

Rent Scheme as Alternative Compensation Method for Resettlers

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A unique rent scheme was adopted as a compensation scheme for resettlers / landowners for three small-scale dams constructed in the early 1950s along Jintsu-gawa (Jintsu River) in Toyama Prefecture on the Japan Sea side. These dams were built by a district electric power company, Hokuriku Denryoku, for hydro power generation. Hokuriku Denryoku was then in urgent need to increase its power generation capacity in order to meet the fast increasing demand from the growing manufacturing industries of the area. In this context, Jintsu-gawa Dams were planned and constructed in a great hurry. Intensive negotiations with the local communities living in the dam sites over conditions for compensation and resettlement took place and were concluded within a few years. In the process of negotiation, it was the representatives of the would-be-affected local settlements who refused to sell off their land but instead suggested that the rent scheme be adopted. On the part of Hokuriku Denryoku, while it initially proposed to buy up the land of the dam sites, at that time they were facing the situation where they did not have enough fund to pay for all the land at one time. Also pressed by the need of constructing these dams as a matter of urgency, the company agreed on the scheme. This is the only such case ever materialised in Japan, and the scheme has survived to date. The rent for the submerged land was calculated in the following manner. (1) For paddy fields, the annual government purchase price of unpolished brown rice and the average yield were used as the basis of calculating the rent of the year. In those days all rice crops were bought up by the national government for distribution. (2) For dry farmland, 70% of the above paddy field rent was applied. (3) For forested land, 10-15% of the above paddy field rent was applied. The authors interviewed some resettlers. All those interviewed expressed their satisfaction with the rent scheme, and were proud of the fact that this scheme has been implemented for many decades even if the amount of the rent may not be high enough to greatly enrich their daily life today. Therefore, the rent scheme employed in this case might have helped alleviate the sense of victimization by the dam construction, psychologically as well as practically. The authors believe that these resettlement compensation schemes are innovative and that such schemes may be applied in developing countries, about to take off in their development. The application of such schemes might have reduced many of the problems of some projects implemented in the developing world.

Keywords: Compensation; dam, Japan, resettlement.