To illustrate, the Bhakra study keeps claiming (e.g. p 87) that the project generates 14000 Million Units (kilowatt-hours) power, when the average annual generation at the project over the last 23 years has been just 12000 MU. This is straight 16% exaggeration. Similarly, on the issue of irrigation benefits from the Bhakra project and the contribution of the Bhakra project in foodgrains production of the region, the book is guilty of gross exaggerations and some basic errors. In fact, this book, published in 2008, could have hugely benefited from the fascinating account of the real performance of the Bhakra project through the 2005 publication *Unravelling Bhakra: Assessing the temple of resurgent India* by Shripad Dharmadhikary. Dharmadhikary shows that in Punjab 43-46% and in Haryana 35% of all agricultural production is based on unsustainably mined groundwater. But the Bhatia-Malik case study in the book under review attributes no production to the groundwater depletion and thus erroneously exaggerates the contribution of Bhakra project. Bhatia-Malik fail to even refer to the Dharmadhikary's book.

The Bhakra case study also claims that due to the Bhakra dam, Punjab and Haryana have achieved 100% electrification. However, the latest official figures (Ministry of Power) show that 5.74 lakh rural households of Haryana and 4.05 lakh rural households of Punjab are yet to be electrified. Here a quote from the autobiography of KL Rao, India's then irrigation minister, after a visit to the dam full 11 years after commissioning of the Bhakra project is educative: "The village of Bhakra on the bank of the river Sutlej was submerged. The Dam resulted in great suffering to the people of the village, but nobody took note of the people's representations. I found that the new village of Bhakra had neither drinking water nor electricity though surrounded by blazing brilliant lights." But the authors' account of the social impacts of the projects does not mention any of these and is on the contrary full of gross errors and omissions.

Such gross errors and omissions put question marks over the credibility of the multipliers and other conclusions that the book arrives at.

Ok, to strike a *balance*, let us look for some bright spots. The study of the Bunga dam, (the only study of a smaller dam in the book) in Northern India does show that it achieved a multiplier (multiplier is defined as a ratio of net direct and indirect benefit over only direct benefits of the project) of 1.41, which is *higher* than the multiplier of 1.22-1.4 achieved by Aswan dam of Egypt, both Bunga and Aswan are subjects of case studies in this book. This assessment in fact helps to negate Briscoe's contention that smaller projects necessarily have "smaller indirect benefits than large dams", the comparison of performance of Bunga and Bhakra won't be appropriate for the inaccuracies in the Bhakra study.

The Aswan study is slightly more detailed than Bhakra case, but since it uses a different unit of land (feddan), it does not help, the book should have used uniform units. The last study in the book, on the Sobradinho and the cascade of dams in Brazil estimates higher multiplier, but is likely to be a result of some distortions; the limited length of this review won't allow further elaboration here. This study agrees that the project had negative distributional impacts, "local communities suffer the adverse impacts for project whose main benefits are appropriated by industries and urban area dwellers" located far away. The description of the adverse social impacts in this case study should also be an education for the authors of other two large dam case studies.

In conclusion, the book aimed "to go further than previous attempts, including the WCD Report, and evaluate... the 'direct' and 'indirect' economic impacts of dams". The authors have clearly failed to achieve that objective, largely because of their pronounced bias in favour of large dams. In fact the book *ends* up exposing the politics played by the World Bank in ensuring rejection of WCD report by some of the countries and in pushing large dams.

**Himanshu Thakkar ([ht.sandrp@gmail.com](mailto:ht.sandrp@gmail.com))**  
**South Asia Network on Dams, Rivers & People ([www.sandrp.in](http://www.sandrp.in))**  
(An edited version of this appeared in [www.businessworld.in](http://www.businessworld.in))

**1400 words**