

**POLITICS OF DEVELOPMENT, DISPLACEMENT AND
RECONSTRUCTION: A COMPARATIVE STUDY OF
UPPER INDRAVATI HYDRO-ELECTRIC AND UTKAL
ALUMINIUM INTERNATIONAL LIMITED PROJECTS
IN ORISSA**

*A dissertation submitted to the University of Hyderabad
in partial fulfillment of the requirements for the award of*

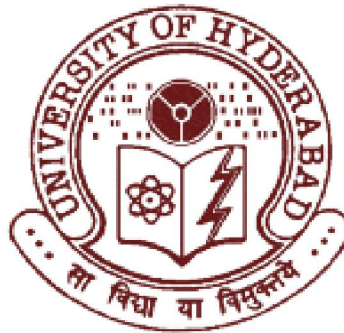
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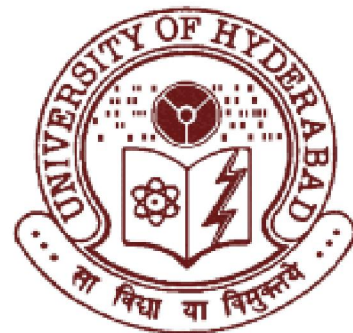
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JUNE 2010



DECLARATION

I, hereby, declare that the research embodied in the present dissertation entitled, **‘Politics of Development, Displacement and Reconstruction: A Comparative Study of Upper Indravati Hydro-Electric and Utkal Aluminum International Limited Projects in Orissa’**, is an original research work carried out by me under the supervision of Dr. K. Y. Ratnam, Department of Political Science, for the award of Doctor of Philosophy in Political Science from the University of Hyderabad.

I declare to the best of my knowledge that no part of this dissertation was earlier submitted for the award of research degree in part or full to this or any other university.

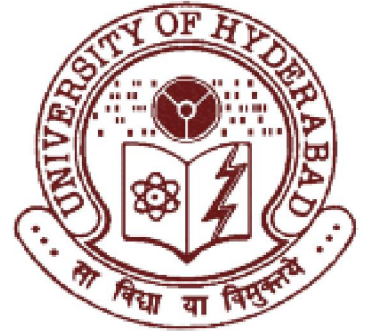
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CERTIFICATE

This is to certify that Mrutujanaya Sahu has carried out the research work embodied in the present dissertation entitled **‘Politics of Development, Displacement and Reconstruction: A Comparative Study of Upper Indravati Hydro-Electric and Utkal Aluminum International Limited Projects in Orissa’**, for the degree of Doctor of Philosophy in Political Science is prepared under my supervision.

We declare to the best of our knowledge that no part of this dissertation was earlier submitted for the award of research degree in part or full at any university.

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ABBREVIATIONS

ADB	: Asian Development Bank
BPL	: Below Poverty Line
CBFORAP	: Community Based Family Oriented Rehabilitation Action Plan
CBO	: Community Based Organization
CDRT	: Centre for Development Research and Training
CIL	: Coal India Limited
CPR	: Common Property Resources
CSE	: Centre for Science and Environment
ESMP	: Environment and Social Mitigation Project
DFDR	: Development-induced Displacement and Resettlement
DFID	: Department for International Development
DPs	: Displaced Persons
FGDs	: Focus Group Discussions
GoI	: Government of India
GoO	: Government of Orissa
GSDP	: Gross State Domestic Product
HAL	: Hindustan Aeronautic Limited
ICCPR	: International Covenant on Civil and Political Rights
ICDS	: Integrated Child Development Scheme
IDP	: Internally Displaced People
INDAL	: Indian Aluminum Limited
IR	: Involuntary Resettlement
IRDp	: Integrated Rural Development Programme
IRR	: Impoverishment Risks and Resettlement
JRY	: Jawahar Rozgar Yojna
KBK	: Koraput-Bolangir-Kalahandi
LAA	: Land Acquisition Act
MCH	: Material and Child Health
MLA	: Minister of Legislative Assembly

MNCs	: Multi-National Corporations
MoU	: Memorandum of Understanding
MRD	: Ministry of Rural Development
NALCO	: National Aluminum Company Limited
NBA	: Narmada Bachao Andolan
NGOs	: Non Governmental Organizations
NHPC	: National Hydro-Power Corporation
NPRR	: National Policy on Resettlement and Rehabilitation
NSSO	: National Sample Survey Organization
NTPC	: National Thermal Power Corporation
OBC	: Other Backward Communities
OECD	: Organization for Economic Corporation and Development
OMC	: Orissa Mining Corporation
PAFs	: Project Affected Families
PAPs	: Project Affected Person
PDS	: Public Distribution System
PESA	: Panchayat Raj Extension Act to Scheduled Areas
PHC	: Primary Health Centre
POSCO	: Pohang Ore and Steel Company of Orissa
PSSP	: Prakrutik Sampad Surakshaya Parishad
R & R	: Resettlement and Rehabilitation
RRU	: Resettlement and Rehabilitation Unit
SC	: Scheduled Caste
SEZ	: Special Economic Zone
SHC	: Sub Health Centers
ST	: Scheduled Tribe
TNC	: Transnational Corporations
UAIL	: Utkal Aluminum International Limited
UIHE	: Upper Indravati Hydro-Electrical
UN	: United Nations
UNHCR	: United Nations High Commissioner for Refugees

WB : World Bank
WCD : World Commission on Dams
WIDA : Weaker Sections Integrated Development Agency

CHAPTER-I

INTRODUCTION

1. Background of the Study

Economic and industrial development of a country involves large-scale deployment of resources. In the post-World War II period, the pace of development has been multi-folded to meet the increasing demands of the people, especially in the third world countries. These countries are increasingly concerned about the need of development activities and in the process of resource mobilization and utilization for the development of backward regions entails heavy sacrifices, especially by the poor and disadvantaged groups of the society. In a developing country like India where an overwhelming majority of the population lives in rural areas and is suffered by chronic poverty, widespread unemployment, subsistence production, and poor basic facilities, the planning and execution of large development projects play a vital role. Since independence in 1947, India has been undertaking a series of development projects to improve the quality of life of its people through 'planned development' under the successive Five-Year Plans. These projects include dams, power, mining, industrial and allied with infrastructures, transport network, and commercial forestry.

The development projects are perceived as symbols of national progress. If it properly executed, do have the potential of solving various socio-economic problems such as generation of employment opportunities, formation of new skills, increases in income and consumption levels and improvement of infrastructure facilities. They can also contribute to modifications in cultural patterns, and changes in old social values and traditional organizations (Stanley, 1996). However, there has been a lack of effective planning and execution of the infrastructure projects. Most of the development projects in India have brought adverse effects in the form of displacement of people from their original place of habitation due to large-scale land acquisition. The third world countries are paying the heavy

price for this, but what is usually glossed over in this process is the involuntary displacement of the large number of people for the national interest (Mahapatra, 1991).

Development-induced displacement¹ in the country has brought severe economic, social and environmental problems to the displaced people. Magnitude of people displaced and severity of the problems due to infrastructure projects in general and multipurpose dam projects in particular are too high as compared to other projects in the country. Involuntary resettlement², ecological changes and environmental degradation have been a companion of development throughout history in both the industrial as well as developing countries like India (Sharma, 2003).

In the current discourse on development and the search for a model of sustainable development³, displacement has become a crucial concern. Dams, mines, power plants, industries, parks and sanctuaries induce varying magnitude of displacement of people from their traditional habitats. Often, displacement is followed by some form of voluntary or involuntary resettlement at the original or other locations. Typically, displacement causes serious economic, social and cultural disruption of the lives of those affected by it, and the social fabric of the communities of the area. Each year about 10 million people globally is displaced by dams, highways, ports, urban improvement, mines, pipelines and petrochemical plants industrial and other such as development projects (Cernea, 2000). In India, involuntary resettlement is estimated to have affected about 50 million people in the last five decades. The sheer magnitude of the numbers involved is a matter of serious concern (Roy, 1999).

¹ Induced development refers to development stimulated by a deliberate programme, typically initiated by the government, which uses public financial resources to create a new infrastructure or other economic assets, and thus triggers to create a new infrastructure or other economic assets, and thus triggers or accelerates growth and change (Cernea, 1991)

² As Robert Goodland has noted, 'involuntary resettlement' is the most widespread and systematic use of force by proponents of economic development projects. The number of people who have been displaced is enormous. Dam projects alone have displaced many tens of millions of people since economic development began in developing countries in the late 1940s and early 1950s. If involuntary resettlement worked successfully, that is, if it guaranteed that outsees became modestly better of promptly following their move, there might be fewer objections. Goodland's report is available at <http://www.business-humanrights.org/Links/Repository/609459/jump>.

³ The World Commission on Environment and Development (WECD), popularly known as the Brundtland Commission was created in 1984. The Brundtland report set the direction of debate on all future discussions of sustainable development which was defined as 'Development that meets the needs of the present without compromising the ability of future generations to meet their needs'.

In view of the above-mentioned problem, there has been an increasing aggravation at the negative upstream impacts caused essentially by the development project. Thus, though many of the development projects have been instrumental in the faster economic growth of the nation, they often proved to be painful (Fernandes, 2005, Thukral, 1992, Cernea, 1990). There is now a growing concern over the fate of the people who are forced to relocate for the sake of development projects of one kind or another. Involuntary resettlement is not new. This process of marginalization is not a novel phenomenon, as societies restructure in the face of pressures to modernize, urbanize and industrialize. What is new is the gathering strength of people's reaction and resistance to involuntary relocation and resettlement. Such involuntary displacement has been unable to offer anything but token resistance. Though the governmental as well as non-governmental organizations and the international agencies like the World Bank have come up with various Rehabilitation & Resettlement programmes⁴, the fate of the displaced continues to be grim. Moreover, the experience with development projects across the country suggests that the long drawn out process of displacement has caused widespread adverse psychological and socio-cultural consequences. It is also well established that except in the rarest of the rare cases, forced displacement has resulted in, what Michael Cernea calls, "a spiral of impoverishment"⁵ (Cernea, 1991). There has been a variation in the resettlement and reconstruction process of development projects in India in general and in Orissa in particular. The present study is directed to understand the politics of development and displacement and identify the process of resettlement and reconstruction measures in two development projects in Orissa.

1.2. Development, Displacement and Reconstruction: An Overview

Conventionally, development has been projected as synonymous with economic growth and better opportunities. It is generally accepted to be a process that attempts to improve the

⁴ This includes the World Bank's policy, which in 1980 was the first ever adopted international rehabilitation and resettlement policy, followed by the formal resettlement policies adopted by other public sector multilateral agencies such as ADB, IDB, AFDP, ERBD, IFC, OECD, and emulated by private sector Banks in the Equator Principles adopted in 2004.

⁵ The loss of livelihood without alternatives results in impoverishment. Impoverishment is the economic status the DPs/PAPs are reduced to by displacement, not from any prior state of poverty. India is certainly a country with a most extensive, analytical, and engaged scholarly literature on DFDR. The dominant finding of this, as Mahapatra (1999) demonstrated in his all-India synthesis, is that forced displacement in India ends up in impoverishing those affected.

living condition of people. The principal goal of development is to create sustainable growth to improve the quality of human life, bring peace and prosperity. While raising per capita incomes and consumption is part of that goal, other objectives-reducing poverty, expanding access to health services, and increasing educational levels are also important. The term ‘development’⁶ envisages a battery of changes, changes for the betterment of community. It involves the notion of progress, growth, upliftment and welfare of the collective (Patnaik, 2000). This multifaceted term carries different meaning to different people. For economists, it is an increase in the growth rate and per capita income, for a politician, it is the acquisition of some symbols of modernization and progress, for administrators, it is the enhancement of the quality of life, standard of living and satisfaction of basic needs. Development is also seen as a freedom of choice. Development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic social deprivation, neglect of public facilities as well as intolerance or over activity of repressive states (Sen, 2000).

In the early stage of independence and process of nation-building, industrialization became the dominant paradigm of development to ensure better quality of life to the people of India. Indian states were involved in bringing rapid industrialization and economic development. It was a period of “*Development without restriction*” and only economic development with centralization of power was thought to be the parameter of human happiness (Agarwal and Dubey, 2002). Massive industrialization has been taking place on the basis of exploitation of natural resources, mines, forests for manufacturing commodities and infrastructural development. A prerequisite for many of the post-independence development projects has been land acquisition in the absence of which these projects could not have been initiated. Most of these projects have brought about change in land use patterns, and water and natural resources, leading to dispossession and displacement of a large number of people from their original places of habitation. One of the inevitable outcomes of this has been a massive environment degradation and ‘development induced displacement’ (Pandey, 1998).

⁶ According to Oxford Dictionary, development means “a gradual unfolding; fuller working out, of the details of anything; the growth of what is in the germ”.

Development-induced displacement is one of the major social problems in the contemporary India. Its scale and complexity are going to expand in the context of globalization. All forms of development and change seem to entail some measure of displacement, which in turn calls for readjustment. In the narrow sense, displacement implies relocation of affected persons to a place away from their places of residence, but displacement need not necessarily involve relocation. Displacement may be either physical or economic. In most cases, displacement is triggered by land acquisition through the exercise of *eminent domain*⁷ or other powers of the state. Displacement is mainly due to development projects like mining, major irrigation and hydro-electricity projects (Sen, 1995).

In the case of India's development model, displacement caused by large project has actually resulted in a transfer of resources from the weaker sections of society to more privileged ones. Mega dams in particular, create a victim of development-mainly tribal's who never share the gains of development. It can be said that the bigger the development project, the greater the centralized control over it. This centralization of planning process has been seen as a bias in favour of large landholders, rich farmers, engineers, bureaucrats and politicians. The increasing construction of development projects consistently displaced massive number of tribal's, poor and weaker sections, and an unavoidable event. The utilitarian principle of maximum happiness for the maximum number has been invoked to lend respectability to making the lives of communities into a cost, in the public interest. The law is ill-equipped to counter this attitude and in fact, implicitly supports it by lending the force of state power. Fernandez and Paranjpye (1997) observe that most of the displaced people belong to the subaltern classes of which more than 40 per cent⁸ of the pre-1990 development projects were tribals. There is also a violation of human rights, which is associated with the displacement of people for building large dams, and reservoirs and this often gets unnoticed. Despite strenuous efforts being made to enhance living standards and protect human rights, each year another ten million people are uprooted and impoverished by development projects (Serageldin, 2006). These displacements unleash multiple risk of impoverishment,

⁷ The term 'eminent domain' originally used by Grotius, the 17th century jurist, who stated that the state possessed the power to take or destroy property for the benefit of society, but it was obligated to compensate the injured property owners for their losses.

⁸ In India, for example, one study calculated that 2 per cent of the total population had been displaced by development projects in the first forty years of the country's independence (1951-1990). Of those displaced, however tribal people were, though they comprise only 8 per cent of the population.

initiate unnecessary human suffering, harm social and economic development, and undermine the civil society and their hosts.

The compulsory acquisition of land for public purposes⁹ and for public sector or private sector companies displaces people, forcing them to give up their home, assets, means of livelihood and vocation and to reside elsewhere and start their life all over again (Asif, 1999). It has been an important reason for the pauperization of affected families, sometimes leading them to a state of shelterless and assetless destitution. Involuntary resettlement, according to Cernea (1996), destroys productive assets and disorganizes production systems, and creates a high risk of chronic impoverishment. He further observes that livelihoods of displaced people are lost due to project a requirement; generating new income opportunities for the affected people would appear to be a matter of high priority in resettlement planning. In development-induced displacements, the state is accountable and amenable to provide resources for reconstruction. Given the complexity of reconstruction livelihoods, research done so far to analyze the variables that determine the success or failure in this endeavour is inadequate. The following section gives an overview of the current debates on development induced displacement and issues and concerns revolving around resettlement and reconstruction of displaced people in India.

1.3. Development Induced Displacement and Reconstruction Process: Debate in India

To have a thorough understanding about politics of development and displacement, it is important to study the problems associated with various projects and efforts towards resolving them. Similarly to frame policies for planned rehabilitation, it is required to be acquainted with the programmes of site selection, adequate compensation, provision of alternative agriculture land, provision of minimum facilities in the resettlement colonies, participation of the people, sharing project benefit, and preference for jobs in the project etc. Keeping the above aspects in mind, an attempt has been made in the following section to review various aspects of displacement and rehabilitation and reconstruction measures in India.

⁹ The right of the state or the sovereign to its or his own property is absolute while that of the subject or citizen to his property is absolute while that of the subject or citizen to his property is only paramount, and hence, the citizen holds his property subject always to the right of the sovereign to take it for 'public purposes'.

1.3.1. Impact of Development Projects

One of the major policy objectives of development projects¹⁰ in backward areas is to bring effective changes in socio-economic and political life of poor and marginalized people and also bringing changes in traditional values and cultural patterns which are inhibitive to their progress. The development and infrastructure projects include: irrigation projects, building big dams, railway line construction, power plants, and mining projects. These projects are considered to be agents of change in economy, promoters of existing skills and a means to diversify the productive capacities of the local population. However, in practice these projects have not brought radical changes as planned. Rather, these projects have brought about an adverse impact on the living styles of local people in general and tribal and other backward class people in particular. This section examines the impact of development projects on various aspects of displaced people in India.

Many scholars have documented the impact of development projects on socio-economic, political and cultural aspects of displaced people. Thukral (1992) has analyzed the effects of development-induced displacement, especially in the area of river valley projects. In her scholarly research work on “Big Dams Displaced People: Rivers of Sorrow, Rivers of Change” she has found that how development projects such as Silent Valley, Tehri, Ichampalli, Suvernarekha, Bodhghat, and Polavarm projects planned as harbingers of progress began to be viewed as disaster for human beings and nature. The rivers destined to bring change became the rivers of sorrow. People were no longer willing to pay the price of progress. They began to ask: Who pays the price and who benefits? Cernea (1999) stated that Cost-Benefit Analysis (CBA) justifies a project economically viable when, the sum of project benefits outweighs the sum of project costs. However, CBA overlooks distribution patterns-distribution of both cost and benefits. It does not ask who is paying the costs, who is specifically getting the benefits, or who is losing. It only assesses the total effect of the project design to determine how it stacks up relative to other investment alternatives.

¹⁰ Development projects in this study refer to Upper Indravati Hydro-Electric Project and Utkal Aluminum International Limited Project in Orissa.

Despite such a historic and philosophical Indian tradition favouring rights of the displaced and duties of the state, the displaced are facing severe traumatic condition. Agrawal (1996) has observed that how through involuntary displacement displaced people have been facing challenges in competing with new society or other human beings.. They are also not given the well-deserved sympathy and empathy from their colleagues, who often brand them as uncivilized. This leads to a multifaceted impoverishment. Their psychological strength, self esteem, richness of skill and experience is steadily exhausted, and their social fabric is disrupted.

In his empirical study on the impact of development projects and displacement Fernandes (1996) has pointed out that most displaced people (DP) belonging to the subaltern classes are brought face to face with the dominant society without adequate preparation. It creates in them a crisis of cultural and social identity and a sense of powerlessness vis-à-vis the powerful forces. They thus tend to not only get impoverished financially, but also lose all motivations to improve themselves. Because they devalue their own culture, in many cases, they accept the dominant value system, which, among others, goes counter to their rights and further deteriorates since their subordinate status.

Apart from impact of development projects on livelihood and economic condition, in an attempt to study social, psychological, and cultural and health parameters Cernea (1996) has identified eight areas of impoverishment risks through his comparative analysis of displacement cases across the world. These include: landlessness, joblessness, homelessness, marginalization, food insecurity, morbidity and social disarticulation. While each of the characteristics is distinct and irreducible, they share a common denominator: all are dimensions of a multifaceted process of impoverishment.

Given the complex magnitude of the development projects and its adverse affect on people Arundhati Roy (1999) has observed that the choice of development is an issue of democracy versus power. To quote her *“I have no doubt that Gujarat has a serious water problem, and that the Sadar Sarvor Project is aimed at solving it. However, there are issues pertaining to democracy that are equally, if not more important-‘The Greater Common Good’. The government says that 500,000 people will be displaced. Even supposing that the dam brings*

benefits, is it still right that 500,000 people, who do not wish to move, are dragged out of their natural circumstances”.

Health-related issues often fail to receive due to attention in resettlement planning. Given the complexity of development projects, it is not surprising that health is low on the list of priorities. Mathur (1995) has argued that involuntary resettlement leads to increased stress, both psychological and socio-cultural and also heightens morbidity and mortality. Hazards to health are a common experience for those being resettled and of those with whom they come in contact in the process of resettlement. Thukural (1998) by highlighting the health aspects of the females of the resettlement areas has pointed out that even under normal conditions the mortality rate among females is higher than that among man. Given this fact, there are all likelihoods that if there is an increase in morbidity induced by displacement, the first to be hit will be the displaced women. Similarly, the nutritional and health status of the women who is lower than the males even under normal circumstances is bound to proportionately go down in the event of an overall decrease in the health status induced by displacement. In some of the resettled villages of the Sadar Saravor Project (SSP) the per capita intake of calories has shown a fairly significant drop. This is due to the low yields and poor employment opportunities in the resettlement area.

Pointing out the changes in dietary habit and nutritional level and consequent health status because of resettlement, Ramaiah (1998) has argued that a shift in principal source of income from cultivation to salaried employment of wage labour had not been only economic but also nutritional consequences. Dietary habits of the displaced people who were cultivators before resettlement was governed by traditional and cultural practices related to food intake, especially for social groups such as children, pregnant and lactating women and the aged. This self-reliance was disrupted due to loss of agricultural land. A large number of women had to seek employment as wage earners due to poor financial conditions and therefore, had to discontinue breast-feeding.

While displacement has severe consequences for all, for women it is particularly devastating. Mehta (2000) has pointed out that regardless of differences in caste, class, religion, or region, women everywhere bear the brunt of the forced move a lot more than the

male members of their family. Resettlement results in their marginalization in various ways. Generally, women lose their earlier income opportunities, and are forced to the margins of the labour market. The loss of their previous access to food, fodder and fuel-wood, coupled with the difficulties, they encounter accessing them in the new place make life a hard struggle. Their participation in decision making is next to nothing, although men admit that consulting the women in the process of site selection and other matters can avert many of the hardships that arise in a new place. Kothari (1996) has also pointed out that the trauma of displaced women is compounded by the loss of access to fuel, fodder and food the collection of which require greater time and effort. Very few resettlement sites have made provisions for these essential things. In addition to this, when displaced, most women experience greater marginalization. Similarly, children are adversely affected since there is disruption in the traditional socialization process. The problem is compounded due to the fact that modern schooling is not available in many cases and, even if available, is not easily affordable and also accepted by the tribal communities.

Singh (1992) also observed that “the biggest shortcoming of all these development projects is that women are not recognized as a separate entity”. A widow, unmarried adult daughters and deserted women will be considered as dependents. The resettlement policy for the oustees of the Maharashtra clearly states that an adult woman will not be entitled to any land. For example, the Madhya Pradesh Rehabilitation & Resettlement policy is even more gender biased. It emphasizes that if a couple holds property separately, they will be considered one unit and will receive one package. In this situation, a woman will have to forego her right to the package, as it will be given to the head of the family.

Emphasizing on job aspects Fernandes (2005) has pointed out that while it is destructive in general of the marginalized categories, it is much more so for women’s status. Even when only unskilled jobs were available, they were given almost exclusively to men since illiteracy is higher among women. Besides, in most cultures the man is deemed to be the breadwinner and therefore gets priority in jobs. This too has a consequence on their self-image. Their traditional techniques, like their culture and social life in general, are of no use while the assets, they have very little value. Such an approach to their livelihood, and their

being reduced to the status of cheap labour, mostly daily wage earners and at times bonded labourers, confines them in their sub-human self-image.

Tribal regions are more particularly affected in the process of development in India. A significant number of displaced tribal's have historically been dependent on natural and common resources for their subsistence (Mathur, 1995, Mohanty, 2005, Parasuraman, 1996). These scholars have argued that displacement of tribal people on a massive scale adds a serious dimension to the problem. The tribal communities have an ethos and a way of life based significantly upon their natural resource base. Due to development project, they are forced to move out of areas where they have lived for generations. Apart from depriving them of their lands and livelihood, displacement has brought other traumatic psychological and socio-cultural consequences. These include dismantling of the production system, scattering of kinship groups and family systems, disruption of the trade and market links.

Highlighting the economic aggression of Orissa government against indigenous community, Sahu (2008) has observed that the Orissa government's agreement with Vedanta Alumina to allow mining of bauxite deposits in the Niyamgiri hills, the home of the Dongaria Kondha tribe, is an example of how corporate interests backed by state support are trampling on tribal livelihoods and threatening an ecologically rich and important region. In fact, the Orissa government has treated opposition to economic "development" as a crime of subversion, often acting with aggression against indigenous communities seeking to retain their customary lands or to participate in decision-making regarding use or management of natural resources.

Tribals are the most vulnerable and powerless in the periphery of the Indian democracy. During the last two decades of the previous century, the magnitude of forced population displacements caused by development programmes was 10 million people each year or some 200 million people globally during that period. The increasing construction of development projects consistently displaced a massive number of tribals, poor and weaker sections (Cernea, 2000, Fernandes and Paranjpye, 1997). The tribal's represented 8.08 per cent of India's total population in 1991, but are estimated to represent much more-some 40 per cent-of the displaced people and project affected persons. At least 20 per cent are Dalits

(Mahapatra, 1994) and a big proportion of the rest are from other assetless rural poor like marginal farmers, poor fisher folk, and quarry workers. No compensation had been given for the loss of Common Property Resources (CPRs) on which the tribals depended so far. Their regions have been administratively neglected. If at all they get compensation, it is too late, too little, to live a dignified life.

Thukral (1996) has focused on the plight of the oustees of the projects involving more than one state. To quote her “If the project involves more than one state, an entirely new set of problems arises”. In such cases, the plight of the oustees is even worse because even though each state wants the maximum benefits of the project, neither want to share the responsibility of rehabilitating the people consequently displaced”. The case of the Pong oustee is a good example. The states of Rajasthan and Himachal Pradesh have seen intent on playing ping-pong with each other, forcing the oustees to shuttle between the two states looking for redressal in vain. While many were not rehabilitated, others, having lived their lives in the hills of Himachal Pradesh found themselves unable to cope with the deserts of Rajasthan, where they had been offered resettlement.

Mukerji (1997) in his empirical research has highlighted that the Rihand dam promised a lot, but it also brought down the hopes of thousands of families on the Uttar Pradesh-Madhya Pradesh border. For generations, Gahbhar’s family had lived at Raja Paraswar, in UP’s Sonbhadra district. In March 1960, they had to leave home when the water of the just completed dam submerged the entire village. In 1978, they had to move again when part of Chilkadand was acquired for a project set up by the National Thermal Power Corporation (NTPC). Like the victim of a nightmare, they lost it all in 1989 to the NTPC’s third thermal power plant in Rihand Nagar.

The above review of literature on the impact of the development project has brought to surface at the fact that how development projects in India has affected the livelihood, health, economic activities and cultural aspects of people. These studies provide scope to understand how the development projects have been planned and initiated by the state or private companies, notwithstanding their failure in the rehabilitation and resettlement measures.

1.3.2. Compensation Measures and Its Implications

Payment of cash compensation to the affected people is one of the important aspects of rehabilitation. Many studies have focused on the inappropriate payment of compensation by the project authorities and the consequent indiscriminate spending of the amount by outsees. Studies done by the Centre for Science and Environment (1985) and many scholars have mentioned cases of inadequate compensation, disparities in fixation of compensation, scandals in payment, especially to be tribals and many instances of exploitation by landowners, money lenders, and lawyers (Thukral, 1998, Mahapatra, 1999). Narrating the lacunae of land compensation, Thukral (1992) has pointed out that the Nagarjuna Sagar oustees have been Promised Land for land, along with irrigation facilities and house plots. However, as per the rules, they received only five acres of dry land. This was not in the command area and also no irrigation facilities from the project that took away their land. The Hirakud oustees found that their rehabilitation sites were a great distance away, badly connected and totally unprepared for resettlement. It is estimated that not more than 11 per cent of the oustees decided to settle in these camps. The others preferred to find their own alternative. This suggests that resettlement process is carried out without much involvement of public in the decision-making process.

Highlighting land-for-land compensation, Goyal (1996) argues that alternative land is seen as a means of ensuring that resettlement is sustainable, given the unique characteristics of land as an asset, as a factor of production, as a commodity, and as a basis of community living. The land-for-land principle is particularly pertinent in the case of tribal areas, where rights to land may rest with the community rather than individuals. Rao (1986) has observed that the plight of suffering to the villagers resettled after the Rengali Dam project in Orissa is very pathetic, because of the distribution of poor quality of agricultural land. Although every family has been provided with six acres of land, not even a square inch of it could be cultivated. This prevented the villagers from getting institutional loans for making their land cultivable. Mathur (1997) highlighted that quite often it is reported that lands allotted are either unsuitable for cultivation or are of poor quality. In other words, the land holding size may appear to be reasonable, but in terms of productivity it may not ensure the pre-project farm returns. Because of corruption, people with money and power have access to good

quality and large size land allotment as compared to the poor, scheduled castes/tribes population and other vulnerable section.

By emphasizing on the compensation package, Cernea (2008) has observed that sometimes borrowing agencies propose cash compensation only; in lieu population tends to show that the payment of cash compensation alone is often a very inadequate strategy for dealing with the displaced people. In some instances, the entire compensation has been used for immediate consumption purpose, leaving the displaced with nothing to replace their lost income-generating assets and opportunities. Fernandes & Paranjpye (1997) on the Review of World Bank's Rehabilitation Directives commented that "In India, there is not a single project where during the last sixty years any of the displaced families have, in fact, been able to share benefits, above and beyond the compensation worked out according to the market value, not the replacement cost.

The study carried out by World Bank (1998) highlighted that the bureaucratic way in which compensation is made often after a long wait and in installments over a period of time, prevents the affected people from moving to the new place, and resettle as quickly as possible. A World Bank study reported that Pong dam displaced people waited for three years for the final cash payments for their houses, and are still waiting for compensation for trees. This shows how serious is the administration has been in providing compensation as per the stipulated deadline.

In his empirical study, Patwardhan (2000) has argued that the success of land-based resettlement has largely depended on the availability of land close to the project area. The availability of the forest and government land for allotment to the displaced families is the first choice for implementing agencies that want to pursue the land-based resettlement approach. The oustees of the Bhakra dam project were compensated in the form of land, and cash was paid only to those who did not opt for land based resettlement. Baboo (1991) has observed that most of the tribal people were not in a position to utilize or could not utilize the compensation in a productive way. Compensation in cash to people who had never seen so much money led to a lot of misuse, especially by the poor, unlettered lower castes and tribals. People were cheated and looted, there was conspicuous consumption, and they also

spent on litigation, medication, and pilgrimages. Very few people utilized it for productive purposes. Overall, there was a general economic decline. However, the haves, the clever and the educated took advantage of the crisis.

Joshi (1987) has pointed out that there is gender bias in the forms of compensation. Substantial land is often worked, owned and even inherited by women in many cases, but compensation is provided to the head of the family or to men. Compensation is limited to individual landowners, who have land titles. In tribal households and joint families, households are often registered by the name of the individual, while they are framed based on nuclear households. Such a policy provides the Indian state with the opportunity to minimize its expenses on compensation.

Dhagamwar (1997) has highlighted that the basic criterion of compensation should be the replacement of the livelihood lost, and not of just the market value of the individual assets. This involves quantifying the loss suffered by the CPR dependants, of the non-timber forest produce like fodder, food, fertilizer, medicinal herbs, etc., and of community resources such as common and pasture land and places of worship. It also involves quantifying the livelihood lost by artisans, barbers, agricultural labourers, nomads, and others that make their livelihood from providing services, and depend on having customers. The cost of enabling them to begin life again must be recognized and covered.

Cernea (2000) has focused one possible way of minimizing displacement. Besides, the local people may also need many of the facilities that the project builds for its own staff. For example, it builds educational, medical, sports, and entertainment facilities, mostly limited to its staff. Even if a township is not built, the project should continue to build them, but they should be open to all the people of the region, not merely the project staff. This is one step in ensuring that the livelihood of those who pay the price is better after the project than before it. It can also integrate the project into the local economy instead of remaining an island of prosperity in the sea of poverty, much of it created by the project.

The above-discussed studies broadly address that compensation is a critical issue in any resettlement programme. As compensation is important to the reestablishment process, until recently resettlement has remained largely a neglected aspect of the development process.

Compensation should be at replacement value, not at market value. As the experience has shown cash-for-land compensation fails to assist in the reestablishment process. Land-for-land has evolved as the major focus of the most current policy proposals, combined with the broader understanding of the notion of displaced people and of the losses and deprivations, they experience. Alternative land is seen as the means of ensuring that resettlement is sustainable. Given the unique characteristics of land as an asset, as a factor of production, as a commodity, as a basis for community living and therefore, not comparable to the inadequate one-time cash payment that is made for it in the cash-for-land approach. What is lacking. However, in these studies is to understand the implications of state initiated process of determining the compensation for the displaced people and how the displaced people view compensation as a method of addressing their long-term livelihood interests.

1.3.3. Displacement and Resettlement: Policy Concerns

There has been no legal framework to deal with the problem of displacement in India. It has been found that no specific policy was ever formulated either by the Central or the State governments to address the issue to involuntary displacement of the people who could take place, when the Indian state initiated development projects in different parts of the country soon after independence. Many resettlement specialists in India have criticized the policy as being developed to support development proponent and big businesses. Fernandes (2004) argues that the policy draft appears to be more concerned with protecting the interests of big businesses rather than the livelihood security of the displaced.

The Land Acquisition Act of 1894, with its power of 'eminent domain', promulgated during the nineteenth century in several Asian countries remains in force even today. Parasuraman (1997) argues that the 1984 Amendment to the LAA of India is a colonial legacy which empowers the state to acquire land even for private industry requirements, and the state has often used the acquired land even for private industry requirements. The state has often used the law indiscriminately to deprive the people of their livelihood by the name of larger public interest. All the efforts to gauge and mitigate the problem of involuntary resettlement become invalid in the absence of a concrete record of the number of the persons affected and their whereabouts. Fernandes (1996) further argues that many scholars thought that it was

impossible to evolve new people oriented policy based on the ground reality. Of late, when social scientists made an effort to assess the situation of displacement and rehabilitation in their own states, they realized that the country lacks the database on displacement and rehabilitation, and a suitable rehabilitation policy measure is the urgent need of the hour. Fernandes (1996) also points out the issue of communication gap and unawareness of the displaced people regarding their resettlement. To quote him “it is not merely that they are not involved in the decision, but also that information about the project is kept away from them”. Knowledge is power. The powerful project authorities render the affected populations further powerless by keeping them ignorant of their future situation. Much has been said about the tensions created by this situation, between the project authorities and the people. However, very few have understood that it creates a sense of insecurity among the people to be displaced and thus become a barrier to their preparing themselves for a better life forgetting the benefits of the project. This is confirmed by studies on the Machkund and Upper Kolab dams, the National Aluminum Corporation (NALCO) Plant and Salandi dam in Orissa, coal, uranium and other mining projects in Bihar in Eastern India, and the Narmada Project in Gujarat in Western India.

Ramanathan (1996) has stated that the Land Acquisition Act of 1894 is a statutory statement of the state’s power of eminent domain, which vests the state with ultimate control over land within its territory. The paradigm of development that has found favour with planners and makes displacement of large numbers of people, even whole communities an unavoidable event. The utilitarian principle of maximum happiness for the maximum number has been invoked, and people have been paying the price by the name of public interest. The law is ill equipped to counter this attitude and in fact, abets it by lending the force of state power.

Singh et al (1992) has further verified this and argued that the work on the main dam site in both the Narmada and Tehri projects began simultaneously in the seventies. Even after ten or twelve years, there is no clear estimate of the exact number that will be displaced by these projects. This indicates clearly that when a project is planned, although details about how the last drop of water will be utilized are never left out, the people affected by the project are conveniently forgotten. This trend has been observed in all other major development projects.

Emphasizing on the importance of policy and planning David Marsden (1998) has pointed out that baseline surveys are important for a number of reasons. They should provide an accurate record of who the project affected person are, how they gain their livelihoods, but they also create the boundaries of entitlement by delineating all those who are eligible for benefits. In the Indian context where illegal and/or unauthorized encroachment is a major issue, such as boundaries of entitlement allow the cost of the resettlement and rehabilitation action plan to be more accurately gauged. There was little specialist expertise in R&R issues. Engineers working out of personnel and public relation or external affair unit dealt with the problems.

Hemadri (1995) has argued that in the absence of a statutory rehabilitation law or even a national policy, there is no legal imperative for state governments or project authorities to integrate comprehensive rehabilitation planning into the planning of a project. Indeed, it has been found that even the existence of state and project specific policies is not sufficient to ensure this. The so-called *pari passu* or incremental approach of allowing land acquisition and project construction activities to proceed parallel to displacement and rehabilitation, has led in practice to ad hoc, piecemeal and minimalist rehabilitation. Highlighting on the lacunae of policy planning in India, Cernea (1996) has remarked that the worst consequence of displacement-impoverishment and violation of basic human rights-happens, most frequently when national resettlement policy guidelines are absent. Consequently, equitable action strategies for the socio-economic re-establishment are not pursued. There is no independent professional monitoring and evaluation of outcomes about the rehabilitation process. He suggests that the key to sound like resettlement is to adopt a people-centered development policy, not a property-compensation policy.

Thukral (1996) adds that arriving at an estimate of the magnitude of the problem is even more difficult in the absence of adequate data. The various estimates available seem to be based largely on surmises and conjecture. Fernandes, Das and Rao (1989) have estimated the number of persons displaced in the last four decades at 18 million. Mankodi (1989) states that although no reliable statistics are available, the number of displaced could be anywhere between 2 and more than 20 million. Another estimate puts the number of persons affected directly or indirectly by irrigation projects alone over the past 40 years at 20

million, of whom only 25 per cent have been rehabilitated. However, these estimates exclude a very large section of the affected population: those who are not directly affected due to the acquisition of their land, but indirectly, due to the changes in the land-use pattern, as a consequence of the project.

Such repeated failures of resettlement without rehabilitation reveal profound fallacies and failures in the planning system itself, which need to be corrected. As Shiva (1994) highlighted the development planning in India needs drastic change in the method of setting the goals of planning. It is not the rate of growth of the economy per se, but the degree of fulfillment of human needs and the elimination of glaring inequalities in society, which should be the yardstick of success in planning.

Highlighting the aspects of the adjustment problem and the hostility from the host population, Mathur (2006) has observed that conflicts between new settlers and the host population have foiled most such resettlement efforts. He further points out that despite governmental assistance for the refugees, new comers often face an under-current of resentment. Some of the resentment is directed against their tendency to live in isolated communities of their own. The reason why new comers rely on ethnic communities' organization and ethnic support networks is that they meet their important economic, social and psychological needs. Paradoxically, however, as ethnic communities and social networks help, the new arrivals adjust to the new setting; they also prevent their rapid integration into the larger society.

Kothari (1996) has also stated despite the magnitude of displacement and the longevity of the multiple traumas that most oustees' face the successive central governments in India shunning their constitutional responsibility in ensuring effective resettlement of displaced people. The policy initiative so far viewed displacement is inevitable for development projects; the need is to "deal" with the trauma, not to question the project or the process that is causing the displacement.

The above-mentioned studies have broadly identified that due to lack of a detailed comprehensive resettlement and rehabilitation (R & R) policy, the process of rehabilitation and resettlement of uprooted people has been minimal and not very successful. So far, R &

R has tended to be considered as some kind of externality of development projects, and investment in R & R has been minimized. This approach has led to widespread impoverishment of project-affected persons, and to conflict between them and project authorities who have had extremely high financial and human costs. It is in this context the rehabilitation and rehabilitation policy needs to be taken far more seriously than they have been in the past.

1.3.4. Process of Reconstruction Measures

The finding of various studies has pointed out that in many cases; the reconstruction measures are mechanical and inadequate. This exposes the affected people to drastic changes, and in some cases prolonged suffering. In his empirical study, Dhagamwar (1989) finds out that if any rehabilitation programme to be successful, institutional changes are required for its early planning. In the rehabilitation and resettlement process, the participation of displaced people is necessary in the decision-making process. He also emphasizes that for every development project; there should be a comprehensive policy of rehabilitation. He also stressed that there is an urgent need to have a single body of all rehabilitation projects, since at present the displacing authority whose main mandate is to meet the material target of constructing the project, is also the displacing authority. Partridge (1989) has pointed out that poor preparation of resettlement plans is the single most important reason for failure of resettlement components of development projects. Poor preparation leads to delays, increased costs, foregone benefits, which negatively impact human communities affected and subvert the development objectives of civil work projects. In particularly difficult instances, poor resettlement preparation leads to unwelcome political backlash, unintentional environmental degradation, and the unanticipated creation of development refugees.

Scholars like Morse and Berger (1992) have observed that resettlement is primarily a management issue. Actual relocation-the moving of people, animals, and household possessions, is a matter of demanding logistic. For people to be able to live at new sites, basic services have to be in place, water and temporary housing being the most important. Sooner than later, range of civic amenities too should be available such as, medical facilities,

schools, bus services, electricity, temples, churches and other public building. In addition to this, the provision of adequate opportunities for reconstruction of livelihoods is basic to the sustainability of the entire resettlement process. All these depend upon a great deal on administrative capacity, flexibility, and continuity.

Mathur (2006) highlights how the sustainable reconstruction of displaced people could be made through involvement of displaced people. He suggests that a degree of involvement of displaced people in the planning and implementation processes; no use of force in moving to the new site; no breakup of the existing social group due to relocation; housing and basic services at the new site to be in a fully operating condition; and availability of economic opportunity for improving the living conditions are important requirements in order to make effective the resettlement process. Ramaiah (1998) has also identified two major priorities for most resettlement programmes in India: (a) income restoration of the displaced people, and (b) provision of infrastructure facilities. These priorities aim to raise the standard of living of those affected as compared to their former living standards.

Moreover, just preserving the pre-project standard of living is not enough. As Mahapatra (1994) has argued the “essence of any comprehensive rehabilitation process should be development of affected people on a sustainable basis rather than concentration on mere relief and meager welfare activities”. The standard of living is not only a matter of restoring incomes but also providing basic facilities, which would be a significant component of rehabilitation packages aimed at reconstruction of their primary livelihood. For people losing livelihoods due to development projects, mere income restoration is, however, not rehabilitation, as people do not just lose incomes and the capacity to earn it. A narrow view of the resettlement issue, as Goyal (1996) has shown, fails to do justice to other bases of human well-being, such as common property resources, public services and social interaction. In addition to income at the pre-displacement level, resettlers need access to basic services such as education and health and other civic amenities including water and sanitation.

Cernea (1996) has observed the need for a sociologically informed resettlement policy. In more than one way, social research on displacement is a form of public responses to the effects of such processes. This response generates knowledge and invites public action. Indeed, over the years, anthropologist and sociologist of various countries have generated an impressive body of knowledge about the effects of socio-economic uprooting and the patterns of people's responses to displacement. In a few countries, this knowledge was used in the formulation of legislation and policy guidelines about the rights and entitlements of those displaced by projects.

Thukral (1988) while analyzing the various aspects of rehabilitation measures under Narmada Project has stated that displaced people are not aware of the nature of displacement and the extent of land to be submerged. The number of people affected is underestimated and incorrect information is encouraged in order to ensure that the project meet the various criteria for approval.

Success in reconstruction of the livelihood of displaced people cannot be judged for many years, possibly until next generation. Relocated people in a new environment take time to recover from trauma and get back on their feet, and require assistance for a considerable length of time. As Scudder (1997) pointed out successful resettlement takes time. At the minimum, it should be implemented as a two generation process. If success cannot be passed on by the first generation of resettlers to their children, then resettlement has failed.

Viegas (1992) highlights the requirement of technical training, and psychological, cultural, and social preparation of the people to begin a new life, to ensure the re-emergence of social structures in a new form enabling them to adapt themselves to the new society they are pushed into. Such replacement is important because most DPs are from the powerless classes whose only source of livelihood is alienated from them. If they are not given adequate cultural and psychological support, as well as social and technical training to deal with the new surrounding, they are unable to cope with the changes. Rehabilitation has to deal with this aspect too and that requires something more than technical training, which is not excluded. The victims have to get a share of the project benefits. In fact, if it planned properly, technical training can minimize displacement and help the DPs/PAPs share the

first benefit: employment in project construction. As Stanley (1996) pointed the case of NALCO in the Koraput districts of Orissa shows that it is possible for the illiterate to acquire such skills. In this case, a voluntary agency trained the displaced tribals in skills such as driving and welding and many of them got semi-skilled jobs in the project.

Scudder (1993) identifies a four-stage model of resettlement projects. Stage one is the stage of planning, infrastructure development and settler recruitment. Stage two is the transition, a period of one to five years during which people actually move and seek to re-establish livelihoods in a new location, making use of whatever investment has been made for them (e.g. health facilities, roads, housing or employment). In stage three, settlers ideally start to become more risk-taking, making investment strategies to increase productivity through diversification of family labour (investigating in education, livestock, and off-farm income). In stage four, resettlement project activities are handed over to local organizations, and a generation of settlers takes over.

The above literature suggests that the challenges in reconstructing livelihood of displaced people are indeed formidable. There is an urgent need for creating conditions where if displacement is inevitable, resettlement can become an opportunity, a mandate for reconstructing production systems, raising standards of living, restoring community and kinship relations and minimizing conflict with the host community. To ensure resettlement as a developmental opportunity, projects that cause displacement also generates many new income-earning opportunities through benefit-sharing approach to reconstructing resettlers. Therefore, the commitment has to be not just for resettlement but for reconstruction, which should be an entitlement and not an act of reluctant generosity.

In this connection, it is worthwhile to examine the reconstruction process of the displaced people in the development induced projects. The studies so far have highlighted that there has been variation in the rehabilitation and resettlement process and not much focus in identifying the factors that determine the variation and its implications. Therefore, this study would help to find out various socio-cultural, economic and political aspects of different government policies and programmes towards planned reconstruction of people's livelihood affected by the development projects. In doing so, this study will not only highlight the

current legal and policy framework for resettlement and reconstruction in India but also explore. How effective have been the existing legal and policy frameworks? Further, the study is an attempt to understand the process of resettlement and reconstruction and why variation takes place in the reconstruction process and how different actors get engaged in this process through examination of two case studies: Upper Indravati Hydro Electrical Project (UIHEP) situated in the border of Koraput, Kalahandi and Nawarangpur district, and Utkal Aluminum International Limited Project (UAILP), located in Rayagada district of Orissa.

1.4. Research Questions

The foregoing observation clearly reveals that the displacement of people due to large development projects is a nationwide problem. The planners feel and emphasis in subsequent policy documents that the irrigation, power, and industrial projects initiated after independence has led to economic development. Since independence, a number of development projects, such as steel plants at Jamshedpur, Rourkela, Bhilai, Bokaro, the coal mines at Hazaribagh and Dhanbad districts, and a number of irrigation and hydro-electric projects like Tehri Dam, Damodar Dam and Sardar Sarvor Project in North India, Almaty Dam and Nagarjuna Sagar Dam in Southern India, and Mahanadi, Machkund and other different parts of Eastern India have been initiated. These development projects have been viewed as bringing transformation in the socio-economic and livelihood condition of millions of people.

Recent economic activities in Koraput and Rayagada districts, the areas under study, began with the exploitation of water, forest and mineral resources. Koraput and Rayagada districts of Orissa are among the poorest regions in the country where deaths due to malnutrition and diseases frequently occur. This underdevelopment has prompted funds to flow into the regions through various programmes and project. These activities have marked an era of rapid progress in these backward tribal districts, which is thus undergoing a significant transformation from being an economically backward area to a reasonably advanced region. However, these projects are not unmixed blessings as they have caused widespread displacement of local people. The present study is an attempt to understand the process of

development and displacement of people and identify the process of resettlement and reconstruction measures in the two purposively selected areas in Orissa. In doing so, the study addresses the following questions:

- What are the major issues revolving around development projects in India?
- What are the impacts of displacement? Does it confine to improvement of social-economic status of tribals or does it lead to pauperization and marginalization?
- Can displacement be turned into development by compensation alone?
- What can be done to minimize the cost and spread the benefits as widely as possible?
- How can we prepare a reconstruction module, which will genuinely help the project affected people to build their lives in the present and the future livelihood conditions?

1.5. Objectives

Based on the above questions the following objectives have been framed:

- To understand the nature and trend of development projects in India and its implications.
- To make a comparative examination of the impact of development projects and emerging trends with reference to Upper Indravati and Utkal Alumina International Limited projects in Orissa.
- To highlight the process of resettlement and reconstruction measures in the study areas.

1.6. Methodology

To carry out a systematic study of the politics of development, involuntary displacement and reconstruction measures, two infrastructure projects are purposively selected. The two projects selected for the study are: Upper Indravati Hydro Electrical Project (UIHE) situated in the border of Koraput, Kalahandi and Nawarangpur district, and Utkal Aluminum International Limited Project (UAIL), located in Rayagada district of Orissa. The projects such as UIHEP and UAIL of Orissa have been chosen for this study on account of significant reasons. While the former, being an irrigation project, has created situations for

large scale primary with little secondary displacement, the later being an industrial project has caused some primary but substantial secondary displacement. It is also important to mention that while the former project is the state-led project and the latter is a private ownership project.

The majority of the affected people belong to tribal and other weaker section of the society. The study aims at understanding both the benefits as well as the adverse effects of the projects both on the economy and societal aspects of the project affected people. These projects required vast amount of land for its inception and erection, which naturally displaced thousands of people. They are resettled in other places. The study includes analysis of these projects affected persons and their socio-economic, political and cultural lifestyle living at the new location sites. It also provides scope to examine two different types of rehabilitation policies adopted, and how the displaced people have benefited and re-integrated from the process of rehabilitation. Another important reason for choosing these two projects is that both the projects are located in remotely backward tribal regions. It provides scope to examine the dominant theoretical assumption that the effective implementation of development activities and welfare measures depends upon the resource capacity of the local people and the way they take an interest in the development projects. In this connection, it is also important to mention that development-induced displacement is one of the major social processes in contemporary India. Its scale and complexity are going to expand in the context of globalization. To identify the basic socio-economic and cultural mechanisms set in motion, when people are forcibly displaced; five-fold dimensions have been studied. These include:

Social structure: The affect of involuntary displacement on the social structure of the society like family, caste, and community are acute. Family system receives a severe jolt and family as a traditional system of production changes into the system of consumption. Consequently, caste system also losses its grip due to industrialization and community system changes shape. Forced displacement tears apart the social fabric and the existing patterns of social organizations. Production systems are often scattered, local labour markets are disrupted, and people's cultural identity is put a risk. Life-sustaining informal social network of mutual help among

people, common property resources, and local involuntary associations, and self-organized service arrangements are dispersed and rendered inactive. This unraveling represents a massive loss of social capital incurred by the uprooted people.

Values, beliefs, customs and culture: Due to change in social structure, consequent change in values, beliefs, customs, traditions and culture is observed. The old values guiding the natal ties, family relationship breaks down. It is seen that, in most cases, the benefit received by a nominee of one family left his rest of family, even parents. Beliefs attached with the place, rituals, and religious deities get affected. It also impacts some kind of changes in dressing pattern, education system and the relationship between elder and the children, the generation gap, and respecting elders have changed dramatically.

Existential condition: Involuntary displacement creates the conditions of landlessness, homelessness and joblessness. Expropriation of land removes the main foundation upon which people's productive systems, commercial activities and livelihood are constructed. The loss of housing and shelter may be only temporary for many displace, but for some, homelessness remains a chronic condition. Due to both the above conditions, loss of wage employment occurs are landless labourers, service workers, artisans and small businessmen. Resulting unemployment or underemployment among resettlers lingers long after physical relocation.

Specific problems arising out of displacement: Involuntary displacement creates some specific problems like marginalization, increased morbidity and mortality, food insecurity, loss of common property and violation of human rights. Marginalization occurs when family losses economic power and slide on a 'downward mobility' path. Serious decreases in health level result from displacement caused social stress, insecurity, and psychological trauma, and from the outbreak of relocation-related diseases. Further, for the poor, loss of access to common property assets like forest land, water bodies, and grazing land represents a major form of income and livelihood deterioration. Forced eviction of people is considered by the United Nations as a 'gross violation of human rights', resettlement is often resisted, leading

many cases, to violence and accompanying human rights abuses. In addition to the flouting of international and national laws and agreements intended to protect the economic interests of project-affected people, there are well-documented cases where oustees and their supporters have been intimidated, beaten up or murdered by State or paramilitary forces for opposing projects.

Policy and its adequacies: Until the date, India does not have any national policy on resettlement and rehabilitation. Although some states such as Orissa and Maharashtra have their state wise policy. Coupled with this, some government organization like NTPC, CIL, etc., also developed their own written policy, partially due to pressure from project-affected people and pressure from some funding agencies like World Bank and Asian Development Bank. Government of India's national draft policy on R& R is still open to discussion, in addition to some NGO's have developed their own alternative policy on this problem, which is also open to discussion. The whole process of acquisition, resettlement and payment of compensation is so complicated, that it is very difficult to understand by common people.

1.6.1. Methods

Dams, mines, power plants, industries, parks and sanctuaries induce varying magnitudes of displacement of people from their traditional habitats. Typically, displacement causes serious economic, social and cultural, disruption of the lives of those affected by it, and the social fabric of the communities of the area. Since the 1970, after exhausting the resources in the south, north and west of India, mainstream Indian industries have begun exploitation the resources of the Eastern Ghats areas of which the state of Orissa accounts for 36 per cent. The area is rich in resources and the process of transferring resources from the periphery to the centre is now visible. This has led to several socio-economic problems with significant proportions of the population, largely tribals, being displaced. Comparative studies of displacement, compensation and rehabilitation in the irrigation and industrial projects in Orissa highlight the need for a uniform, but flexible, policy on resettlement and rehabilitation. To understand the different dimensions of a research problem, data is collected from both primary and secondary sources. For the collection of primary data, the

method of 'non-participant observation', use of schedule (both structured and unstructured), 'random sampling', 'interview', and 'Focused Group Discussion' (FGD) are used, depending upon the circumstances and demand of the situation.

The study areas were visited twice to acquire the baseline information and interview was done with 242 heads of the households of seven blocks with the use of random sampling. The schedule was utilized to procure the baseline information of the head of the household, his/her family and the socio-cultural, political, economic and psychological status of before displacement and after displacement. Interactions were conducted with the displaced people in detail to understand various aspects of their socio-economic, cultural and political impact of development projects. These include demographic characteristics, occupational pattern, educational background, ownership of assets, pattern of family income, utilization of compensation and rehabilitation grant, difficulties faced on account of compensation and rehabilitation grant, difficulties faced on account of the project and their notion of well-being before and after the project. Information relating to the extent of property acquisition, rate and amount of compensation paid, and eligibility of individual Project Affected People for rehabilitation assistance have been collected from various projects implementing units. To obtain the quantified data, the method of FGD was used. With the help of local senior citizens and community leaders of the area, general information was acquired. FGD was conducted in the villages of Nawarangpur, Koraput and Kalahandi districts. Finally, the interview method was used, and views were gathered from key functionaries of UIHE and UAIL, like Director of R&R, Chief Engineers (Planning), District Magistrate, Land Acquisition Officer and Resettlement and Rehabilitation Officer, the Tahasildars, the Representatives of people like the MLA of the constituency, the NGOs working in the study area and some of the local leaders regarding the resettlement and rehabilitation process.

The secondary sources include the review of various Government documents on resettlement policy measures; documentation made by NGOs in the study areas; and also review of existing literature on development, displacement and reconstruction measures in India. The books written by political scientist, sociologists and anthropologists are the prime source of secondary data. Reports of planning and implementation of several projects are also used. Apart from that, articles and survey reports published in magazines, and journals

are also utilized for getting a better idea about the earlier studies and the exact R&R situation of the concerned projects. Demographic data is collected from the documents of the revenue officials of the area, census records and land records.

1.7. Limitation of the Study

This study has certain limitations to examine every aspect revolving around the resettlement and reconstruction process in India in general and in the study areas in Orissa. The analysis of the research problem is limited to the data collected from the field through direct observation, interview methods, focused group discussion and data collected from various secondary sources. The sophisticated analytical techniques and models could not be used since much of the information obtained through a primary surveys suffers from the sense of subjectivity. It has also found that the socio-cultural attributes as obtained through the surveys were difficult to be expressed in quantitative terms, and they were felt unsuitable for constructing indicators for rigorous quantitative analysis. The other methodological constraint has been the lack of documentation of development history in the study areas. Even the oral history of development projects in the study areas from the senior citizens of the affected area could not have been gathered accurately as the most affected people are tribal's who speak their own dialects. Nevertheless, an attempt has been made to understand the development history through interaction with local NGOs and other Community Based Organizations (CBOs) working in these areas. The analysis of environmental implications has also been set aside from the domain of the present work because of the non-availability of information and lack of technical understanding of the subject. Therefore, prescriptions indicating suitable measures for maintaining ecological balance were based on general understanding and not on laboratory or outdoor experiments.

1.8. Outline of the Dissertation

The thesis contains six chapters, including the introduction and the conclusion. The first chapter introduces the problem, states the objectives and discusses the methodological issues. In doing this exercise, the study has raised different questions revolving around development, displacement and reconstruction measures in India. The second chapter highlights the debate revolving around the politics of development, displacement and

reconstruction process in India and the way it has been conceptualized from different perspectives. The third chapter discusses the politics of development in Orissa and development induced displacement, with the reference to Upper Indravati Hydro-Electrical Project. It briefly highlights the impact assessment of the project displaced people. The chapter fourth deals with the industrialization process in Orissa and assess the impact of industrialization on the local people, with reference to Utkal Aluminum International Limited Project. A comparative analysis on the success and failure of reconstruction measures in the study areas and factors that determine the effective rehabilitation and reconstruction of displaced people is the focus of fifth chapter. Finally, the sixth chapter has summarized the issues and major concerns of the study.

CHAPTER-II

POLITICS OF DEVELOPMENT, DISPLACEMENT AND RECONSTRUCTION DEBATES IN INDIA: AN OVERVIEW

The history of last two decades has been marked by the process of development in general and economic transformation in particular in India. As in other parts of the world, in India, the last two decades have witnessed a major change in the nature and process of development activities. However, the Western Model of Development based on the market economy and minimal role for the state as followed in many parts of the developing countries has been facing challenges in many parts of the world. Developing countries today face serious challenges resulting from economic change and industrialization, which affect in particular indigenous peoples who live in isolation and are often forgotten. However, the path of development that many countries have adopted, especially in India, make the forcible displacement of an increasing number of people inevitable (Oommen, 2008).

The attempt to achieve modern industrial growth has been based on two interrelated processes: one, the indiscriminate exploitation of natural resources; and two, the transformation of people, often against their will, into a disposed working class. These processes were not new; they had their antecedents in India's history of colonial and pre-colonial extraction, and they continued after independence, though they were legitimized in different ways. During the colonial period, modernization was part of the imperial mission of civilization and improvement of the natives. For the independent state, modernization was essential to the project of national development. The ideology of 'national development' has been used to legitimize exploitation (Baviskar, 2004).

The project of national 'development' is not limited to the Indian state alone, but is embedded in contemporary global structure such as the arrangement of the world into nation states, and expanding systems of international capitalism. The model of development as modern industrial growth was derived from the historical trajectory of former colonial powers such as Britain, France and Germany-a model that newly independent states sought

to emulate. The pursuit of growth necessitated large injections of capital into the national economy for developing industrial infrastructure-an investment that has often been financed by foreign funds. After sixty years of independence, many of the foundational principles of the Indian nation-state have been called into question. Among the goals of social transformation prioritized on the state's agenda at independence, at least three-development, displacement, and reconstruction-remains issues of central importance today, and inform what the most significant contemporary debates in the country are arguably. In this chapter, an attempt has been made to understand different dimensions of the development, displacement and reconstruction process in India. In doing so, this chapter has highlighted the major implications of development activities in India and how the development activities carried out at the macro level have failed to address larger issues of democratic society such as rights, justice, equality and then the chapter gives an overview of the ongoing resettlement and reconstruction process in India for the displaced people.

2. Development, Displacement and Reconstruction in India

In a constantly changing world order, the issues of development, displacement and reconstruction have come to acquire special significance. The forced or involuntary resettlement of people by the state for development-related purposes has been repeated across the developing and developed countries. Development, driven by high technology and sponsored by the state, was the refrain of post-colonial societies of Asia and Africa. India was at the forefront of this endeavor. The current push towards globalization, privatization, and liberalization, has displaced large number people e number people from their own habitat. Indeed, this form of development discourse now questions the fundamental social, cultural and economic assumptions of development and purports to offer alternative conceptualizations that produce benefits and reduce. This following section glances (Modi, 2009). This following section glances through the history of 60 years of state directed development-induced displacement in India and looks at the future trends.

2.1. The Notion of Development

Development is a founding belief of the modern world. Development encompasses institutional changes including the distribution of national income, development benefits,

knowledge and perhaps power. Development is understood as improvement in the quality of human life, bringing peace and prosperity. The World Commission on Dams (WCD, 2000), states that development means “sustainable improvement of human welfare that is economically viable, socially equitable, and environmentally sustainable”. As the developing countries of the Third World-are set on an onwards march towards the goal of a better deal for their people, represented mainly as an improved quality of life. In order to overcome underdevelopment many third world countries have taken up massive development programmes with three basic components: (1) industrial growth, (2) agricultural growth, and (3) social welfare. Economic development is at the centre of socio-cultural and political activities of mankind. It is seen as an exploitation of national socio-industrial system in order to achieve self-dependence in production and to bring about transitions from lower status of living to higher ones (Ghosh,1995). The important steps of economic development are vigorous exploitation of available resources; skillful manipulation of social, cultural and political forces to motivate the people; and increased production of food and other materials to serve the increasing needs of human population.

2.2. State-Directed Development

The inherent characteristic associated with any development process is a change of ideas, value system, and mode of production and technique of production. In the process of development, the world scenario has never been uniform in all countries. The process of developmental activities in developed and developing countries has been characterized by two aspects of economic and human behaviour of the countries' concerned-one is the positive aspect which leads the economy on the path of economic development, raising the standard of living of the people and other is the negative or darker one leading to suffering, misery, economic degeneration and displacement.

The term ‘development’ has been subject to change in its meaning and content in the light of experience of dealing with and implementing development projects. The qualitative aspects of development have also been continuously revisited and reinterpreted in India (Sheth, 1997). After independence, Indian leadership continued the pursuit of economic development based on modern industry and agriculture. India was the first country in the

non-Communist world to begin its post independence development strategy with comprehensive centralized planning. Instead of following the Gandhian philosophy based on a decentralized village society and rejection of modern technology, independent India dedicated itself to heavy industry, the public sector, and national planning. Believing that industrialization would promote economic interdependence that in turn would tie the country together as a nation, Nehru adopted a central planning approach to distribute economic growth among the regions (Gadgil and Guha, 1994).

In the initial phase of India's independence and of development efforts, our ruling elites adopted a mix of both blue model and red model of development.¹¹ However, the state and technology, the two wheels of the development chariot energized by materialism could not carry India beyond a point. Rather such a chariot of development damaged or destroyed the natural resources underlying its path and along its sides and marginalizing the large mass of the people. In its First Five-Year Plan (1951-55) emphasized increasing agricultural production and allocated huge budget to irrigation. India adopted Professor P.C.Mahalanobis's development blueprint¹² for establishing a "mixed" economy structure in the Second Five Year Plan (Chakravarty, 1987). This strategy produced a dominant public sector that directly controlled and laid ultimate emphasis on heavy industrial infrastructure. Initially, until 1960s, such as development was measured by the GNP¹³ of a country. However, development, on the whole, was still identified with physical and economic growth. The increase in the production process, increase in industrial growth rate, and a series of big projects and large dams were planned and implemented by the bureaucrats and technocrats. Indian planning was meant to benefit the industrial capitalists and rich farmers (Jayal, 2001).

¹¹ Even though quite different in ideology and structures, institutional relationship and role and position of the state vis-à-vis the civil society, both capitalism (blue model of development) and Marxism (red model of development) converge in their acceptance of the necessity of materialism and technologism as the defining elements of development.

¹² The blueprint for Indian economic development was outlined on Nehru's invitation by the distinguished statistician and planner Professor P.C. Mahalanobis, whose report is described by India's well-known economist Sukhamoy Chakravarty as "still probably the single most significant document on Indian planning." See Sukhamoy Chakravarty, *Development planning: The Indian Experience* (Delhi: Oxford University Press, 1987), p.3.

¹³ The per capita was inserted, as a result of experience of observing decades of development under the aegis of the UN, its critical reviews led to emphasis on setting the target of and funding for social indicators like education, health, etc., for the masses of the Third World. The target of 5 per cent annual increase in GNP was fixed as a development indicator.

Not surprisingly, the policies of the Indian state have been basically in favour of the propertied classes, especially the capitalist class, as seen in its current neo-liberal policy. The state has also promoted capitalism in rural areas in several ways. Land reforms measures simply created a suitable institutional framework for the growth of capitalist production (Fernandes, 1999). The Indian State and the governments in the states have also framed their environmental policy and shown an attitude to those of its allies like industrialists, well-off farmers, forest Contactors and developers (Varsheny, 1998). These interests have manipulated the state in such a way that these interests have got free access to such invaluable resources like land, forests and water. And the state has been willing to subsidize the industrial infrastructure comprising power, metals and minerals. These industrial and agricultural interests have been favoured by convenient policies and flexible procedures framed by the nexus of politicians and bureaucrats.

However, the last five decades of experience of planning and implementing great and ambitious projects for rural development, industrial and social development brought out that development if mainly guided by 'growthmanship' and without relating it to people and nature will not succeed (Fernandes, 2009). It needs to relate itself to the people concerned and local communities affected by the irrigation dams, hydro projects, industrial units or estates. The coalescence of economic interests and the seductive ideology of modernization worked to consolidate the dominant classes. This strategy, willingly or unwillingly, sacrificed the interests of the bulk of the rural population-landless labour, small and marginal farmers, artisans, nomads and various aboriginal communities-whose dependence on natural resources was far more a direct one.

Although projects are undertaken to promote wider societal development, yet the displaced is seldom the beneficiary of development projects.¹⁴ The benefits mostly go to an entirely different set of people. For example, while electricity generated in the Singrauli region benefits urban centers and industries located hundreds of miles away, the poor in that region,

¹⁴ Project authorities have to do a Cost and Benefit Analysis and get clearance from the Planning Commission to go ahead with a project. The Planning Commission gives a clearance only if the cost-benefit ratio (CBR) is at least 1:1.5. The experience in development projects has been that this analysis is done by 'experts' in a non-transparent manner. The benefits of the projects are generally exaggerated, and the costs are generally underestimated, in order to get project approval. In the case of the Sardar Sarovar Dam, the NBA has repeatedly demanded a fresh CBA, which unfortunately the Supreme Court of India has disallowed.

who gave up their lands for the erection of power plants have no access to it (Mathur, 1999). Other studies also confirm that those who receive the benefits, usually urban dwellers, commercial farmers and industries, are typically different groups that bear the social costs. In order to support the big projects, people are asked to sacrifice in the name of national interests who, in reality, are equated with interests of the rich peasantry, the industry, and the ruling elite.

The developers and planners followed the large capital and energy intensive strategy of development, which proved both economically as well as ecologically non-viable (Swain, 1997). This shows how the efforts for development have proven to be a misguided symbol of progress and has culminated into mal-development (Agarwal and Dubey, 2002). Thus, the pattern of allocation of natural resources and the model of development has been differently used and contributed to the conflictual politics. A major source of the conflict lies in the inequitable sharing of power costs and benefits. Those who stand to gain from projects (and these happen to be powerful groups) justify them in the national interest, while portraying those opposing them (generally the adversely affected poor people) as obstacles in the path of development (Baxi, 2008). In the beginning years of planned development, there was virtually no opposition to development projects. People then genuinely believed that development would lead to a new era of prosperity for all, and willingly gave up land for the dams and other place. However, the circumstances have now changed. The conflicts of interests seem to have reached a point of no return, and strong protests by the affected people have developed against such development projects almost everywhere.

The emergence of the ecological movements has indicated that large mass of people who are not mobilized by specific economic class interest have now organized their resistance around such diverse issues like human rights, human resettlement, the interest of women and tribal's and the ideology emphasizing just and equitable use of natural resources (Oommen, 1997). From Baliapal to Bhopalpatanam, from Pine Project (Bastar) to Narmada Project, from Salo Bachao Agitation (Jharkhand) to the Subarnarekha and Koel Karo (Bihar), from Nandhigram to POSCO, Kalingnagar, all these movements have increased the political clout mainly of the tribal people. These struggles are gaining strength with support from a mixture

of human rights activists and organisations, including foreign organizations, and the increased attention to these development issues.

Planned economic development was the refrain of the Indian Republic from 1950 until 1990, when economic liberalization was launched. The first four decades witnessed the coexistence of state-owned public sector and the private sector-owned by corporations. The mixed economy that emerged out of that arrangement was widely acknowledged as appropriate models, which combined the positive aspects of capitalist and socialist economies (Singh, 2008). In recent years the private sector has emerged as a major player in the development process, and the government, obsessed with achieving higher and higher economic growth targets, is trying to attract private investment in sectors as varied as power generation, manufacturing, mining, roads, airports, and housing, to name a few. Special Economic Zones (SEZs) like Nandhigram, Singur, and POSCO for large private corporations, including multinational corporations (MNCs), are being set up to accelerate the development process. Under globalization pressures, laws are being amended or promulgated in an unseemly haste to create investor-friendly conditions, regardless of what happens to the livelihoods of farmers whose lands have been taken away in the name of larger interests (Munda, 2005). Neither the public sector, that is, the state, nor the private sector, that is, the market institution; it paid much attention to displacement, although they did pay lip service to resettlement and even rehabilitation. India's planning Commission, almost exclusively manned by economists,¹⁵ and did not consider displacement as an issue. And given the over enthusiasm of the first charismatic prime minister, who labeled huge technology-driven rapid development projects as 'temples of modern India', protest movements against displacement could not crystallize easily.

The requirements of land for such gigantic development plans are going to be enormous, and this is bound to precipitate displacement on an unprecedented scale. In India's development projects in the last 60 years are estimated to have displaced roughly 60 million people, most of who have never been properly resettled. Displacement tremors will not remain confined

¹⁵ L.K. Mahapatra (1999) wrote: 'There is hardly any writing by Indian economists on the impoverishment caused by or through the displacement or expropriation for development projects. As the economist occupies the highest positions as planners and decision-makers in the government and corporate sectors, which determine the fate of millions in India, their awareness of, and sensitization to, the impoverishment of the project-affected persons are curial'.

only to tribal and rural areas, as was previously the case when displacement resulted from dams. Displacement on a large scale is now increasingly occurring by other projects as well-thermal power station, mining, industries, highways, airports, ports and urban development (Sharma, 2003). The following section explores how displacement has become a major phenomenon of development activities in India. In doing so, the following section has given an overview of displacement due to development activities across the world in general and in India in particular and explained its major implications.

2.3. Understanding Displacement

Displacement is seen as the result of a model of development that enforces certain technical and economic choices without giving any serious consideration to those options that would involve the least social and environmental cost “Displacement” is the project impact that necessitates resettlement of affected persons. Displacement may be either physical or economic. Physical displacement is the actual physical relocation of people results the loss of shelter, productive assets or access to productive assets (such as land, water, and forests). Economic displacement results from an action that interrupts or eliminates access to productive assets without physically relocating the people themselves (Mathur, 2006). In the narrow sense, displacement implies relocation of affected persons to a place away from their places of residence, but displacement need not necessarily involve relocation. When the impact results in significant loss of income sources or means of livelihood, whether or not the affected persons must move to another place, is also displacement. It is found that in most cases displacement is triggered by land acquisition through the exercise of eminent domain or other powers of the state.

The Collions Cobuild Dictionary (1988) enunciates displacement as: “the forcing of people away from the area or country where they live”. According to the same dictionary Eviction is the “act or process of officially forcing someone to leave a house or a piece of land”. The distinction between the two definitions is of some significance when one realizes that after all displacements in India under the Land Acquisition Act amount to “officially forcing someone to leave a house or a piece of land” that is required for a public purpose. Most displacement in India has been involuntary. Displacement is a multidimensional

phenomenon of which physical relocation is only one of the most significant outcomes. This understanding of displacement highlights, (1) the alienation of the individual and community legal and customary rights and dislocation of the social and economic organization and (2) the politics of legal and policy instruments that sanctions such as disenfranchisement.

2.3.1. Perspectives on Displacement

There are three important standpoints on the problem of displacement: the developmentalist's perspective; the people's perspective; and the environmentalist's perspective.

The *developmentalist's* view gives prime importance to the project of development. They deem displacement as inevitable, intrinsic to and a precondition to the project of development. Their ideas of development are unilinear. The developmentalist's mentalist's are mainly concerned with the intensification of the project of development, and take care of its 'side effects' by giving compensation, conducting socio-economic studies to assess the damage, and preparing plans for the resettlement and rehabilitation of the community. This perspective is held not by one but by many groups, holding various points of view. Though all these groups may seem to be speaking an identical language, they find themselves standing opposed to each other at certain issues (Wet, 2009).

The *People's perspective* contends that those who is not a part or choose not to be a part of the course of development, fall victims to the same. For example, the tribal's or the dalits or the economically marginalized are dependent on nature for subsistence. Their proximity to nature could either be traditional or ideological. The course of modern development systematically alienates them from nature and its products, as these need to be harnessed to meet the gigantic requirements of the 'energy regime'. Though the act is justified by the developmentalist's as "sacrifice for the larger good" and "survival of the fittest", the people's representatives bring out the other dimension of development (Mathur, 2008).

Another view is that of the *environmentalists* who contend that the protection, conservation¹⁶ and preservation of the environment are the top priority. They are more concerned with the restoration of the ozone layer, forests, preventing the extinction of species, etc.; and sometimes their stand opposed to the people-centered approach. They would be in favour of displacement due to wildlife sanctuaries and retrenchment of labour due to closing down of factories, etc.; since these acts preserve the environment. Though this approach too is people-centered, it is more concerned about the long-term effects of development.

2.3.2. Forms of Displacement

There are different categories of displacement-affected persons. They are as follows:

I. Refugees: The archetypical example of forced migration is that of the refugee,¹⁷ who, according to the UN Convention Relating to the Status of Refugees (1951), must be outside his or her country of nationality and unable or unwilling to return due to a well-founded fear of persecution for any one of five reasons: race, religion, nationality, membership of a social group, or political opinion. As per the 1951 Convention definition, UNHCR estimated that there were 12 million refugees worldwide in 2002. During the partition of India and Pakistan in 1947, around 15 million persons migrated from India to Pakistan and vice versa as refugees. In such cases, the responsibility of these refugees is not taken by the concerned states, i.e.; neither by the country experiencing immigration nor by the country experiencing emigration. So, resettlement and rehabilitation of these refugees does not arise (Pettersson, 2002).

II. Internal-displaced People: The UN Commission on Human Rights issued a report on IDPs in which it defined internally displaced persons as “Persons that have been forced to

¹⁶ For example, interviews and internal discussion conducted by researchers with WWF US staff in 1995 revealed that they were most willing to support displacement of recent migrants as an appropriate conservation toll-assuming that adequate compensation could be provided-and least willing to support resettlement of indigenous peoples under any circumstances.

¹⁷ In 1984, ten Central American states signed the Cartagena Declaration on Refugees, which, in non-binding language, extended the definition of a refugee beyond the 1951 Convention to include “persons who have fled their country because their lives, safety, or freedom has been threatened by generalized violence, foreign aggression, internal conflicts, massive violation of human rights or other circumstances, which have seriously disturbed the public order”.

flee their homes suddenly or unexpectedly in large numbers, as a result of armed conflict, internal strife, systematic violations of human rights or natural or man-made disasters, and who are within the territory of their own country”. Internally displaced persons need not and cannot be granted a special legal status comparable to refugee status. In international law, refugees are granted a special legal status because they have lost the protection of their own country and, therefore, are in need of international protection not necessary for those who do not cross international borders. Internally displaced persons do not need such a substitute protection. Rather as human beings which are in a situation of vulnerability, they are entitled to the enjoyment of all relevant guarantees of human rights¹⁸ and humanitarian law, including those that are of special importance to them. The US Committee for Refugees estimated that more than 20 million IDPs worldwide had been displaced in 2002 by armed conflict, generalized violence, and human rights abuse (Robinson, 2003).

III. Disaster-induced Displacement: The people who have to move out of their homes and leave their land due to some natural or human made disasters are known as disaster refugees. The gas disaster in the Union Carbide factory of Bhopal had forced many to leave their homes. Instance of such displacement can be also being seen in the case of Gujarat earthquake, Orissa super cyclone, the riots in Mumbai and the floods and droughts elsewhere. Assistance to such displaced peoples is provided in the form of immediate relief and compensation. However, they are not provided any permanent rehabilitation, as there is no one to claim responsibility of such disasters. The International Federation of Red Cross and Red Crescent Societies cite estimates of 170,478,000 people affected by 712 disasters in 2001. Roughly, 82 percent of the people affected and 41 percent of all disasters reported were in the Asian continent and near about 34 million people being assisted in 2001 who were affected by floods, droughts, earthquakes and displacement (World Bank, 2001).

IV. Development-induced Displacement: Forced population displacement is always crisis-prone, even when necessary as part of broad and beneficial development programs. It is a profound socio-economic and cultural disruption for those affected. Dislocation breaks up

¹⁸ Articles 12 (3) of the International Covenant on Civil and Political Rights (ICCPR) states that the rights to liberty of movement and freedom to choose one’s residence “shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order, public health or morals or the rights and freedom of others”.

living patterns and social continuity. It dismantles existing modes of production, disrupts social networks, causes the impoverishment of many of those uprooted, threatens their cultural identity, and increases the risks of epidemics and health problems (Robinson, 2003).

The forced eviction has been occurring “largely as a result of development projects, discrimination, urban development schemes, urban beautification, land alienation in both rural and urban areas, and in situations of armed conflict and ethnic cleansing, or their aftermath”. Causes or categories of development-induced displacement include the following: water supply (dams, reservoirs, irrigation); urban infrastructure: transportation (roads, highways, canals); energy (mining, power plants, oil exploration and extraction, pipelines); agricultural expansion; parks and forest reserves; and population redistribution schemes.

In 1994, a study of all World Bank-assisted development projects “between 1986-1993” that entailed population displacement found that just over half were in the transportation, water supply, and urban infrastructure sectors. According to World Bank data in the early 1990s, the construction of 300 high dams (above 15 meters) each year had displaced 4 million people. Urban and transportation infrastructure projects accounted for 6 million more displaced each year. Within one decade, according to World Bank’s 1996 assessment, “at least 80 to 90 million people have been displaced by programs in only two development sectors”. Population displacement by development programs is now a worldwide problem of a magnitude previously unsuspected. Moreover, ongoing industrialization, electrification and urbanization- processes are likely to increase, rather than decrease, the number of programs causing involuntary population displacement over the next 10 years.

2.4. Issues in Displacement: A Global Overview

Displacement has become a *sine-qua-non* of the modern developmental process worldwide. Every year about 10 million people globally are displaced by dams, highways, ports, urban improvements, mines, pipelines and petrochemical plants industrial and other such as development projects (Cernea, 20005). The World Bank’s world-wide review projects involving involuntary resettlement “between 1986 to 1993” shows that 146 active projects with resettlement are spread among 39 countries (Table. 2). About 60 percent of the Bank

resettlement projects are in the East Asian and South Asian regions. Due to the scarcity of land and high density of population, India and China together account for 74 percent of the people to be displaced under the current active portfolio.

Table.2. Review of Projects Involving Resettlement World-Wide

Region	Total Bank Project		Projects with Resettlement			
	Number	%	Number	%	People	%
Africa	656	3.46	34	23.3	113,000	5.8
South Asia	277	14.6	29	19.9	1,024,000	52.1
East Asia	326	17.2	58	39.7	5,88,000	30.0
Europe/ Central Asia	120	6.3	5	3.4	27,000	1.4
Middle East/ Africa	178	9.4	7	4.8	32,000	1.6
Latin America	340	17.9	13	8.9	180,000	9.1
Total	1897	100	146	100	1,963,000	100

Source: World Bank, 1994.

Table 2.1 presents the distribution of projects on the basis of displacement. One can notice from the table that dams and reservoirs are the most frequent cause of displacement and account for 63 percent of the people displaced. Roads, railways and other transportation industry rank second in displacing the people. Besides dams and highways, thermal power stations, irrigation canals, drains sewerage lines, wildlife sanctuaries were also some of the important causes of resettlement. Some of these projects though do not displace people physically, yet they acquire considerable land for its related activities. Millions who thus lose their lands for development purposes are simply ending up as “development refugees” (Mathur, 1995).

Table.2.1. Distribution of Projects by the Case of Displacement 1951-1990

Case of Displacement	Projects with Resettlement		People Displaced	
	Number	%	Number	%
Dams	39	26.6	1,233,000	62.8
Transportation	36	22	3,11,000	15.8
Water supply, Sewerage	18	12.3	59,000	3.0
Thermal (Including mining)	15	10.3	94,000	4.8

Urban infrastructure	12	6.2	73,000	3.7
Irrigation	7	4.8	71,000	3.6
Environmental Protection	5	3.4	74,000	3.8
Industry	4	2.7	2,000	0.2
Forestry	2	1.5	45,000	2.3
Others	8	5.5	1,000	0
Total	146	100	1,963,000	100

Source: World Bank, 1994.

In the past, displacement as a consequence of the development process did not impact a lot. Usually the number of people involved was small. Few people whose lands were taken away for construction of roads, schools, hospitals and other such as development works could somehow manage to reestablish themselves in the larger society, which, more or less, remained undisturbed. This is no longer the case. The 1980s have been called by some as the “decade of displacement”. Whether caused by disasters that ranged from families in Africa, wars in West Asia, to homelessness in America, the close of 20th century will be remembered for the large number of people evicted from their houses, farms and communities and forced to find a living elsewhere (Guggenheim and Cernea, 1993). Resettlement¹⁹ has, consequently, gained a worldwide concern over the adverse environment and social costs of large infrastructure projects.

2.5. Displacement in India: Issues and Concerns

Displacement by development projects is not new in India. There are signs suggesting displacement from the age of the Gupta dynasty. In the middle age's projects such as the Jai Samand Lake built near Udaipur in the eighteen century affected many families (Thukral and Singh, 1995). However, displacement did not disrupt people's lives completely because the population was then small and land was abundant. The displaced families could resettle

¹⁹ The generic concept ‘resettlement’ often camouflages the complex and painful content of this exclusionary and impoverishing process, as it unfolds through several stages. Michael M.Cernea has deconstructed the process, more transparently, into its three main phases: first, the ‘compulsory expropriation and displacement phase’; second, the ‘population transfer’ phase; and third, the phase of ‘resettlement’ proper, that is of adaptation, coping, and reconstruction at the new site, where economic and social reestablishment have to take place, confronting complex difficulties (see Cernea, 2004)

themselves not far from their original habitat. Displacement became a serious issue in the colonial age, intensified after independence, and causes a bigger problem in the context of globalization.

2.5.1. Displacement in the Pre-Independent Period

The objective of the colonial government was to turn South Asia into a supplier of capital and raw material for the Industrial Revolution in England, and a captive market for its finished products. Beginning right from the nineteenth century, the colonialists in pursuit of this goal opened coal mines in Raniganj, tea gardens in Assam, coffee plantation in Karnataka and other schemes elsewhere (Mankodi, 1989). To facilitate land acquisition at a low price, the colonial regime introduced legal changes beginning with the Permanent Settlement 1793 and provisions such as the Assam Land Rules 1838. They culminated in the Land Acquisition Act of 1894 (Ramanathan, 2008)

The LAA (1894)²⁰ amended in 1984 by Central Government, empowers the state to deprive people of their sustenance with no provision to help them begin a new life. It is based on the principle of the state's eminent domain, which has two facets. First, all bio diversity and natural resources, as well as land without individual titles belongs to the state. Second, the state alone has the right to define a public purpose²¹ and deprive even individuals of their land (ibid, 1996). However, most displacement in the colonial age was processed, and did not involve physical relocation. It resulted from the loss of sustenance through technological, economic and legal changes.

Not surprisingly, revolts followed, particularly in the bio diversity-and mineral-rich tribal areas. In middle India through revolts from the Santal rebellion in the 1830s in Jharkhand to the upraised in Andhra Pradesh in the 1920s, and others in between, the tribal communities

²⁰ See *BALCO Employees Union vs Union of India* (2002) 2 SCC 333, especially at p.374, where the Supreme Court expressed its 'strong reservations with regard to the majority decision' in *Samatha vs State of AP* (1997) 8 SCC 191 in which case the transfer of tribal land to non-tribals through the agency of the state had been held to be illegal. The law in issue was the AP Scheduled Areas Land Transfer Regulation 1959.

²¹ *State of AP vs Goverdhanlal Pithi* (2003)4 SCC 739 at 746, para. 21: 'This power of eminent domain of the state is sovereign power over power and rights of private persons to properties.' There is yet no acknowledgement of the change effected in the notion of sovereignty when the Constitution, following independence from an alien power, attempted to repose sovereignty, in 'We, the people.'

expressed their anger against the onslaught on their sustenance. Because of the disruption to life it caused, one hears of revolts by the Naga, Boro and other tribes (Mackenzie, 1995). Furthermore, non-tribal struggles were witnessed against direct displacement by development projects, the best known among them being the one of Mulshi-Peta near Pune in the 1920s (Bhuskute, 1997).

2.5.2. Displacement in Post-Independent Period

A large number of development projects have been initiated in India in the post-independent era to meet the changing socio-economic conditions of various categories of population living in various parts of the country. Post-independence India has not only retained the colonial laws, but has even strengthened them to make land acquisition easier. People continue to be displaced in the name of national development, though it's declared objective today is not colonial exploitation, but to achieve rapid economic growth. This has been the main objective of every successive government, which has promoted the establishment of major, medium and small scale development projects in the fields of irrigation, industry and power. As a result, there are a lot of displacement and resettlement of nature-dependent, tradition-bound, rural and tribal societies to an unknown place. Large dams, for example, were built to meet the needs of power for industries and agriculture. According to one estimate (Nag, 2002), 15 percent of the world's largest dams between 1947 and 1979 were built in India. Today the country has over 4,000 of them.

These projects brought about irreversible changes in land use and in the lives of millions of its dependants. As a result, the number of DP/PAPs²² has risen enormously, and there have been many more struggles than in the past. However, no official database exists on the total and type of DP/PAPs, possibly because most of them are SCs and STs.²³ Besides, India did not have a rehabilitation policy for six decades (Velath, 2009).

²² The term 'project affected person' (PAP) includes any people, households, firms, or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected, (ii) rights, title, or interest in any house, land, commercial, agricultural, forest or grazing land, water resources or habitat adversely affected, with or without displacement. Also, define here what do displaced people mean?

²³ SCs were essentially earlier referred to as dalit castes that were historically discriminated against. STs were the nearest Indian equivalent of indigenous people, mostly forest dwellers. Both have special constitutional protection.

Displacement in India is mediated by the Land Acquisition Act of 1994, which provides the legal framework for the State to take over land for public purposes. The state, largely viewing displacement from the standpoint of its causes, has consistently maintained that displacement is justified in national interest. It is argued that displacement is inevitable in large development projects but the long term well these projects will bring may well merit the sacrifice of a few in favour of the large good (Fernandes and Asif, 1997). The position essentially maintains that public interest in the displaced people results in them being 'adequately' compensated to regain their former levels of livelihood.

2.5.3. Magnitude of Displacement

Though millions of people have been displaced by various planned development schemes since independence, one has to realize the enormous magnitudes of forced displacements in India, as well as the likelihood that further major development-entailed displacements are to be expected. State governments, however, do not maintain any official statistics or database on the total number of displaced persons (DPs), and project affected persons (PAPs). In the absence of the firm project wise official database, researchers carried out their own studies on development-induced displacement and deprivation for the period 1951-95 in Orissa (Fernandes and Asif, 1997), Jharkhand (Ekka and Asif, 2000), Kerala (Murickee et al. 2001), 1965-95 in Goa (Fernandes and Naik, 2001), 1947-2000 in West Bengal (Fernandes et al. 2006) and Assam (Fernandes and Bharali, 2006), and 1947-2004 in Gujarat (Lobo and Kumar, 2007). In Orissa, Kerala, and Jharkhand only 60 per cent of the projects between 1951 and 1995 were studied, and in Andhra Pradesh around 80 per cent. When their figures were updated to 2004, the total of DP/PAPs in Jharkhand and Orissa went up to 3 million each, 5 million in Andhra Pradesh, 1 million in Kerala, 100,000 in Goa, 2 million in Assam, and 7.5 million in West Bengal. Even excluding the high displacement states like Chhattisgarh and Madhya Pradesh, they account for 27 million DP/PAPs. These together with the ongoing studies in three more states, point to an all India figures of 60 million DP/PAPs between 1947 and 2004 from 25 million ha, including 7 million ha of forests and 6 million ha of other CPRs (Fernandes, 2007a).

Table.2.2. State Wise Distribution of Projects by the Case of Displacement

Type/Year	1951-95				1947-2000		1947-2004	1965-95	Total
Type	Andhra	Jharkhand	Kerala	Orissa	Assam	Bengal	Gujarat	Goa	Number
Water	1, 865, 471	232, 968	133, 846	800,000	448, 812	1,723,990	2,378,553	18,680	7,602,320
Industry	539,877	87,896	222,814	158,069	57,732	403,980	140,924	3,110	1,614,402
Mines	100,541	402,882	78	300,000	41,200	418,061	4,128	4,740	1,271,630
Power	87,387	NA	2,556	NA	7,400	146,300	11,344	0	254,987
Defense	33,512	264,353	1,800	NA	50,420	119,009	2,471	1,255	472,820
Environment	135,754	509,918	14,888	107,840	265,409	784,952	26,201	300	1,845,262
Transport	46,671	0	151,623	NA	168,805	1,164,200	1,356,076	20,190	2,907,565
Refugees	NA	NA	0	NA	283,500	500,000	646	NA	784,146
Farms	NA	NA	6,161	NA	113,889	110,000	7,142	1,745	238,937
Hum Res.	NA	NA	14,649	NA	90,970	220,000	16,343	8,500	350,462
Health	NA	NA	NA	NA	23,292	84,000	NA	1,850	109,142
Admin	NA	NA	NA	NA	322,906	150,000	7441	3,220	483,567
Welfare	37,560	0	2,472	NA	25,253	720,000	20,470	NA	805,755
Tourism	0	0	343	0	0	0	26,464	640	27,447
Urban	103,310	0	1,003	NA	1,241	400,000	85,213	1,750	592,517
Others	265,537	50,000	0	100,000	18,045	0	15,453	840	449,875
Total	3,215,620	1,548,017	552,233	1,46,909	1,918,874	6,944,492	4,098,869	66,820	19,810,834

To this number should be added indirect DPs caused by environmental degradation and other consequences of the project such as fly ash generated by thermal, cement, and aluminum plants, and dust pollution and blasts in the coal mines. Many such project-related processes render the land around the plant unusable and force its dependants to move out (Thukral, 1999), but they are considered voluntary DPs since they leave the area without physical coercion. This number is enormous, but no method has been developed to make an estimate.

2.5.4. Displacement and Powerless

Often, DP/PAPs suffer because they are voiceless. Tribals constitute 8.6 percent of India's population, but are some 40 percent of total DP/PAPs. In Table 2.3, only 29.15 percent of all the DP/PAPs are tribals, but account for 15.55 percent of the 3,081,442 persons whose caste/tribe is unknown. There are indications that around 50 percent of the DPs/PAPs of Assam and 30 percent of West Bengal whose caste/tribe is not known are tribals. Studies have not been undertaken in states like Madhya Pradesh, Chhattisgarh, and Maharashtra, which have a large number of tribal DPs/PAPs. Once all of them are counted, the tribal proportion will reach 40 percent (Fernandes, 2004); 18.96 percent of those whose caste/tribe is known as dalits. They are a substantial proportion of those whose caste/tribe is not known. As a result they are at least 20 percent of the total.

Table.2.3. State-wise Caste/Tribe of DP/PAPs

State	Tribal's	%	Dalits	%	Others	%	Un-known	%	Total
Andhra	970,654	30.19	628,824	19.56	1,467,286	45.63	148,856	04.63	3,215,620
Assam	416,321	21.80	NA	NA	609,015	31.90	893,538	46.30	1,918,874
Goa	NA	NA	NA	NA	NA	NA	66,820	100	66,820
Gujarat	1,821,283	44.43	462,626	11.29	1,791,142	43.70	23,818	0.58	4,098,869
Jharkhand	620,372	40.08	212,892	13.75	676,575	43.71	38,178	02.47	1,548,017
Kerala	NA	NA	NA	NA	NA	NA	552,233	100	552,233
Orissa	616,116	40.38	178,442	11.64	671,351	48.01	0	0	1,465,909
W.Bengal	1,330,663	19.16	1,689,607	24.33	2,566,223	36.95	1,357,999	19.55	6,944,492
Total	5,775,409	29.15	3,172,391	16.01	7,781,592	39.28	3,081,442	15.55	19,810,834

Source: Fernandes and Bharali, 2006.

An unknown caste/tribe but large proportion of others are rural poor like the Other Backward Castes (OBCs) who were not counted as a separate group until the 1980s, and their exact number is not known. Recent studies show that categories such as fish and quarry workers account for at least 20 percent. For example, some of the common land used in Assam is on its river banks inhabited mostly by the fish workers, 68 percent of them live below the poverty line. They are at least 150,000 of its 1.9 million DP/PAPs (Fernandes and Bharali, 2006).

2.5.5. Displacement and Resettlement

Most of displaced people in India are poor and powerless people. Resettlement is a mode of the DP/PAPs re-establishing the livelihoods lost.²⁴ So it has to deal with the problems that begin as soon as a decision about the project is taken, and continues for several years after resettlement. Since displacement is a traumatic experience, very few are rehabilitated even when resettled. Most of them are impoverished. Rehabilitation involves preparing them for this new life and ensuring replacement of the assets lost (Singh, 2006). Since the assets are the basis of their economy, culture, social systems, and identity, they have to be built in a new form. Besides, only DPs need to be resettled, but the PAPs have to be rehabilitated as well because most of them lose their sustenance, though they are not physically relocated. In reality, even resettlement is not carried out adequately. Those resettled ranges from a third in Orissa and Goa, to less than 5 percent in Assam (Table. 2.4). By and large, the project staffs do not pay adequate attention to resettlement, because they are judged more by the efficiency with which they implement the project than by the extent and quality of rehabilitation.

Table.2.4. Number of DPs and the total Number of Resettled People

State	DPs	Resettled	% Resettled
Andhra	1,526,813	440,090	28.82
Assam	307,024	11,000	03.59
Goa	15,950	5,375	33.63
Gujarat	690,322	164,498	23.82

²⁴ Resettlement is considered significant when 200 or more people will experience major impacts that are defined as: (I) when AP is physical displaced from housing; or (II) 10 per cent or more of their productive assets (income generating) are lost.

Kerala	219,633	30,036	13.68
Orissa	548,794	192,840	35.27
W.Bengal	3,634,271	400,000	11.18
Total	6,942,807	1,243,839	17.94

Source: Fernandes, 2006.

Despite intense domestic and international efforts to promote the crafting of national frameworks and laws to regulate development forced displacement and resettlement (DFDR) processes, the vast majority of developing countries have not adopted yet formal policies and laws on involuntary resettlement (IR). The Centre does not have a law on rehabilitation. However, some states like Karnataka and Madhya Pradesh have laws, and Rajasthan, and Andhra Pradesh have policies for those affected by water resource development projects. Maharashtra has an Act and Orissa has policies that apply to all. The National Thermal Power Corporation and Coal India have promulgated their own policies in the 1990s. The NTPC revised it in 2005 and the National Hydro-Power Corporation is finalizing its policy.

At the Centre as early as 1967 a committee of the Ministry of Rural Development had suggested changes in the LAA. A committee of Ministry of Welfare had made some suggestions for a rehabilitation policy in 1985 (GOI, 1985). Finally, the Ministry of Rural Development drafted a R&R policy only in 1993 and revised it in 1994 (MRD, 1994). However, under pressure from civil society movements, decades of militant NGOs and researchers have demanded to formulate a new policy and also draft a law based on it, in dialogue with all the stakeholders, yet only in 2004; the Ministry of Rural Development (MRD) published the first national resettlement and rehabilitation (R&R) policy. The policy, however, was found by many in India as inadequate, was publicly criticized, and in two years was set aside by the same Ministry, which published a new draft policy and submitted to the Government by the National Advisory Council (NAC, 2006). The new MRD draft of 2006²⁵ has been again widely criticized and little defended outside official government circles. The absence of policy norms allows financial anomie and favours lower

²⁵ See for more details, a copy of the full document, as approved by the NAC is available at http://nac.nic.in/communication/draft_national_rehab_policy.pdf.

standard economic analysis of resettlement at the project level. Common to these laws and policies is the fact that they take the displacement for granted and only provide relief in the form of resettlement.²⁶

2.6. Displacement and Impoverishment

Development stands for economic efficiency, social and moral decency of achieving certain basic qualities for a society and ensuring decent livelihood projects is a necessity, but such projects adversely influence the life and livelihood of displaced. The loss of livelihood without alternative results in impoverishment and marginalization. Impoverishment is the economic statuses of the DP are reduced to by displacement, not from any prior state of poverty. Some DP from the better of sections or high castes, living in the ‘advanced’ districts may improve their lifestyles by getting a somewhat high compensation for their not very fertile land. Most others who lose their land and sustenance to the project experience a deterioration of their economic, social and cultural status (Wet, 2006). The severity of impoverishment effects²⁷, however, is different in all displacement processes. The most severe effects occur in the sectors which require the massive displacements, such as hydropower, dams, reservoirs, and mining projects (Scudder 2005; Downing 2002). Michael Cernea (2000) has identified eight dimensions of impoverishment risk induced by displacement. They are landlessness, joblessness, homelessness, marginalization, food security, morbidity, loss of access to common property resources and community disarticulation. Forced displacement risks can be put under four major’s mutually inclusive categories (a) economic, (b) social, (c) psychological and (d) common property resources and services (See Figure. 1).

²⁶ The definition of resettlement objectives as simple restoration to the pre-project level (for example, in the policies of the WB, ADB, AFDB, GOI NRRP, and others) is criticized widely by scholars and civil society organization as unacceptably minimal and thus counter-productive, because restoring people to a previous poverty level is not development by any measure. The minimal objective, in the appropriate wording suggested by N.C. Saxena, should be to bring DP to a level of income above their pre-project level, or above the poverty line, whichever is higher (Saxena, 2006)

²⁷ The general issues regarding compensation theory, adequacy, insufficiency, valuation, patterns of distortions, etc. are common to all or most sectors, but compensation sizes normally vary.

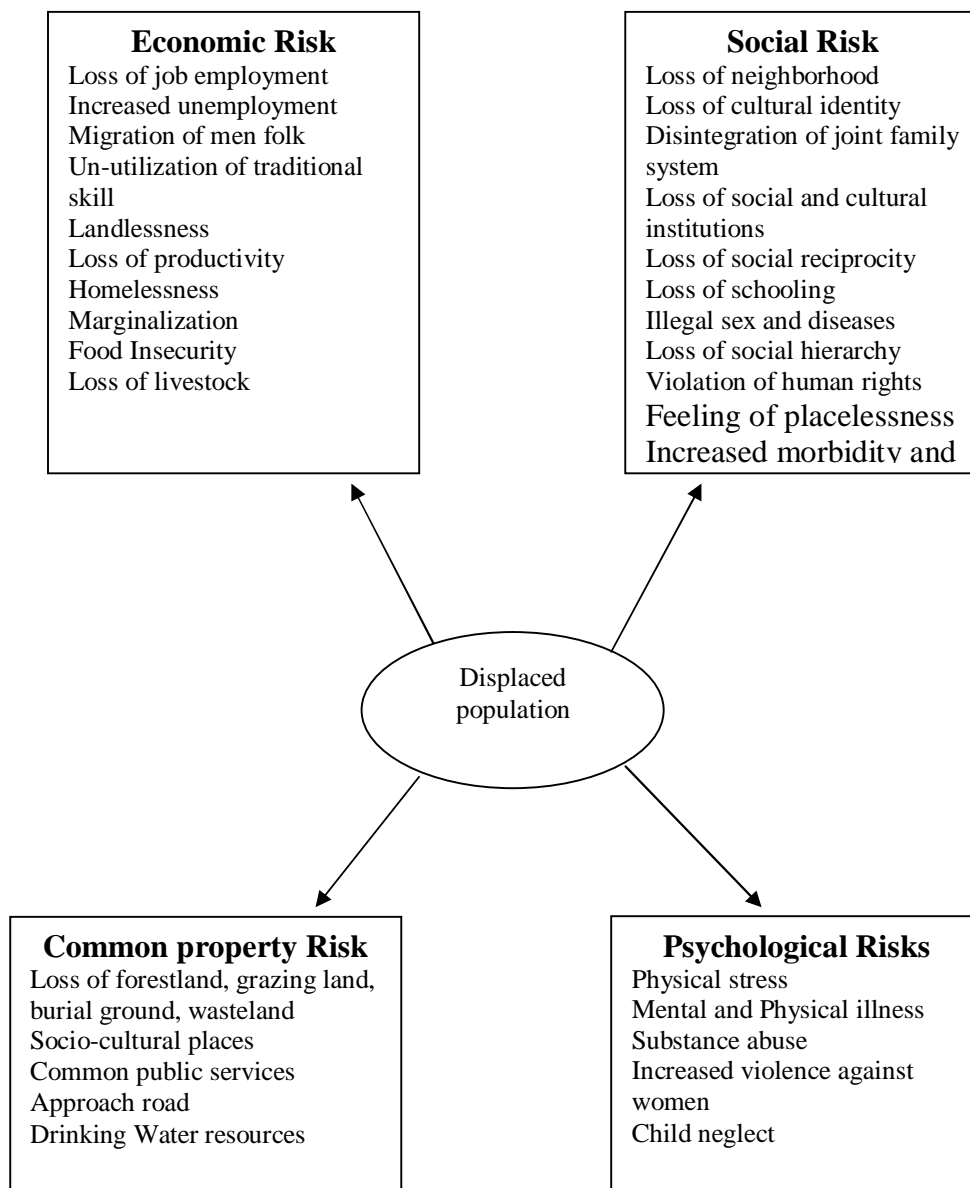


Fig. 1: Displacement and related Impoverishment Risks

These risks threaten not only the people displaced, they are risks incurred by the local (regional) economy as well, to which they may inflict major loss and disruption. Depending on local conditions, the intensity of individual risk varies. The risk impoverishment and reconstruction model provides the much-needed conceptual framework to understand the problems of displaced population. A concise description of each fundamental risk follows:

I. Landlessness: Expropriation of land removes the main foundation upon which people productive systems, commercial activities and livelihood are constructed. Once people lose their land for project purposes, it becomes extremely difficult for them to own land again, for the reasons that include scarcity of agricultural land for resettlement and inadequate compensation to replace the land loss. For those few who succeed in getting 'land for land', the average size of landholding decreases and land quality changes for the worse. Unless the land basis of people's productive systems is reconstructed elsewhere or replaced with steady income-generating employment, landlessness sets in and the affected families become impoverished. From India's Rengali irrigation project, Ota (1998) reports that the percentage of landless families after relocation more than doubled from 4.6 percent to 10.9 percent; while Reddy (1989) documents that in the coal mining displacements around Singrauli, the proportion of landless people skyrocketed from 20 percent before displacement to 72 percent after. It shows that loss of land generally has been far more severe consequences for farm families than the loss of the house.

II. Joblessness: As a result of displacement, people from both rural and urban areas lose wage employment. Jobless affects landless labourers, enterprise or service workers, artisans, small businessmen, and other wage earners. Like land, jobs too are a scarce commodity, and for resettlers to find jobs is not easy. Creating a new job opening is always difficult and requires substantial investments. A survey carried out among tribal households in five villages at Talcher, Orissa (Pandey, 1998) found an increase in unemployment from 9 per cent to 43.6 percent, accompanied by a large shift from primary to tertiary occupations. Evidence from dam projects in Brazil, India and China shows that there is a temporary increase in wage employment, which is associated with project construction activities, but this rapidly declines once those activities come to end. With its impoverishing effects, unemployment or underemployment among resettlers usually lasts a lone time (Cernea, 1998).

III. Homelessness: Loss of housing and shelter is proving to be a major risk, particularly in urban development projects. Cities are rapidly growing, pushing out people with their small shelters and the sense of the place. The risk of homelessness may be of a temporary kind, but for many people living again in a proper house of their own remains a mere dream. In

the Kukadi Krishna irrigation sub projects in Maharashtra, 59 percent of the displaced families were found living in temporary/semi-permanent houses 10 to 15 years after their relocation (Joseph, 1998). Yet resettler's risk of homelessness-related closely to joblessness, marginalization, and morbidity-can certainly is avoided by adequate project financing and timely preparation.

IV. Marginalization: Marginalization occurs when families lose economic power and begin on a downward path. Examples include: middle-income farmers becoming small farmers able to manage holding much smaller in size than what they had held before; flourishing on shopkeepers losing their previous clients and restarting business in a modest way; and many people finding that their previous earning skills do not get them far enough in the new surroundings. Marginalization also occurs when resettlers lose confidence in them and the social system to which they belong. Mahapatra (1998) reports an extreme case of social marginalization from the Rengali dam project in Orissa. The displaced people there suffered devaluation in their status by being dubbed 'budiloka' meaning 'people of submerged areas'. This derogatory term implies that the people who are displaced are not respectable. Daughters and sons from such families it is not easy to find bridegrooms and brides outside 'budiloka' category. The facets of marginalization are multiple. Psychological marginalization and its consequences are typically overlooked in resettlement planning (Pandey, 2008). Government agencies also tacitly accept lasting marginalization of resettlers when they consider it "a matter of course" that the displaced cannot restore their prior standard of living.

V. Food Insecurity: People involuntarily moved to a different location often face an imminent risk of food insecurity. Food insecurity and undernourishment are both symptoms and results of inadequate resettlement. During physical relocation, sudden drops in food crop availability and incomes are predictable. Subsequently, as rebuilding regular food production capacity at the relocation site may take years, hunger or undernourishment tends to become a lingering long-term effect. Nutrition-related risks reinforce morbidity and mortality risks and largely depend on whether the primary risks of landlessness and joblessness are effectively counteracted (Garg, 1998).

VI. Increased Morbidity and Mortality: Social stress, insecurity, and psychological trauma associated with displacement lead to immediate deterioration in health standards. There is an empirical evidence of an increase in morbidity as well as mortality. Unhygienic living conditions in relocation centers, such as unsafe drinking water and poor sewerage, give rise to chronic diarrhea, cholera, and even epidemics. When people are put up for a long time in camps that have poor and unhygienic conditions, diseases spread very rapidly. The weakest segments of the demographic spectrum- women, infants, children, and the elderly are affected most strongly. Exposure to the 'social stress' inherent in forced relocation was highlighted as having differential consequences on mental health across age, gender, and marital and occupational status. A study in Pong dam of India found the increase in the prevalence of malaria in areas closer to the large reservoir (Scudder and Colson, 1982).

VII. Loss of Access to Common Property and Service: Often, people with no land or other means of making a living depend on common property resources such as, forest, rivers, and grazing lands. Tribal people and women are among those who mostly depend on such resources are lost when people are forced to relocate, resulting in huge loss in income and livelihood levels. A study of seven projects causing displacements between 1950 and 1994 in Orissa, has found that no compensation has been paid for common properties, before displacement all families had access to common grazing lands and burial grounds; after relocation, only 23.7 percent and 17.5 percent, respectively, had such access. When displaced people's access to resources under common property regimes is not protected, they tend either to encroach on reserved forests or to increase the pressure on the common property resources of the host area's population. This becomes in itself a new cause of both social conflict and further environmental degradation (Mathur, 2008).

VIII. Social Disarticulation: Displacement destabilizes the existing social organization. A household is a basic social unit, but households do not live in a vacuum. They live in a communal structure related to one another, and that is one of the fragile things that are rent asunder with involuntary resettlement. The capacity for collective action, referred to as social capital, is lost when due to relocation informal social networks, local voluntary associations, and mutual help groups are dispersed and rendered dormant. Apart from the

loss of social capital, such dismantling of social fabric directly undermines livelihoods, yet these remain uncounted. Dismantled social networks that once mobilized people to act around common interests and to meet their most pressing needs are difficult to rebuild. A sociological study by Behura and Nayak (1993) on the Rengali dam project in India found various manifestations of social disarticulation within the kinship system, such as the loosening of intimate bonds, growing alienation and anomie, the weakening of control on interpersonal behavior, and lower cohesion in family structures. A monograph on the Hirakud dam in India found that displaced households whose “economic status had been completely shattered as a result of displacement” did not become “properly integrated” in host villages for many years after relocation, because its spatial, temporal and cultural determinants are gone (Baboo, 2006).

The social Scientists like, Robert Muggah, Theodore Downing and L.K. Mahapatra has suggested the addition of other risks such as loss of access to public services, loss of access to schooling for school-age children, and the loss of civil rights or abuse of human rights.

IX. Loss of Access to Community Services: This could include anything from health clinics to educational facilities, but especially costly both in the short and long-term are lost or delayed opportunities for the education of children.

X. Violation of Human Rights: Displacement from one’s habitual residence and the loss of property without fair compensation can, in itself, constitute a violation of human rights. In addition to violating economic and social rights, listed above, arbitrary displacement can also lead to violations of civil and political rights, including arbitrary arrest, degrading treatment or punishment, temporary or permanent disenfranchisement and the loss of one’s political voice. Finally, displacement carries not only the risk of human rights violations at the hands of state authorities and security forces but also the risk of communal violence when new settlers move in amongst existing populations.

The major impoverishment risks, identified and described above can be reversed. However, difficult, is feasible and can well be brought under control through an encompassing strategy and by allocating adequate financial resources. Half-hearted measures relying only on cash compensation for lost assets are simply unworkable in the grim situation of displacement.

2.7. Reconstruction

One of the consequences of displacement is the loss of livelihood, and habitats. It is not simply a matter of losing livelihoods, often; displacement forces the affected people to changeover to altogether new ways of making a living. This happens partly due to the lack of income generation opportunities at the relocation site that could correspond with what they leave behind. Because livelihoods are lost due to project requirements, generating new income opportunities for the affected people would appear to be a matter of high priority in resettlement planning. According to Fernandes (2007), in India as many as 75 percent of the 20 million people displaced by development projects over roughly four decades have been only physical relocated, but not rehabilitated in a socio-economic sense.

The World Bank policy statement on involuntary resettlement issued in 1980 that first gave an explicit expression to this concern for livelihoods of the affected people. The World Bank announced in 1993 the constitution of a task force headed by Michael Cernea, developed the 'Impoverishment Risks and Reconstruction model'. In examining the risk-anatomy of displacement, most important is the internal logic of the model. The model suggests that preventing or overcoming the pattern of impoverishment requires targeted risk reversal or mitigation. The model emphasized on two aspects one is on risks to be prevented and second on reconstruction strategies to be implemented. Turning the model on its head shows which strategic directions should be pursued: (a) from landlessness to land-based resettlement; (b) from joblessness to reemployment; (c) from homelessness to house reconstruction; (d) from marginalization to social inclusion; (e) from increased morbidity to improved health care; (f) from food insecurity to adequate nutrition; (g) from loss of access to restoration of community assets and service and (h) from social disarticulation to networks and community rebuilding. The basic objective of the World Bank policy is to restore and improve the living standards and earning capacities of displaced persons, and to prevent an increase in impoverishment, which is often the deepest impact on the lives of people affected by development projects. Later, other multilateral development agencies have also formulated their own resettlement policy such as in 1992, the Organization for economic Cooperation and development (OECD) and the Asian Development Bank (ADB 1995) came out their own policy on involuntary resettlement.

2.7.1. Approaches to Reconstructing Livelihoods

Experience shows that displaced people do well when they have an option to pursue their original occupation. Where rural people are involved, land-based programmes that relocate them to agricultural land of comparable size and quality often prove effective. The remedy more suitable for people from urban areas is the non-land based resettlement strategy that relies on the provision of employment. Prescribed financial compensation for strip acquisition failed to consider social impacts. However, both land and jobs are scarce, and projects are finding it increasingly difficult to provide occupational opportunities that have proven effective and are widely acceptable. In circumstances, where land and job options are no longer available, self-employment income, generating schemes seem to offer an alternative that is being currently pursued in many places. The following section has highlighted different approaches of the resettlement and reconstruction²⁸ process in India.

I. Cash Compensation: In the past, rehabilitation simply meant the payment of cash in lieu of lands and other properties acquired for project purposes. Theoretically, cash should help people to move onto the recovery track. With cash in hand the possibilities for undertaking productive investment are enormous. For this reason, the displaced people, especially those from areas closer to cities or areas witnessing the rapid economic growth, often prefer cash compensation. They see compensation in this form as offering them a wider range of options for improving their economic status (Price, 2008).

In practice, cash compensation²⁹ as an income restoration measure often fails to benefit the affected people for a variety of reasons. One reason for its failure is that it ignores the needs of a large number of people whose livelihoods are not connected with land ownership, but who also lose from project activities (labourers, craftsmen, small shopkeepers, for example).

²⁸ For the rest of this chapter, it specifies that by resettlement we understand not just the physical relocation of those displaced to a different site, but the reconstruction of the DP's economic productive basis, housing, and income generation capacity. This is the complex socio-economic development content of resettlement. It is in this sense that the terms of reconstruction or recovery are used further.

²⁹ The Constitution (4th Amendment) 1955 was passed by Indian parliament placing the adequacy of compensation beyond challenge in court. The First Amendment introduced Articles 31A and 31B saving 'laws providing for acquisition of estates, etc.', and adding a Ninth Schedule to the Constitution. See also, the 17th Amendment (1964), 25th Amendment (1971), 34th Amendment (1974), 39th Amendment (1975), 42nd Amendment (1976) and the 44th Amendment (1978) which omitted Article 31, amended Articles 31A and 31C, deleted the fundamental right to property in Article 19 (1) (f) and added Article 300A which read: 'No person shall be deprived of his property save by authority of law'.

Second, even those who receive compensation (often after a long wait and in installments) are rarely able to get back to the kind of living that they lost. With the compensation amount awarded under the existing land acquisition laws, usually a pittance, they are in no position to buy replacement assets or means of generating income on a sustainable manner. Third, a major limitation of this approach is that most displaced people, especially tribal people and those from remote villages, do not know what to do with cash in quantities that they probably see for the first time in their lives. In excitement, they forget that they need this money to rebuild their lives. Soon they go on a spending spree-on drinking, gambling, ostentatious marriages, religious ceremony, purchase of TVs, scooters and so on (Mahapatra, 1991) . Money is thus frittered away in ways least likely to support their rehabilitation efforts. Fourth, getting the due to the compensation amount is not a simple matter for most poor people. They rarely get in their hands the full amount of compensation for their properties, meant to aid them in getting back on their feet. Rampant corruption hits the poorest the hardest. Government agencies are not known for their integrity in seeing that the rightful claimants get their due to amounts promptly, in a hassle-free manner. Fifth, compensation must replace or constitute the replacement cost for what has been lost. While resettlement studies have repeatedly shown cash compensation alone does not help the displaced to become economically productive again, yet projects continue to focus on cash compensation, little aware that people need assistance in another way as well (Cernea, 2002).

II. Land-Based Remedies: Another approach to reconstructing livelihood is the land-based approach to resettlement. This involves replacing the lost land with new land at some other place. For displaced people from rural areas this indeed remains the best and the most preferred option. By ensuring continuity with the past occupation, this goes a long way in cushioning the disruptive impact of the move. Experience suggests that resettlers usually do well when they get land for land, especially land in newly irrigated areas, as no occupational change is involved.

The mere acquisition of a piece of land in a new place does not, however, mean that resettlers get any closer to their recovery. Most of the displaced people's common complaint regarding the new land is that it is not of the same quality that they parted with. The

government of Gujarat resettlement policy provides for allotment of land to anyone affected by the Narmada dam opting to resettle in that state. However, good policy intentions alone are not enough. Caufield (1997) narrates a case where resettlers from Madhya Pradesh were asked to accept land in Gujarat that lacked any resemblance to the land that they are promised. In such circumstances, many prefer not to stay on allotted land and move elsewhere. Despite the difficulties of developing a viable production system in a different setting, the land as compensation remains the first preference of most resettlers. 'Alternative land is seen as the means of ensuring that resettlement is sustainable, given the unique characteristic of land as an asset, as a factor of production, as a commodity, and as a basis for community living' (Goyal, 1996).

The scarcity of land to resettle the displaced people is, however, a major constraint in pursuing the land-centered livelihood reconstruction alternative. There is no way the project authorities can overcome the land scarcity. The only way they can provide land is to buy it from those willing to sell it (but this lead to displacement of those who sell their lands for the lure of money) (Hasan, 2006). While land-based strategies have proven most effective as income restoration, the view of those who maintain that land alternative is the only way out is now under attack, the fact is that things are changing, and protagonists of the land-only approach seem to be out of touch with the reality of the situation (Dhagamwar et al, 1998). Income-generating options other than land-centered ones are now increasingly opening up and gaining acceptance. Not all displaced people want to continue making a living only from agricultural related activities. The younger generation, in particular, aspires to a different lifestyle, and is willing to pursue other avenues. In their view, education opens a window to a whole new set of opportunities.

III. Employment: The effectiveness of employment as a quick and reliable solution to the resettlement problem is well known. Often, people who get jobs are, in fact, able to re-establish themselves in less time than those who get land. This explains the never ending clamour for jobs, especially jobs in government and public sector companies. These jobs are permanent, well paid and provide many other benefits, such as free housing, medical care, cost of living allowance for children, travel concession, leave and pension on retirement. Until recently, Coal India Limited (CIL), the National Thermal Power Corporation (NTPC),

and other public sector undertakings followed the practice of providing employment to at least one person from each family to compensate for the loss of land. The number of jobs available has now rapidly fallen short of the growing demand for them. However, the displaced people also lose in the race for a few skilled jobs that are still available, because they usually lack education and training (Basu, 1997).

Projects generate many new employment opportunities: in their offices, at construction sites, and in other ways. The main problem with such jobs, however, is that they are of a temporary nature, terminating once the construction work is over, the displaced people are not much attracted to this kind of temporary employment. Often, contractors too are not inclined to hire them. Instead, they prefer to bring in their own workforce from outside. The general impression is that local workers tend to form unions, and instead of working for their employees, start creating problems for them (Srivastava, 1995).

IV. Self-employment: As land and jobs can no longer be guaranteed, projects are attempting to promote self-employment schemes as an option to help re-establish the displaced people. And there is a great variety here: tailoring, poultry farming, carpentry, plumbing, and car and scooter repair shop, operating a telephone booth, running grocery shop, and so on. In recent years, Coal India limited (CIL), under a World Bank-funded project, has pursued this approach as part of the environmental and social impact project (Mathur, 2000).

A hopeful development is that people, the poorer groups and women in particular, have been successfully assisted in their efforts to improve their condition by self-employment and enterprise in many places (Rose, 1992). Although the people involved in these entrepreneurial programmes were not those displaced by projects, these experiences are relevant to income generating efforts targeted at the displaced people and much can be learnt from these experiences (Harper 1995; Jain 1998). Typically assisting the displaced people with self-employment programmes involves training as a first step. Without training to impart new skills or upgrade the existing ones, they cannot be expected to operate new small-scale, income generating projects. Training alone does not equip them to launch an income generating activity; however small it scales might be. Therefore, the next important

step is to arrange small loans for self-employment projects from an array of micro credit institutions. Finally, providing information on marketing possibilities that they can use is also an important component of the assistance plan.

V. Project Focused on Economic Re-establishment: Coal India Limited (CIL) recently implemented a novel project. The social mitigation part of the World Bank-financed Coal Sector Environment and Social Mitigation Project (CSESMP) was entirely devoted to assisting the people affected by coal mining projects to re-establish themselves on the same economic level that they were at before the project. A separate provision was made in the project budget to start alternative income generation activities for project-affected people. In this case, the project performance was also to be evaluated differently. It was judged on the basis of success achieved in assisting the displaced people to reconstruct their livelihood.

VI. Job in Government: In government, there is a system of job quota under which a certain percentage of jobs is reserved for members of the Scheduled Castes, Scheduled Tribes, and other backward classes on the ground that these groups need protection due to their social and economic backwardness. On a similar basis, the government of Karnataka has recently issued a notification reserving 5 percent of government jobs for the people affected by development project. This creates new job opportunities, and the displaced people can get jobs in the government, which was previously impossible.

VII. Sharing Project Benefits: Projects that cause displacement also generates many new income-earning opportunities, and there is growing realizations that ways can be devised that target such as benefits, specifically at the displaced people. Although a full-fledged benefit-sharing approach to reconstructing resettlers livelihoods does not seem to have been formally adopted yet, projects in India are increasingly seeing benefits in it for themselves as well. Sharing benefits reduce unproductive conflicts with resettlers and their leaders and helps move resettlement more smoothly. Wicklin (1999) has documented several cases where people displaced by dam projects have been allocated newly irrigated lands downstream. Benefit sharing is not limited to dam projects alone. It is possible in projects of all kinds that cause displacement such as irrigation, thermal power, coal mining, highways, and others.

VIII. Capacity Building for Recovery Management: Project authorities are now strengthening their resettlement units with the induction of experts in income generation. This has increased the demand for experts who can work with the affected people and assist them in initiating small scale, income-generating enterprises. Project authorities are also becoming more aware of the need to plan for recovery right from the beginning stages of the project. The capacity building efforts received much support from five-year training programmers in resettlement introduced in 1993 by the World Bank Institute. Generating income opportunities for project-affected people was an important module of this training programme (Kanbur, 2002).

IX. Resettlement Planning: Generally, the plans made for resettling project-affected people are ad-hoc, and livelihood reconstruction is never their main objective. Their focus remains on relocation. Resettlement in India, so far, has been restricted to a short period of time in which the physical movement of the displaced people takes place. It is not attached in any long-term policy directed at providing economic opportunities to them. It is handled as swiftly and as cheaply as possible. The resettlement package is unitary and inflexible one. It is a haphazard process, dealt with in ad-hoc manner, and given a low priority in the overall project design (Singh, 1997). In fact, the lack of focus on income restoration continues to be a major gap in resettlement planning. The tasks of impoverishment are not addressed specifically during the planning process (Cernea 2000; Mathur 1998). The limited time and resources usually allocated for socio-economic surveys fail to provide an accurate assessment of asset and income base of the populations affected. Even the exact number of people to be affected is not determined at the planning stage, with numbers rising at subsequent stages. Resettlement plans made without the basic information cannot be expected to assist resettlers to regain their losses (Gill, 2006).

X. Resettlement Budget: There is nothing unusual about underestimation of resettlement costs. This goes on routinely in most projects. The under-budgeting of resettlement cost, however, makes it impossible to provide assistance that resettlers require to get back that they lose in situations of involuntary resettlement. The cost most familiar to budget planners seems to be that related to the acquisition of land, but budget provisions in this regard also often run out before resettlers receive their compensation, leaving no provision for

resettlement assistance. Adequate resettlement does not cost much: it is a fraction of the total budget cost. However, the planners do not seem to have learned this lesson.

XI. Socio-cultural Factors: The role of socio-cultural factors is often quite significant in facilitating or frustrating the rehabilitation process. Many plans to assist resettlers with income generation from small businesses fail only because these do not take account of the socio-cultural characteristics. In India, where occupational patterns follow the caste ranking, a Brahmin even in dire need of employment will often not accept a job that does match his high status in the caste hierarchy. Again, resettlement is made easier where hosts and resettlers are from the same caste, tribe, and ethnic group, or share a similar socio-cultural background. On the other hand, where socio-cultural compatibility is disregarded in a hurry to complete the project work, resettlement does not work. If hosts and resettlers are from dissimilar backgrounds, hosts tend to hound out resettlers from their territory. The classic case is that of people displaced by Pong Dam in Himanchal Pradesh, who in the face of hostility of the host population in Rajasthan just could not hold on to their allotted lands. They went back to Himanchal Pradesh empty-handed. Socio-culturally there was nothing in common between the hosts and resettlers in this case (World Bank, 1993).

XII. The Human Element: One factor that is known to make a great difference to the success or failure of an economic recovery programme is the determination of the affected people themselves. Despite the most unsettling experience of being forcibly evicted and plunged into disorder, resettlers have demonstrated time and again the strength to bounce back, to seek the new opportunities. Almost everywhere, displaced people often do succeed in rebuilding for themselves a future even better than before. However, where people lack initiative and an aversion to risk-taking, and have developed a dependency syndrome due to past paternalistic policies, progress is achieved only at a slow pace, in bits and pieces (Gill, 1999).

A good example of what people themselves can accomplish comes from the Dhoom dam project in Maharashtra. Even the most un-favourable circumstances could not deter these displaced people from moving forward to re-establish themselves in a new setting. Despite the unhelpful state resettlement policy, these people managed to reconstruct their social and

economic life by resorting to migration, initiate self-employment ventures, using development assistance available from the government and in other ways (Parasuraman, 1994). This case shows that people with a positive frame of mind who believe in their capacity to deal with problems can overcome any form of dislocation.

The challenges in reconstructing livelihoods are indeed formidable, especially where occupational change is involved. With the population continuing to rise at an alarmingly high rate, areas remaining suitable for resettlement are now hard to find. For resettlers, new area may therefore be quite unlike the setting in which they grew up in more ways than one: lands may not be as fertile, water may be different, infrastructure may be poorly developed, markets may be inaccessible, and hosts may be hostile. Moreover, in a new environment they may also find their skills less useful to flourish. Shifting people to a new site can probably be achieved in a short time, but establishing productive activities to restore, or increase, former standards of living are impossible within the normal period of an investment project. Until recently, economic re-establishment of resettlers has remained a neglected aspect of resettlement planning. It was often undertaken only when a crisis erupted. The reconstruction of livelihood of displaced can be possible when the project will involve the affected people right from the beginning in the preparation and implementation of a credible plan for restoration of their social and economic status.

2.8. Conclusion

This chapter has highlighted different issues and concerns revolving around the development and displacement scenario in India during the last 60 years and also has presented an overview of existing reconstruction measures. It shows that dislocation of people's lives by displacement became a problem in the colonial age. It was intensified after 1947 in the name of the national development, and has got further intensified because of globalization. Displacement is not on the wane. In fact, the planning process presumes that displacement is inevitable. There is an attempt to justify it as a cost of development, and to project it as an opportunity to improve the living conditions of the displaced. The oustees who bear the brunt hardly share the gains of development. Displacement caused by large development projects has actually resulted in a transfer of resources from weaker sections of society to

more privileged ones. This has generally been the case with India's development model. The large development projects, particularly mega dams, create victims of development-mainly tribal's and other weaker section of society. It can be said that the bigger the development project, the greater the centralization has a bias in favour of large landholders, rich farmers, engineers, bureaucrats and politicians. For a long time, it has been clear that those displaced by development initiatives have usually not benefited from them. Instead, they are more often impoverished, as they lose economic, social and cultural resources while the new benefits go to others. National governments typically have justified these projects by invoking larger goals of national growth and development. They appear to have believed that the greater good could justify losses among a small segment of the population. The approach to development has been called into question by many development practioners, human rights advocates and community at the micro level.

One of the most glaring examples of successive central governments shunning their responsibility has been, until recently, the lack of a national policy for those that have to forcibly displace "in the national interest". If a nation has to be developed it must be justifiable and fair from the common interest point of view. Compensatory policies should not be half-hearted and should provide a suitable environment, employment opportunities, education facilities and health care facilities for the displaced in the new settlement. It needs no further emphasis that involuntary resettlement programme be treated as a development activity in itself, rather than as a relief or salvage operation. This requires concerted efforts to move away from the R&R package to a development strategy that could help resettlers improve, if not restore, their livelihood. In the next two chapters, an attempt has been made to highlight the impacts and the key resettlement and reconstruction policies and processes in the two case studies in Orissa.

CHAPTER-III

DEVELOPMENT PROJECTS IN ORISSA: A CASE STUDY OF UPPER INDRAVATI HYDRO-ELECTRIC PROJECT

The last sixty years of Indian planning have witnessed an ever accelerating trend in building infrastructural projects under the aegis of the central and state government. In view of the widespread poverty, unemployment, inequality, poor social overhead capitals and regional imbalance, establishment of development projects is considered as a vital economic necessity. While the centre and states are proactively engaged in creating investment opportunities in resource development, the local people in resource-bearing states are concerned that the authorities may overlook local environmental and social responsibilities. The neo-liberal policies and liberalized investment rules are attracting foreign and Indian capital resources to most of the states in India (Baxi, 2008). Given their financial and development problems, most of the Indian states see the resources-minerals, oils, natural gas and hydropower-as key revenue and are demanding a greater share of the economic benefits of their development. The development projects proposed by the investors are considered as the perennial source of economic development. Most of the development activities projected as instruments of economic progress of the nation often proves to be painful for a section of the people.

Orissa, in eastern part of India, is a resource-rich state, known for its abundant mineral, forest, hydrologic and other resources. It has attracted large development projects from the beginning of the planning era in the early 1950s. The Hirakud Dam and Rourkela Steel Plant located in Orissa were among the first major projects undertaken in the early years of independent India. The state since then has witnessed a series of rapid development projects. Under the influence of globalization and because of its rich natural resources, Orissa is now fast becoming an attractive destination for gigantic corporations, Indian as well as multinationals, looking for investment opportunities. However, these projects have not benefited the local population as planned which has sizeable tribal segment. On the contrary, development interventions in tribal areas have cost these people heavily. People have lost their lands, habitats, livelihoods and in some cases displaced repeatedly (Mathur, 2008).

The displaced persons face several difficulties in adjusting their lives to an entirely new environment. Rehabilitation and resettlement of the displaced persons require special plans and emphasis on the part of the government to completely equip them with the opportunities they were enjoying and to eliminate the trauma of displacement. This chapter highlights the fact that with the growing pace of development under liberalization in Orissa how the intensity of displacement has also increased. The chapter makes an attempt to understand the politics of development and displacement in Orissa and then examined the impact of Upper Indravati Hydro-Electric Projects in Orissa. It focuses on aspects like displacement; resettlement and rehabilitation and experience of project-affected people due to Upper Indravati Hydro-Electric Projects in Orissa. It makes a comparative analysis of the pre and post-displacement conditions of displaced persons and assesses the extent of impact on social capital, natural capital, human capital, physical capital and financial capital and reconstruction of livelihood of displaced persons.

3. Politics of Development in Orissa

The state of Orissa in the east coast of Indian sub-continent, comprises of 4.74 per cent of the total land mass, and has an area about 155, 707 Sq Km². Orissa extends from 17° 49 N to 22° 34 N latitude and from 81° 29E to 87° 29E longitude on the eastern coast of India. It is bounded by West Bengal in the north-east, Chhattisgarh in the west, Jharkhand in the north, Andhra Pradesh in the south and the Bay of Bengal in the east. While more than two-thirds of the area is comprised of hilly forest, it has a coastline of 480 Kms. The state was formed in 1936 as a single linguistic entity with 13 districts, presently there are 30 districts in the state with the city of Bhubaneswar as its capital. Orissa is divided into three revenue divisions: Central, Southern and Northern. According to the 2001 Census records the total population of Orissa was 368, 05 lakh which constitute 3.58 per cent of the total population of the country. Orissa is one of the most backward states in India with a diverse composition. Orissa has been suffering from regional disparities and inequality despite many development projects and programmes. Even more than six decades after independence, some of the regions of this state are very backward and constitutes the largest proportion of poor in the country. The challenges rose by intra-regional disparities and their compounding implications on living conditions and governance are enormous. Orissa is marked as much

by disparities within the state, as by absolute deprivation. The regional disparities are substantial, appear mostly multi-dimensional, and have shown little signs of being reduced.

The overall economy in Orissa remains backward though it is rich in natural resource potential. The apparent reasons of underdevelopment in Orissa are conditioned historically. Prior to 1930s the Oriya speaking population was scattered under different presidencies, and it was only in 1936 a separate Orissa province came into being. The British Orissa constituted the conquered coastal belt (Mugalbandis) and 18 Tributary Mahals (Garjats). The former was under the direct control of British while the later was under feudatory chiefs. The British did not interfere with chiefs, rather protected them from foreign invasions. In return the chiefs maintained a huge British army by taxing the peasants. However, the province witnessed a series of an uprising, as the tribal people could not adjust with Muthadari system loaded with taxes. Consequently, the British were forced to amend the settlements and Zamindari system was introduced, which paid rent to the British directly. Thus, present Orissa political economy of development reflects its historicity. Further, there are untapped resources, widespread share cropping, unemployment, feudal strongholds, indebtedness, etc., cumulatively contributing to the underdevelopment in the state.

Nearly 85 percent of population of Orissa lives in rural areas and depends mostly on agriculture for their livelihood, whereas, urban population constitutes 15 per cent. Agriculture being the source of income and employment for 85 per cent of its people has never got priority. Officially, only about 34 per cent of the irrigable land benefits from irrigation facilities'. Hence, in hill forested tracts, rain fed agriculture and forest collection are the primary source of livelihood. About 45 per cent of the total area in the state is declared as Scheduled Area under the Fifth Schedule of the Constitution. The forest area in the state is 9963, 30 sq.km constituting 38 percent of the total area.³⁰ The cultivable land in Orissa has declined. In between 1980-2000, 26, 500 hectares of forest land were destroyed for mines and industries. In 1980s, 63 lakh hectares of land used for cultivation declined to 57 lakh hectares in 2005. In the same year, the cattle herding community (gochar) land

³⁰ The districts of Sundergarh, Mayurbhanj, Koraput and Rayagada, five entire subdivisions, viz., Keonjhar Sadar, Champua, Phulabani, Baliguda and Kuchinda, one full tehsil, i.e., R.Udaigiri, part of Suruda tehsil and five community development blocks, namely, Nilagiri, Thuamul, Lanjigarh, Gumma and Kashipur comprise the Scheduled Areas in Orissa.

declined from 8 lakh hectares to 4 lakh hectares (Samal, 2006). The annual monthly income of the majority of tribal households was between Rs. 4,000-6,000 while the official poverty line was 11,000 according to 1992 below poverty survey (BPL). The problem of economic backwardness of the state has assumed serious proportions. Besides, out of the total land of 79,339 hectares allotted for mining leases as on 31 December 2005, more than 50% is in forest area.

As per the 2001 Census data, 38.79 per cent of the total state population constitutes workers. The percentage of main workers and marginal workers are respectively 67.2 per cent and 32.8 per cent of the total workers. Women still lag behind their male counterparts in respect of working population. The proportion of male workers to female population in 2001 Censuses stood at 53 per cent and 25 per cent respectively. Pressure on agriculture still continues to be high in Orissa as revealed from the category-wise working population figures of 2001 Censuses. Out of the total workers 24.1 per cent are cultivators, 14.7 per cent is agricultural labourers, and 2.8 per cent engaged in household industries, and 25.6 per cent was other workers. However, there is a wide disparity among the districts in the state in respect of major demographic sections. Orissa has one of the lowest wage rates in the country. Between 1993-94 and 2003-04 unskilled wage increased by around 7.51 per cent per annum, while the skilled wage went up by 7.68 per cent (PRAXIS, 2002).

The economy of Orissa has been lagging behind the national economy by several decades. The long term growth rate of the state's economy during the period from 1985 to 1995 has been around 2.7 per cent, which is substantially lower than the growth rate of the national economy. The industrial dimension in Orissa is still bleak. The manufacturing sector employs only 7 per cent of workforce and less than 3 per cent of workers are in non-household industrial sector. Its per capita net state domestic product, a measure of average income, stood at Rs.20, 200. For 2006-07 which falls behind the national average by about 35 per cent. Moreover, the gross domestic product of the state grew by a considerable lower rate than many other states for a long time despite its high growth potential. The per capita income of Rs.200 of the state during the year 1951-52 at current prices has gone up to Rs. 9,162 during 1999-2000. In 2001, Orissa's revenue deficit reached the staggering figure of Rs. 2, 573.87 crores or 6.5 percent of the gross state domestic product (GSDP). Currently,

the state does not have funds to meet its salary, pension and interest payment and repayment liabilities since its total liabilities (Rs. 7,733 crores in 2001-2002) exceed its revenue receipts (Rs. 7,511 crores). The state's debt stock as of March 2001 stood at Rs. 21,072 crores or 51 per cent of the GSDP. Almost 73 per cent of Orissa's revenues went to the servicing declined from 40 percent of total state expenditures in 2000 to 24 per cent in 2004 (Haan and Dubey, 2005).

The regional disparities in poverty between Coastal and Non-coastal Orissa, shows that Southern districts have an extreme high level of poverty. State level income poverty data reveals that in 1999-2000 Orissa has become India's poorest state, supplanting Bihar that was still the worst in 1993-1994 but showed a substantial decline in poverty during the late 1990s. Orissa's poverty headcount stagnated around 48-49 per cent "between 1993-94 and 1999-2000", while at all India levels the headcount declined markedly. However, it has declined to 46 per cent in 2004. While rural poverty in coastal Orissa was 32 per cent, it was 50 per cent in northern Orissa, and a staggering 87 per cent in southern Orissa. It is estimated that poverty headcount in Puri district as 22 per cent, while in Koraput district it is almost four times as high (80 per cent). Orissa's poverty trend seems closely associated with the lack of economic growth in the state. The annual per capita state domestic product grew by 2.3 per cent between 1993-1994 and 1999-2000, higher than Bihar and Assam, but well below the Indian average of about 3.5 percent. The BPL households in 1983 were 65 percent, which has declined to 46 per cent in 2004; highest in India. On the other hand, the total BPL population was 1.54 crores in 1983, which increased to 1.78 crores in 2004 (ibid, 2005). Moreover, though a bit of poverty reduction might have taken place in coastal Orissa, there is no such reduction in northern Orissa-where several large scale manufacturing units have been set up in more recent years-and southern Orissa. The benefits of whatever poverty reduction might have been taken place have not been equitably distributed among the different social groups of a region (Panda, 2002).

Disparities between social groups, scheduled castes (SC) and scheduled tribes (ST) are as large as elsewhere in India, and the combination of regional and collective disadvantages make tribal people in southern districts of Orissa, particularly poor, arguably falling increasingly far behind the rest of the state and country's population, due to an overlapping

set of disadvantages (ibid, 2002). However, the situation in tribal areas has not changed even after 60 years of the implementation of community development projects. There is also high an incidence of poverty prevails among the ST and SC population in the state. The head count ration is as high as 76 per cent among the ST population and 50 per cent among the SC population in comparison to 37 per cent for OBC group and 23 per cent for others in 2004-05. The ST and SC population account for 60 percent of the number of poor in the state as a whole while their share in total population is STs and SCs respectively. What is more important is the fact that proportion of ST remaining below the poverty line has increased from 71 per cent in 1993 to 76 per cent in 2004. There is no change in poverty percentage among SC population between 1993 and 2004 (Government of India, 2004).

The average literacy rate in Orissa is 63.08 per cent during 2001, as against all India averages of 64.8 per cent. Male literacy rate is 75.95 per cent and female literacy rate is 50.51 per cent during 2001. According to National Family Health Survey-2 (NFHS), 82 percent of the female tribal population, 73 per cent of the scheduled caste women and 56 percent of other backward caste women and 34 per cent of other women were illiterate. The literacy level in the Southern districts remained around 30-35 per cent and female literacy below 25 per cent, while the districts like Cuttack, Puri and Khordha around 80 per cent. As per the 2001 Census, the rural population in Orissa is 31,287,422 (14.99 per cent) and urban population is 5,517,238 (85.01 per cent). As per the 2001 Census, the Scheduled Tribe (ST) and Scheduled Caste (SC) population constitute 22.13 per cent and 16.53 per cent of the state population. This is comparatively higher than all India figures of 16.20 per cent SC and 8.19 per cent ST population. However, it is interesting to note that although the percentage of SC population in the state has been increasing since 1981, that of ST population though marginally has been declining. The ST population which constituted 22.43 per cent of the state population in 1981 fell to 22.21 per cent in 1991 and further to 22.13 per cent as per the 2001 census. Considering the heavy concentration of ST and SC population in as many as 13 districts of the state a total 69613.80 Sq. Km² area which constitutes 44.70 per cent of the total state area has been declared as Scheduled Area of the state. Disparities between social groups similarly are not being reduced significantly. Adivasi suffers from accumulation of disadvantages related to the location and social group, and dalits face the kinds of discrimination that has been well-documented for other parts of state. The fact is that the

disparities have become more pronounced during the 1990s, with the processes of liberalization of economy, accompanied by structural adjustment (Currie, 2000).

As in any developing economy, the economy of Orissa has been going through structural changes away from agriculture in favor of industry and services. In the pursuit of growth based on a neo-liberal development paradigm in an era of heightened economic globalization, the Orissa state government has favored increased foreign direct investment in the development project and has relied significantly on the exploitation of natural resources for export-at the expense of environmental and local communities. The state is endowed with huge water and mineral resources having about a third of the country's iron-ore reserves, large bauxite, chromate, coal and dolomite (Somayaji, 2008). Thus, the state government has emphasized strongly on industrialization of the state to eradicate poverty, to open up employment opportunities to be educated and un-skilled labour, besides enhancing the state's revenue. The elites of Orissa, mainly politicians, higher caste land owners, traders and the urban middle class have always taken a pro-industry stand for rapid industrialization. In the general elections, both national and regional, political parties of the state have been giving false promises to provide jobs to growing number of unemployed educated youths. It may be recalled in early 1980s when the first case of child sale due to hunger and starvation was reported from Kalahandi, the then Chief Minister of Orissa announced 1000 industries in 1000 days to be set up. The public sector mega Aluminum plants were set up in Anugul and Koraput districts in the early 1990s. These two industries displaced more people than jobs provided. The displaced families got promises of employment but only of a few got lower grade jobs. The local political lobby recruits people of their choice, not the local displaced people (Das, 2003).

The state's new industrial policy 2001 is committed to radical reforms in the laws and rules guiding labour and employment, creation of employment opportunities, establishment of globally-competitive industry, restructuring of industry in line with changing market conditions and deter investment. The state's endeavours aimed at encouraging private investment at any cost have been vigorous. During the last five years, the state government has signed 43 memorandums of understanding (MoUs). Notable among them are international and Indian corporate giants, namely POSCO (Korea), Vedanta Aluminum

(UK), Rio Tinto (UK), BHP Billiton (UK-Australia), Alcan (Canada), Hindalco, Jindal, Tata and Sterlite. Mining projects worth 3,000 billion rupees have already been launched and projects worth a further. 11, 000 billion rupees are in the pipeline. The state also proposes to build two more ports in Dhamara and Gopalpur to provide investors with a gateway to international trade. The state has given lease 18 rivers and reservoirs for exclusive use by industry for its water intensive activities. Thus, Orissa is fast emerging as a major site of foreign direct investment and multinational development projects, which violates the rights of the indigenous population in the hill districts and mineral reserves areas of Orissa. (Sahoo, 2005).

In spite of huge investment in the state, agriculture has not changed. The exports of agriculture and forest products from the state fell by an average of around 20 per cent a year during 1993-94 to 2003-04, mineral and metallurgical export went up annually by around 14 per cent to 17 per cent each and Orissa's traditional handloom and handicrafts sector has been falling annually by an average rate of 26.6 per cent. Between 1993-94 and 2003-04, the number of workers employed by mining industry fell across all districts except the industrial districts, which along with the non-industrial districts showed a higher average annual increase in output are concerned. The average annual increase of 57.49 per cent for non-industrial districts is far higher than those for mining and industrial districts. A study conducted by the World Bank revealed that 470-odd projects in Orissa in 2007 would entail an investment of Rs. 5,60,000 crore and were expected to generate, in six years, an income of Rs. 1,40,000 crore and employment of 1.2 million persons (Panda, 2002).

The corporate houses claim that they will share the responsibility of livelihood and social security of the displaced people but this has not happened. It is estimated that some 3 to 5 million people have been displaced since 1950 in Orissa on account of various development projects, of which more than 50 per cent are tribal's, and the expected displacement in the coming decades also is expected to affect tribal's disproportionately. The process of development has reduced them to ecological refugees, victims of strategy growth and the promise of employment and prosperity has remained elusive (Kothari, 2006). The continuing disparities between social groups also appear the result of social practices of discrimination, and that development has not reached remote areas and tribal groups. The

history of displacement and lack of adequate resettlement and rehabilitation similarly illustrates that deprivation has been the result of exploitative social and economic processes. The following section explores how displacement has become a major phenomenon of development activities in India in general and in Orissa in particular.

3.1. Politics of Displacement in Orissa

Displacement is not politically neutral. It arises out of a clash of ideologies, on one side, the value systems of traditional cultures, where relationships with land and community are important than money, another side, an ideology of industrialization-as-development, in which market forces and swift financial profit override other values (Padel and Das, 2008). It has been argued that state has always served the interests of industrial capital. Modern state has been an instrument of large scale industrialization that has alienated the people from their own natural resources. The system of state monopoly over natural resources prevalent in Orissa is considered by activists as a shining example of both the capitalist and socialist models of development. The market forces used state control over resources to favor an elite class that dominates the over the rest of society.

The State of Orissa occupies unique place among the under-developed States in India due to large concentration of tribal population. In spite of being a relatively backward state in economic development, Orissa possesses a vast quantity of mineral, water and forest resources. The development activities in Orissa began in the late 1940s; it got momentum in the early 50s with the introduction of the Paradeep Port plan. The major development projects which induced large scale displacement in the state are the industrial project, such as the Rourkela Steel Plant, the Hindustan Aeronautics Limited (HAL) and the National Aluminum Company (NALCO); multipurpose dam projects like Hirakud, Rengali; Upper Kolab, Upper Indravati, Balimela, thermal projects like Talcher Thermal Power Station, Ib Thermal Power Project and Talcher Super Thermal Power Project, and the coal mining projects in the Talcher and Ib valley coal mining areas; etc. Thus, the state is being overwhelmed by all kinds of development projects in the last century (Somayaji, 2008).

The State of Orissa in the process of development has been experiencing the grim truth of displacement due to development projects. As a consequence of these developmental

activities thousands of acres of agricultural, common and forest land were submerged, dug or destroyed and a large number of people were displaced. A glaring revelation of displacement in the state is that a significant number among the displaced people is the tribals, and other economically marginalized rural people, who had depended upon the natural resources for their livelihood. The total number of displaced people in Orissa during 1951 to 1995 on account of various projects is approximately 5, 46,794 out of whom 3, 25,000 accounts for dam projects only. It has been estimated that in Orissa some 14 lakh people, most of them adivasis, have been displaced by the development projects so far (Pandey, 2008). One of the major dam projects in India, i.e. Hirakud, built during 1950s caused the largest displacement in Orissa. The total number of displaced and rehabilitation from 1951 to 1991 in Orissa is given in the following table:

Table.3. Displacement and Rehabilitation Situation in Orissa, 1951-1991

Category	Displaced	Resettled	Percentage	Backlog of settled	Backlog in Percentage
Dams	3,25,000	90,000	27.69	2,35,000	72.31
Industries	71,794	27,300	38.03	44,494	61.97
Mines	1,00,000	60,000	60.00	40,000	40.00
Misc.	50,000	15,540	31.08	34,60	68.92
Total	5,46,794	1,92,840	35.27	3,53,955	64.73

Source: Fernandes and Asif, 1998.

3.1.1. Dam and Displacement in Orissa

Dams in India have been built in the last fifty years as a part of its ‘modernization’ drive. Without big dams, India would have been a thirsty and hungry land, a dark land ravaged with floods and droughts every year. Big dams like Bhakra-Nangal, Hirakud, Nagarjunsagar, Narmada, and Damodar have been catalysts of India’s economic and social progress. These dams, Jawaharlal Nehru called them the ‘Temples of modern India’ (Cullet, 2001). Given the impact of dams in India, they have become synonymous with submergence and displacement of people. Over the last 60 years since independence, high dams in India have become more and more socially unjust, economically non-viable and environmentally

disastrous. India is one of the largest dams building nations in the world. There are presently 4291 dams in India, 3596 have been built and 695 are under construction (World Bank, 2000). One of the appealing facts about dam building in India is the absence of database on the performance and impacts of large dams. Major and medium irrigation projects have consumed almost all the irrigation budget of independent India, which is over Rs. 80,000 cores (Kothari & Thakkar, 1998).

Hydroelectric and irrigation projects are the largest source of displacement and destruction of habitat. Big dams lead to displacement of population under the rising water reservoir. Those displaced persons indeed pay a heavy cost by being uprooted from their permanent habitats. It has been pointed out that a large majority of those displaced belongs to poor and deprived classes. Almost 40 per cent of those displaced by dams belong to the Scheduled Tribes (Kothari, 1995), and another 20 per cent belong to Scheduled Castes (Fernandes & Chaterji, 1995).

Immediately, after independence, Orissa experienced population displacement with Hirakud Dam (1952). Construction of Hirakud dam opened a new age in the socio-economic history of Orissa, with enormous displacement of people, large scale submergence of residential villages, fertile cultivable land and rich forest (Baboo, 1992). Since then, a series of mega projects has been initiated. The construction of the Hirakud dam in the western part of Orissa, affected 285 villages, 22,144 families, 18,432 houses and 112,038.59 acres of cultivated land, which were submerged in the Hirakud reservoir. Several studies have found that 20 lakh people are affected by different projects in Orissa until 2000 out of which, 5 lakh people are disrupted physically from their habitats. About 70 medium and major irrigation dam projects, either completed or ongoing in Orissa, have displaced about 3.5 lakh (70 per cent) people so far (Ota, 2001). It is apparent, that dam projects are the biggest cause responsible for population displacement. The most serious consequence of displacement for the tribal people has been the dispossession of land, both agricultural and homestead, along with the loss of their traditional occupation. The tribal in most cases have been deprived compensation and rehabilitation benefits as per the LAA of 1984, because they often do not possess legal documents to prove their ownership rights on their land, they occupied and earned their livelihood for centuries together.

Table.3.1. Human displacement due to multipurpose and other projects in Orissa

Name of the project	General	SC	ST	Total Families
Hirakud	N.A	N.A	N.A	21, 144
Balimela	N.A	N.A	N.A	1,200
Salandi	32	5	352	389
Rengali	8015	1710	1172	10, 897
Upper Indravati	1, 557	338	1, 630	3, 525
Upper Kolab	1, 308	442	1, 421	3, 171
Total	10, 912	2, 495	4, 575	41, 326

Source: Fernandes and Naik, 2001.

The magnitude of displacement mentioned in the above table shows the seriousness of displacement in Orissa and thus draws a special attention.

3.2. Upper Indravati Hydro-Electric Project: An Overview

In 1950, during the rule of Gajapati Princely States, the King (Raja) and Ruling Chief of Kalahandi State in Orissa contemplated a project on the Indravati but this could not materialize due to limited resources of the state. After the formation of Orissa as a state, the Government of Orissa took up the question, and systematic investigation was started in the year 1959. In May 1960, the master plan of this project was considered and was planned to start in 1973 and to be completed in 1981. The project was given the present shape in the 1969 report, which was presented before the Krishna Godavari Commission, an inter-state river water dispute commission. This Commission was set up to consider the river water distribution between the states of Orissa, Andhra Pradesh, Madhya Pradesh and Maharashtra. The Upper Indravati Project got the approval of the Planning Commission in 1978 and in 1979 the State Government cleared it. In 1983-84, the project started with financial assistance from the World Bank.

The Upper Indravati Hydroelectric Project of Orissa was initiated by the Government of Orissa with the financial assistance from the World Bank. It is the first major scheme taken up in perennially draught affected Kalahandi district of KBK region of Orissa. The Upper Indravati hydroelectric project is located in southern Orissa state on the tri-junction of

Koraput, Nawarangpur and Kalahandi districts. It lies between 18°5 N and 20°0 N latitude and 82°30 E and 83°10 E longitude. The total reservoir area is about 12,865 hectares. The catchment's area of the project is 2630 sq.kms. The Upper Indravati multi-purpose project consists of (1) an irrigated reservoir system with a gross storage capacity of 2300 Million Cubic Meter (2) Hydro power generation system with 600 MW to generate 1,972 MU and electricity annually (3) an irrigation net work for 1, 28 lakhs hectares of agriculture land in the Dharmagarh subdivision of Kalahandi district. The estimated cost of the multi-purpose project is total of Rs. 1588.06 cores. While the reservoir has been formed in the valleys of river Indravati and three of its tributaries in Godavari basin, water is diverted to a barrage on Hati in Mahanadi basin for irrigation purpose. The project comprises of three main canal systems, four dams, eight dykes and two link channels. When it completed, the composite reservoir with an area of 110 km² will come up due to the construction of two earthen dams across the Podaguda and Kapur rivers, with 1500 Million Cubic Meter live storage and 800 Million Cubic Meter dead storage. The reservoir has a maximum depth of 71m and an average depth of 21m. The reservoir is approximately 43 Kms long in the NNE-SSW direction and 9 Km wide at its widest point.

3.2.1. Displacement and Rehabilitation in the UIHE Project

A composite reservoir, with an area of about 110 Sq Km, is planned after the completion of two concrete dams across the Indravati and Muran rivers and two earthen dams across Pedagad and Kapur rivers, eight dykes and two link channels. Due to construction of the dams and formation of a reservoir, a total of 5463 families displaced from 74 villages, i.e. 18 from Nawarangpur, 13 from Koraput and 43 villages from Kalahandi, covering population of 18,500 and the total numbers of Project Affected villages are 105. Both agricultural land and homestead lands of these villages have been acquired and compensation paid to the affected persons. A land area of 32, 530, 87 acres have been acquired from the two districts. The reservoir of this project not only caused displacement, but also caused disturbance to the communication structure and to a few small-scale industries. Most of the displacement persons are the illiterate tribals living in the forests. The displacement of these affected persons in the project was done in four phases: first phase in 1989, second phase in 1990, third phase in 1991 and fourth phase in 1992.

An area of 4, 971 acres was identified for the establishment of rehabilitation colonies of Upper Indravati Project in Sasahandi area in Jeypore sub-division coming under ayacut of Upper Kolab Project. The infrastructure works were taken up in three camps as per government rules. Another patch of more than 300 acres was identified in Talajaring area under the proposed ayacut (submerge area) of the Upper Indravati Project in Kalahandi district. Since displaced persons did not opt to avail themselves of the resettlement in government sponsored colonies, the idea of establishing colonies in these two places was abandoned. However, two small patches were identified to resettle twenty-eight displaced families who were interested in it. Others were given cash compensation as they opted for it and preferred individual resettlement. A total of 5463 displaced families have been settled in 560 cluster villages of various sizes in twenty blocks of five districts, viz. Kalahandi, Koraput, Nawrangpur, Rayagada and Malkangiri. The R&R Unit provided people absolute freedom to choose their place for resettlement. Since the process of evacuation and resettlement of the displaced families in this project has been most orderly and successful one, it can be considered one of the models for emulation for resettlement.

3.2.2. Displacement and Land Acquisition in UIHEP

The Land Acquisition Act of 1994 forms the basis for acquiring land and other immovable properties required by the state for a public cause. This has aroused significant amount of public debate and the victims of the project had questioned the intensity of the eminent domain theory of the state. As per Section 4(1) of this Act, notification was published in official Gazette and in two of the local daily newspapers. Concerned villagers were also notified by attaching notices in public places. The procedures adhered to be stipulated in the LAA. The Act stipulated payment of all compensations by cash only and hence this was followed in UIHEP. The land value was assessed on the basis of value of land for the previous three years. Another cost of 30 per cent was added to it. An annual interest of 12 per cent was given for the period of delay in payment of compensation commencing from the date of publication of notification under section 4(1). And an additional interest of 6 per cent per annum was paid for further delay after the Land Acquisition officer had taken possession of land. Besides the agricultural land, acquisition of homestead land, house, trees, wells and tube wells have also been compensated. In addition to private land and other

immovable properties, revenue land, forest land and village common land were also acquired by the Government by the principle of “Alienation of Government Land”.

3.3. Profile of Displaced People by UIHE Projects

The State of Orissa occupies unique place among the under-developed States in India due to large concentration of Scheduled Tribes and Scheduled Caste population. The entire area of Koraput, Nawarangpur and Kalahandi district of UIHE Project is predominantly inhabited by these populations. These districts are declared as a Scheduled Area, and constitute 40 per cent of the total Schedules Areas of the State. The displaced people in the UIHE project data showed that, out of 151 heads of the households interviewed, 55 per cent were Scheduled caste and 45 per cent were Scheduled tribes. The groups genuinely tribal region has been most affected by the process of development are the Kandhos and Santhals.

Table.3.2. Social status of the respondent of rehabilitated families of UIHE Project

Caste	UIHEP
SC	54.96
ST	45.04
Total	100.0 (151)

3.3.1. Sex Status

In the UIHE Project region, as a whole the proportion of women to men is low. This is due to higher level of female mortality during child birth and the harsh treatment accorded to girl children, which is no different from that to be seen elsewhere in other parts of Orissa. Out of 151 heads of the households interviewed, 82 per cent were male and 18 per cent were female. Though the percentage of the female head of the households is very low in the sample, but analyzing the Indian conditions where maximum households are male dominated, i.e.; patriarchal, this figure seems to be reasonable.

Table.3.3. Sex status of the respondent of rehabilitated families of UIHEP

Project	UIHEP		
Sex	SC	ST	Total
Male	81.0	91.17	82.72
Female	19.0	8.82	17.28
Total	100.0 (83)	100.0 (68)	100.0 (151)

Note: 83 SC Resettled Household Respondents, 68 ST Resettled Household Respondents, Total-151 Resettled Respondents.

3.3.2. Marital Status

The following table 3.4 shows that, near about 85 per cent were married in the UIHE Project area and remaining 14 per cent were unmarried. Though there is not much change observed during the whole interval of displacement, a close look at the data collected from the field reveals that the number of unmarried persons has slightly increased in the UIHE Project after resettlement. In other words, we can say that the rate of marriage has decreased after inception of the project, may be due to break up in joint family values and ideas.

Table.3.4. Marital status of the rehabilitated respondent of UIHEP

Project	UIHEP		
Marital Status	SC	ST	Total
Married	81.0	80.0	85.43
Un-married	19.0	20.0	14.57
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.3.3. Literacy Status

If we compare the education level of the family members, we find that it has improved a lot. In the UIHE Project area, near about 66 per cent were illiterate, 31 per cent had education of 'below class 5th' and only 3 per cent had studied up to intermediate. After resettlement the

education level has increased in these regions, with the facilitation of education in the resettlement areas.

Table.3.5. Educational status of the respondent of rehabilitated families of UIHEP

Project	UIHEP		
Education Status	SC	ST	Total
Illiterate	55.32	80.0	66.22
Up to V	39.68	20.0	31.14
Up to X	5.0	----	2.64
Degree& Professional	----	----	
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.4. Resettlement and Livelihood Assets in UIHE Project

Displacement and resettlement cause serious economic, social and cultural disruption. However, the process of resettlement in any projects is always associated with pains and pleasures of the affected people. It will incur both benefits and losses, though in many cases the initial harms and stresses and strains experienced by people evicted and resettled by different development projects. It de-capitalizes the affected population, imposing opportunity costs in the form of loss of natural capital, loss of manmade physical capital, loss of human capital and loss of social capital. As long as these capitals are not fully returned, cost externalization, the bane of sound development economics, occurs on a vast societal scale. The improvement in the conditions of living and working environment of displaced families calls for the creation of social amenities and revival of economic activities. In this context, various aspects related to resettlement such as, consequences of leaving the ancestral villages, problems in new places, satisfaction with rehabilitation measures, satisfaction with follow-up service, satisfaction with infrastructural facilities, change in economy and occupation, changes in intra-family relations, etc. need to be examined for understanding the effectiveness of the programmers taken up by Upper Indravati Hydro-Electric Project.

3.4.1. Resettlement and Impact on Physical Capital

Physical capital comprises the basic infrastructure that needs to support livelihoods. The important components of infrastructure, which are usually essential for sustainable livelihood, are affordable transport, secured shelter and building, adequate water supply and sanitation, clean low-cost energy and access to information. The prime objective of rehabilitation has been to replace lost assets.

3.4.2. Satisfaction with Rates of Compensation

Payment of compensation to the affected people is one of the important aspects of rehabilitation. Many studies have focused on inappropriate payment of compensation by the project authorities and subsequent wastage of the compensation money by the oustees. The UIHEP recipients of compensation have generally no complain about the under valuation of their assets, like depreciating land values. The analysis of the compensation amount received shows that 151 household or 100 per cent of total sample households received cash compensation. Each project affected families whose house has been acquired were allotted a site free of cost but only the families below the poverty line (BPL) has been given a one-time fixed grant of Rs 25, 000 for house reconstruction. Land losers have been given one-time grant of Rs 10, 000 per ha for land development and Rs 6000 per family for agricultural production. Each rural artisan, small trader and self-employed project affected families (PAFs) got financial assistance of Rs 10, 000 for construction of shops or working sheds and small scale business. As regards, satisfaction with the rates of compensation, the opinion is divided. The opinion of the respondents at the level of satisfaction is presented in the following table:

Table.3.6. Level of satisfaction with compensation money

Project	UIHEP		
Status	SC	ST	Total
Satisfied	59.0	62.0	60.26
Un-Satisfied	41.0	38.0	39.74
Total	100.0 (83)	100.0 (68)	100.0 (151)

Private land owners were compensated for their houses, trees, wells, ponds, etc. in cash. For a fair assessment of the assets acquired, a particular asset was classified into different types, and the compensation was calculated based on their market values. Recipients of compensation of UIHE Project showed that more than half (60 per cent) expressed satisfaction, while the other 40 per cent expressed dissatisfaction. In fact, they felt that the rates determined according to the market value, and that's why most of the oustees after displacement could buy the required lands for agriculture, and thus it helped them to be as an average land holder after displacement.

3.4.3. Utilization of Compensation

For various reasons, like scarcity of irrigated land, the land for land could not be adopted, and cash compensation was paid for acquired properties. A majority of the population in the project area belongs to Scheduled Tribes and Other Backward Castes. While the tribes generally stay away from the mainstream, SCs and OBCs mostly depend on wage employment and providing services as required by the local village community. These backward communities, especially the tribal people are relatively unexposed or under exposed to monetary transactions. Further since the greater part of the rural economy was based on the barter system, people were not well accustomed to managing cash. The most important question that arises; here is whether the displaced persons could use their compensation properly by acquiring productive assets and/or for self employment purposes. Such utilization expected to minimize the effect of dislocation as their economic living. Quite often project outsees, particularly from among the scheduled population and other poorer sections tend to squander away compensation money. As a result, their economic condition deteriorates bringing negative consequences on their future living.

Therefore, to understand the post-rehabilitation assistance period and post-displacement living conditions of displaced persons it is necessary to study the utilization of compensation as shows their attitude towards monetary transactions and will also provide indicators for future course of action required for their proper resettlement and rehabilitation. The compensation amount received by the families was deposited either in the post offices or in the banks. Most of the people had taken the compensation, and they were satisfied with the

amount given. The amount was spent for buying or developing agriculture land, purchasing daily necessities, repayment of old debts, purchasing household items, etc. Here, UIHE Project has a mixed impact on Physical assets.

The following table on utilization of compensation shows that with the proper guidance by the UIHE Project officers and local NGO Agragamme, about 44 per cent resettled people has purchased agriculture land to continue cultivation as a livelihood asset. This reflects their attitude to acquire more immovable property by investing the compensation amount to restore the sustainable livelihood. The percentage of purchasing household items is near about 26 and rest on 13 per cent displaced people used the compensation money in own consumption and 15 percent spent on other social functions.

Table.3.7. Utilization of compensation money by the respondents of UIHEP

Project	UIHEP		
	SC	ST	Total
Way of spending Compensation			
Purchase of agriculture land	36.14	48.52	44.0
Purchase of household items	26.50	26.47	26.39
Own consumption	14.45	10.29	12.51
Deposited in Bank	NA	NA	NA
Repayment of loans	7.22	NA	4.0
Social function	15.69	14.72	13.10
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.4.3. Satisfaction with the Utilization of Compensation

Regarding the opinion about the way of spending compensation money, it is found that around 70 per cent of the recipients in UIHE Project area are satisfied, while it is only (29 per cent) people are not satisfied with the utilization. Thus, the analysis of satisfaction regarding spending of compensation money reveals that the UIHE Project affected people are relatively more satisfied with their way of spending because of good follow-up service was provided by the project.

Table.3.8. Satisfaction level regarding the way of spending compensation

Project	UIHEP		
If satisfied with way of spending	SC	ST	Total
Satisfied	71.09	67.65	70.53
Dissatisfied	28.91	32.35	29.47
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.4.4. Quality of Houses

In the resettlement colonies, PAPs had to build new houses to reinitiate their life. Questions were asked to evaluate their quality of the house and also whether it was better what they had earlier in the village. The observed data shows that before displacement, 63 per cent the major house type was kutch in the UIHE Project area and after displacement it has reduced to 37 per cent because most of the resettled people used house construction compensation money in constructing pucca house. Before displacement only 4 percent and 14 per cent people had pucca and semi-pucca house but after resettlement near about 20 per cent and 32 per cent displaced people have pucca and semi-pucca house. The data shows that the quality of the house has developed after the resettlement. Through joint ownership of houses has also been considerably reduced after displacement, and this indicates that the displaced persons prefer a nuclear family to a joint family.

Table.3.9. Quality of house of displaced persons of UIHEP

Project	UIHEP Before Displacement			UIHEP After Displacement		
	SC	ST	Total	SC	ST	Total
Kutch	66.65	58.01	63.17	34.34	39.70	37.74
Thatched	14.35	26.11	16.25	7.63	10.29	10.0
Pucca	8.23	4.31	6.32	24.81	17.17	19.86
Semi-pucca	16.77	11.57	14.36	33.22	33.84	32.40
Total	100.0 (83)	100.0 (68)	100.0 (151)	100.0 (83)	100.0 (68)	100.0 (151)

3.4.5. Landholding and Property status

Land is another important physical asset in rural areas. Agriculture is the main source of livelihood and possession of land and other immovable assets of a person residing in the village also reflect his prosperity. The following table 3.10 shows that the prime assets have drastically increased in the territory after displacement. In the UIHE Project before displacement 41 per cent respondent had an only house. After displacement, it has increased up to 46 per cent and before displacement 43 per cent families had land, less than five acres, which has gone up to 50 per cent after displacement, because most of the people utilized their compensation money in buying, land to restore their occupation of cultivation.

Table.3.10. Property status of the respondent rehabilitated families of UIHEP

Project	UIHEP			UIHEP		
	Before Displacement			After Displacement		
Property Status	SC	ST	Total	SC	ST	Total
Only House	54.64	36.13	41.01	50.60	34.71	45.70
1 to 4.9 acre	40.55	45.0	43.03	47.0	59.37	50.30
5 to 9.9 acre	4.81	12.30	11.27	2.40	5.92	4.0
10 to 14.9 acre	----	6.57	4.65	----	----	-----
15 and above acre	----	----	----	----	----	----
Total	100.0 (83)	100.0 (68)	100.0 (151)	100.0 (83)	100.0 (68)	100.0 (151)

3.5. Resettlement and Impact on Financial capital

The most common aspects of development projects are generation of employment opportunities, increase in levels of production, rise in income and consumption levels, and development of infrastructural facilities and prosperity of the nation as well as a good relation with the local host communities, on whose land the project is constructed. In the eyes of the planners, the adverse impact of displacement in a host population becomes negligible because it benefits the society on a far greater level. The social cost of development mostly bears with it the economic price also. Social and economic aspects of society are so much interwoven that economic prosperity is extensively considered as the

social upheaval and, on the other hand, if a community is progressing on the social ladder, it is equated with the economic advancement.

An attempt has been made in the following section to study the measures taken by the UIHE Project towards economic rehabilitation. It analyses whether the economic aspects move ahead the social aspects on the development scale and pose financial betterment for the displaced families. The following table has highlighted the occupation status of the project affected people before-displacement and after-displacement period. Before displacement (53 per cent) people were worked as wage labours in others own land and after displacement it has decreased to 24 per cent. The occupational rehabilitation under UIHE Project has been realized by land development. Land development is an expensive affair and the amount to be spent on this activity depends upon the nature of land and with the help of project officers, there is slightly decrease in this occupation basically among the scheduled castes because most of the resettlers invested compensation money in business.

However, in the case scheduled tribe before displacement only 36 per cent were cultivators and after displacement it has increased to 47 per cent. The efforts were made to motivate landless displaced persons to start various self-employment programmes like the leaf plate making, pottery, and small petty business. As a result, before displacement only 5 per cent had some small business, which after displacement has increased near about (28 per cent) particularly non-tribal showed a courageous response. Many of them, due to lack of skill have found unskilled jobs, which include bearers, sweepers, attendants, and mazdoors and about 8 percent got different jobs in the project area.

Table.3.11. Occupational status of the respondent rehabilitated families of UIHEP

Project	UIHEP Before Displacement			UIHEP After Displacement		
	SC	ST	Total	SC	ST	Total
Wage Labour	50.60	60.70	53.0	21.70	29.43	24.42
Cultivator	42.18	36.30	41.74	33.73	47.05	40.0
Business	7.22	3.0	5.26	31.32	23.52	28.0
Service	----	----	----	13.25	----	7.58
Total	100.0 (83)	100.0 (68)	100.0 (151)	100.0 (83)	100.0 (68)	100.0 (151)

3.5.1. Household Income pattern

A marked difference could be observed in the average annual's income of the displaced persons during pre and post-displacement periods. The income level also differed according to the economic and social status of the household. A comparison was made between the two periods by grouping households. This has been done by grouping household into various income groups and caste categories. This gives a clear picture of the impact of displacement on these people. Table.3.12 shows the improvement in distribution of income in the post period over the pre period displacement.

Table.3.12. Income status of the respondent rehabilitated families of UIHEP

Project	UIHEP Before Displacement			UIHEP After Displacement		
	SC	ST	Total	SC	ST	Total
500 to 1000	20.49	29.43	33.59	9.63	8.57	9.27
1000 to 5000	30.12	17.64	15.34	18.07	18.11	18.54
5000 to 10,000	36.14	42.64	39.07	46.98	56.72	50.34
10,000 to 25,000	13.25	10.29	12.0	25.32	16.60	21.85
Total	100.0 (83)	100.0 (68)	100.0 (151)	100.0 (83)	100.0 (68)	100.0 (151)

The above table points out that in UIHE Projects the proportion of families below the poverty line has been reduced from the pre to post displacement periods, at the same time a higher proportion of the families is now coming under a higher income slab in comparison to the pre-displacement periods. In UIHE Project near about 57 per cent families' income has gone up from 5000 to 10,000 in the post-displacement period and about 22 per cent families income has raised from 10,000 to 25,000/-. The increase in income may be attributed to the fact that displaced persons are not only practicing cultivation on newly purchased land but also on the acquired land which is yet to submerge. It is also observed that due to construction activities in the project, service in project area, employment as laborers is plentifully available, which was not so frequently available in the pre-displacement period. Apart from these two, another reason could be interests received from the compensation and rehabilitation assistance money, which is in fixed deposits in most cases.

3.5.2. Consumption Pattern

The studies of the expenditure on daily necessities, as well as periodic requirements of the displaced persons are essential for an assessment of their economic status as affected by the development projects. Household budgets are an important criterion in this context, as every fluctuation in it indicates the changes in the economic and social priorities of the affected families. In the case of the tribal population, for instance, before displacement they were used to an economy based on barter, while in the present situation, they have been exposed to the temptations of the market economy, and they spend lavishly on conspicuous consumption. The same is also true for other castes too. Now they have to buy their essential from the market, unlike the past, where they could get most of it free from their rural environment. Often without a permanent source of income or meager income, it becomes increasingly difficult for them to meet the daily needs of the family. Consumer expenditure is one of the important indicators for measuring the living standards of a population. The high consumer expenditure signifies economic prosperity. It is already pointed out that the income of the affected people in UIHE Project area has shown a substantial increase. The rise in income has caused changes in the consumption level. The analysis shows two extreme changes in consumption levels. While a majority 68 per cent in UIHE project area

has increased overall consumption level and only 12 per cent respondent expressed the decrease of consumption level after resettlement. The change has been measured here in terms of intake of six important items, viz., rice, wheat, vegetables, fruits, milk and meat/eggs.

Table.3.13. Changes in consumption level of respondent of UIHEP

Project	UIHEP After Displacement		
	SC	ST	Total
Consumption			
Increased	68.69	67.66	68.22
More or less same	19.27	19.11	19.20
Decreased	12.04	13.23	12.58
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.6. Resettlement and Impact on Social Capital

In the sustainable livelihood framework, social capital is taken to mean the resources which people have drawn upon in pursuit of their livelihood objectives. The next step is quantification of the social and cultural losses of DPs/PAPs suffer. This takes us back to what we have stated about land in general and common property resources (CPR) in particular-that these are not merely material assets of the rural poor, particularly tribal and other backward communities. As a result, their loss results in the breakup of family and community institution and changed lifestyles. It has no ambiguity that the displaced persons face a traumatic situation from being uprooted from their native laces. Therefore, their adaptability to the resettled environment has utmost importance. Equally important is the reciprocation of the hosted population to the adaptability of the displaced persons. The survey, both through quantitative and qualitative data/information gathering, tried to capture the reasons for opting the resettled cluster and the perception of both the displaced persons and the host population regarding the relationship with each other's and because of their co-operating and facilitating each other in agriculture mode of production. Most of the displaced people of UIHE Project chose their own location area, which helped them to cope with all these problems combined together.

3.6.1. Relation with Host Population

More than 96 percent households of UIHE Project mentioned that they had opted for the cluster on their own. The major reasons cited by the respondents were: (a) Relatives are staying in the cluster; (b) Easy accessibility to forest for collection of minor forest produce; (c) Access of agricultural land; (d) Influenced by the selection of the fellow displacement persons and (e) Nearer to the submerged village. The remaining respondents mentioned that the reason like “proximity to the market”, more employment opportunities of wage labour, “and availability of health facilities”, “better irrigation facilities” and “better educational facilities” are important aspects in the resettlement area. The project area wise data shows that among UIHEP resettlers, about 82 per cent expressed satisfaction in friendliness and extent of help from the host community. Whereas near about 77 per cent resettlers expressed that they are equally using the CPR and have cordial relation in bad and good times and participation in social function has been increased up to 93 per cent, which helped to overcome the trauma of alienation. It has also been reported that during the initial stages of their stay in the clusters, more friends and relatives used to visit them for extending help and assisting in various helps.

Table.3.14. Perceived relationship of displaced persons with host population

Project	UIHEP		
	Yes	No	Total
Equally observing social function	82.12	17.88	100.0 (151)
Using CPRs equally	76.82	23.17	100.0 (151)
Helping in bad and good times	86.09	13.90	100.0 (151)
Participation in marriage and funerals	92.71	7.28	100.0 (151)
Caste and Religion feeling	74.17	25.82	100.0 (151)

3.6.2. Secure at Relocation area

Security signifies a state where there is no threat of outside invasion and the residents of the locality feel comfortable in the presence of the acknowledged surroundings. Peace and ease of mind always take place in the presence of friendly environment and with the co-operation of the neighbors. Generally, in closed knit places like villages, those living in close proximity are supposed to be relatives, even though not attached with blood ties. However, forced relocation tore apart the social and economic base of the self-dependent and self-reliant village community, and people had to face various problems in the new setup. From the following table, it is apparent about 86 per cent respondent of UIHE Project felt very secure because those living in close proximity are supposed to be relatives of the residents relocated in the resettlement colonies are happy with the scenario presently available for there.

Table.3.15. Respondents view on secure at relocation site

Project	UIHEP		
Feeling	SC	ST	Total
Yes	86.74	86.77	86.75
No	13.26	13.23	13.25
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.6.3. Intra-Family Relationship

The inter-family relationship also started changing after they moved to the resettlement colonies. Near about 65 per cent of the sample respondents of UIHE Project stated that the inter-family relations did not change much, while about 18 per cent expressed that such relations improved in the new settlements because of the agricultural and house building activities requiring division labour and co-operation among the family members in carrying out the work. In most of the families, the relationships were said to be the cordial and only 15 per cent respondent replied to that their inter-family relationships suffered from more strains in the new places.

Table.3.16. Intra-Family relationship after displacement

Project	UIHEP		
	SC	ST	Total
Improved	19.27	17.64	18.54
Same as before	62.65	69.11	65.56
Strained	18.07	13.23	15.89
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.6.4. Impact on Women

In agronomy society women has been ample of work attached to the land and house. They are feeding their cattle, picking wood from the forest, working in the agricultural land and had been other allied with household activities. They are working at shoulder to shoulder with their husbands and assisting them in all their requirements. In a way, women are pillars of strength for the house as well as for the men folk living in the society. However, in the new economic system, due to acquisition of agriculture land and the destruction of the village set up, women had no work to do. Women have become idle and dependent. This led to sharp decline in the status conferred on the women, from what they enjoyed earlier. However, the following table shows that the present household status is showing a very dismal picture of activities associated with women. Near about 58 per cent respondents of UIHE Project had mentioned that the forced displacement has not impacted on women health. There were 67.54 per cent families of UIHE Project reported that there is no serious problem of space and sanitation in the new relocation area and about 61 per cent resettlers expressed the increase of employment. With the rising level of education and increasing standard of living in the area, the aspirations of women for independent income have gone high. This has inflicted in them desire for taking up jobs in projects and other self-organizations. Due to continuous interaction with people from outside, the dress pattern among the women has also changed to a significant extent.

Table.3.17. Respondents view regarding impact on women after rehabilitation

Project	UIHEP		
	Yes	No	Total
Impact on Women			
Health Problem	41.72	58.27	100.0 (151)
Space and Sanitation	32.45	67.54	100.0 (151)
Poverty and Un-employment	39.07	60.92	100.0 (151)
Drug and Liquor	14.56	85.43	100.0 (151)

3.7. Resettlement and Impact on Human Capital

In the reconstruction livelihood framework, human capital is taken as a livelihood asset, or as a means of achieving livelihood outcomes. It represents the skills, knowledge, and ability to work and good health that together enables people to pursue different livelihood strategies and achieve their livelihood objectives. The execution of development projects in any region demands the improvement of infrastructures and community facilities like transport network, educational institutions, health centre, banks, power and water, etc. Infrastructure plays a pivotal role in enhancing productivity and ensuring quality of life of the people. While livelihood support facilities directly help the production process, the service-oriented infrastructures indirectly help the production process by developing efficient productive human resources. After studying the dynamics of the relocation process, it becomes imperative to study whether all the new resettlement colonies are provided with the basic infrastructure or not and whether such amenities are in good and usable conditions or not. UIHE Project developed health facilities for employees and the resettled families. There is no major health problem in the resettle location. The free medical facilities provided by UIHE Project are available to all resettled communities in their blocks. People with low income can afford these facilities provided by the project and state government.

3.7.1. Community Infrastructure Facility

The following table gives an account of the available resources in the resettlement colonies. Through personal interview and interaction with the project affected people, the study has captured the perception of the displaced persons regarding their problems in the resettlement colonies. It is found that near about 20 per cent respondent expressed the working of Panchayat Bhawan has increased in the UIHE Project area and 63 per cent expressed as remains the same. About half of the respondent of UIHE Project (57 per cent) revealed that the education facilities have increased in the new resettlement clusters.

Table.3.18. Community infrastructure facilities in the R&R colony of UIHEP

Items	Panchayat Bhawan	School	Electricity	Pond	Well	Cremation ground
Increased	21.86	57.63	68.22	45.04	48.36	20.54
Decreased	15.11	11.25	12.58	21.19	14.56	11.25
Remains the same	63.03	31.12	19.20	33.77	37.08	68.21
Total	100.0 (151)	100.0 (151)	100.0 (151)	100.0 (151)	100.0 (151)	100.0 (151)

Electricity is one of the basic modern day's necessities. The UIHE Project and R&R policy guidelines say that all resettled colonies should be electrified. While discussing with the project authority and with displaced people, it is found that the electricity facility has increased up to 68.21 per cent. The UIHE Project authority has provided a good number of hand pumps and open well to the new cluster, helped the local people to get safe drinking water. About 68 per cent respondent of UIHE Project viewed that the cremation ground is available in the resettlement cluster, and the host populations are also allowed to use the cremation ground. Other amenities have been provided either by the project or by other line departments of state government.

3.7.2. Market and Communication Facilities

The following table highlights about the market facilities in the resettlement area. In the UIHE project the resettlement colonies, daily and weekly markets run which are confined to vegetables and grocery. There is a good facility of wholesale market, grain market and

marketing cooperatives. About 89 per cent respondents are satisfied with the weekly market. In the case of miscellaneous shopping PAPs generally go to the nearby towns. Banks are not available in the premises of the resettlement colonies as the PAPs are poor and do not require such big money transactions. For communication about 82 per cent respondent of the UIHE Project told that they have bus stand facility available on the main road, just little bit far from their main colony. Through direct observation it is found that bus stand and tempo stands are in the close vicinity of the UIHE Project area. And about 90 per cent respondents satisfied with the weekly market availability to get their basic needs. The market availability and better transport facilities after displacement has created a scope for better health and education support to DPs. Improved transportation has also enabled outsees to explore employment in nearby areas. Service-oriented facilities have been reestablished in all projects. Special ST/SC development programmes of the government also supported the DPs of UIHEP for reconstruction of service facilities.

Table.3.19. Market and Communication facilities available at R&R colony of UIHEP

Project Particulars	UIHEP		
	Yes	No	Total
Daily market	69.0	31.0	100.0 (151)
Weekly market	89.40	11.60	100.0 (151)
Grain mandi	41.72	72.18	100.0 (151)
Bus stand	82.11	17.88	100.0 (151)
Post-office	57.0	43.0	100.0 (151)
P.C.O	54.30	45.70	100.0 (151)

3.7.3. Awareness about the Project

Education with knowledge is the chariot of awareness. Literary activity thrusts worldly knowledge into the human being. However, those completely outside the purview of erudite activities have less wisdom to interpret and understand the forthcoming problems. The people, who had nothing to do with basic literacy, found it hard to understand the meaning of section 4 notification of the LAA, concerning the inevitable nature of land acquisition in

the interest of the national goal. The notice was earlier confined to public places, which did not draw attention of the residents and by the time individual notices were served, it was too late. Even then, illiteracy came in their way and most of the residents were not able to read and understand the meaning of the piece of paper served to them. Those very few, who could read, were unaware about the proceeding of the Land Acquisition Act of India. With the help of local NGOs and government organization, near about 80 per cent respondent of UIHE Project got information about the project set up, and they were mentally prepared to face the problem without completely dependent on others.

Table.3.20. Respondents view on awareness of the project set-up

Project	UIHEP		
Aware	SC	ST	Total
Yes	83.13	76.50	80.13
No	16.17	23.50	19.17
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.7.4. Attitude towards officials

Whenever any rehabilitation program is undertaken, it is necessary for the evicted people to perceive the efforts made by the officials; otherwise, it may result in an indifferent attitude towards the officials and their plan. In this context, the help received from the project and government officials play a very important role for creating a favorable attitude among the resettlers towards the process of rehabilitation. The respondents from the resettlement colonies were asked to state, whether the officials were helpful or not. Considering the total sample respondents, the data shows that more than 60 per cent of UIHE Project asserted that the resettlers received help from the officials. However, some of the resettlers of UIHEP reported that they were assisted by government officials to receive various kinds of loans under IRDP for starting small scale business, purchasing animals, etc.

Table.3.21. Respondent's view on the attitude of Project Officials help

Project	UIHEP		
Attitude of the officials	SC	ST	Total
Helpful	69.87	60.37	60.92
Not-helpful	30.13	39.63	39.08
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.7.5. Support Provided by Follow-up services

The resettlers' level of satisfaction with the condition of living depends upon the extent of fulfillment of various promises made before displacement. Follow-up services are a part of the rehabilitation programme, as they minimize difficulties and hardships and provide satisfaction in living. The project area wise data indicates that the UIHEP respondent showed 63 per cent, higher rate of satisfaction with the follow-up services provided by the project authorities. This may be because of UIHE Project's interest to provide guidance in the purchase of land and starting of small business and also provided various facilities, including the regular visits of mobile medical vans to the resettlement clusters. This confirms that the follow-up services were relatively better in UIHE Project clusters.

Table.3.22. Level of satisfaction with Follow-up services and Resettlement activities

Project	UIHEP		
Satisfaction with follow-up service	SC	ST	Total
Satisfied	62.66	64.70	63.57
Un-satisfied	37.34	35.30	36.43
Total	100.0 (83)	100.0 (68)	100.0 (151)
(b) Satisfaction with resettlement activity	SC	ST	Total
Satisfied	71.08	66.17	68.87
Un-satisfied	28.92	33.83	31.13
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.7.6. Cooperation of NGOs

The role of NGOs in pre and post-displacement periods are an important aspect of the resettlement process in the UIHE Project. There are few NGOs, who have been actively involved in order to facilitate the project affected people to overcome their difficulties. An attempt was made to evaluate the sense of feelings of understanding of the victims to scale down the level of apathy towards NGOs. The involvement of NGOs in the project not only makes people more loyal to the state/existing order but also help them rediscover their faith in the system. A well known NGO named Agramee associated with the project from zero dates. They assessed the needs of the DPs & PAPs, the choice of R&R package, the selection of relocation sites, purchase of lands, construction of houses by the DPs, motivated the DPs to evacuate in right time, etc. The local NGOs organized innovative programmes for the DPs and particularly women and children, grain banks for food security of DP households, low cost night schools, and public distribution of essential commodities through participatory means and organize groups into different income generating avocations, etc. The following table shows that as per the response received; more than half around 57 per cent of UIHE Project affected were satisfied with the co-operation of NGOs.

Table.3.23. Respondents view regarding Co-operation of NGOs

Project	UIHEP		
	SC	ST	Total
Opinion			
Satisfied	59.04	55.89	57.62
Un-satisfied	32.53	26.47	29.80
Don't know	8.43	17.64	12.58
Total	100.0 (83)	100.0 (68)	100.0 (151)

3.8. Resettlement as Development in UIHE Project

When planned and implemented diligently, reservoir resettlement programmes can be effective vehicles for substantial social and economic development for the affected people. Resettlement programmes help to provide better economic resources, renewed civic infrastructure, and increased access to new markets. Successful resettlement programmes that build upon the social capital of affected communities by facilitating their relocation in pre-existing groups have resulted in improving literacy and health indicators, increased

incomes and standards of living as defined by the affected people themselves, and enhanced access to economic opportunities, all of which may have been difficult to achieve without the resettlement programmes. Effective resettlement design taps the development potential in the project area and builds upon the opportunities generated by the project. Economic rehabilitation activities based on careful analysis of resettlers' aptitudes and the patterns of demand and supply of commodities and service have helped affected people benefit from the economic growth in the area.

This study reveals that the survival needs and essential service facilities have been improved in UIHE Project. Many reasons explain this phenomenon. These include: (a) the Upper Indravati Project resettlement process has been welcomed by majority of resettlers due to the location they had selected their own place for resettlement, which has helped them to live with their relatives and thus led to social and cultural progress of the community life, (b) R & R policies are periodically monitored and effectively implemented, (c) fishing as a new occupation is adopted, (d) community homogeneity is restored, (e) different welfare schemes of central and state governments for STs are executed, (f) outreach efforts of non-governmental organizations for tribal communities are implemented, (g) social forestry has been created to fill the CPR loss (h) the resilient tribal communities have quickly adopted to the changing physical, social and economic set-up in relocation sites, (i) with the help of local NGOs and project officials they were able to buy agricultural land with the compensation money, which helped them to restore their traditional social status of people, (j) the rise of income of the affected people in UIHEP area has shown substantial increase. This rise in income has caused changes in consumption level, (k) establishment of projects as well as townships have created a huge demand for agricultural commodities such as food grains, pulses, vegetables, fruits, milk, eggs, meats, etc. This has resulted in the commercialization of agriculture in the villages around the projects. A large number of people from neighbouring villages come to the townships in the weekly market to sell vegetables, cereals and other agricultural products.

Nevertheless, the project has created several negative impacts. The impacts are mostly social and physical in nature. It is found that most land near construction sites is not fit for growing crops. Many problems result from perennial irrigation; for example, water logging cause

water seepage from irrigation canals into the subsoil. This raises the level of the water table, which in turn creates a higher salt content that damages the root zone, prohibits plant growth, and inhibits the successful use of food production. While it is true that certain diseases are commonly associated with wetlands, it is also clear that locations around the dam construction that previously had not experienced many problems begin seeing a greatly increased incidence of such as illness. Following the construction of the UIHE Project, the resettlers complained of multiple symptoms related to waterborne diseases, such as dengue, hookworm, cholera, yellow fever, diarrhea, disfigurement, fatigue and other water-related diseases spread by mosquitoes. Since dam construction results in a large number of people living in close proximity, a lack of proper food and housing and undesirable working conditions, the prognosis for reducing the spread of disease is not optimistic. Migrants already carrying the disease many infect others when seeking work at the dam construction area.

3.9. Conclusion

Development projects have been projected as the benefit for the society and economy of the nation and the state. Whenever development projects are undertaken, the people living in the project area of whose lands are acquired for the project have to pay an extra price, in terms of loss of their lands of livelihood. There is an attempt to justify it as a cost of development, and to project it as an opportunity to improve the living condition of the indigenous people.

However, the state government's support for different development projects has created inequities, social unrest and instability in the society. In a democratic context, the systematic dispossession of tribal people's rights through officially ordained force is totally undemocratic and unacceptable. The state is a duty bound under the Directive Principles to ensure that at the end of each stage on the long march towards the goal of development, a more equitable social and economic order is attained. The uses of force or coercion against economically backward people in Niyamgiri, Kalingnagar, or Kashipur unwilling to change have to be discarded. The benefits which may accrue in an area pursuant to change and establishment of a project shall be deemed to be due to the larger community rather than individuals, groups or corporate bodies. The development induced displacement should be

minimized and if possible avoided. If at all there is a displacement, the displaced people need to be provided with a thorough resettlement and rehabilitation measures with an aim to upgrade their socio-economic condition instead of just trying to restore their pre-displaced status. The fruits of economic development should not go to the privileged beneficiaries only; all the affected people should be given every possible opportunity to be a part of the project benefits.

Most of the Dam projects in India; the displaced are deprived of irrigation facilities of the project which displaced them. The provision of compensation land and building as per the local market value need to be replaced by a facility to establish them-selves at-least in the periphery of the project, otherwise compensation will remain a consolation for the displaced people. Besides these, to determine just compensation, the future returns of acquired land at-least for a period of five years need to be calculated. This will balance the calculation of the benefits-cost ratio of the project; otherwise, the project benefit is over-weighed. Resettlement and rehabilitation measures should be a participatory one so that all stakeholders are involved in the process of resettlement. This job of resettlement and rehabilitation should be completed within a reasonable time-frame in order to prevent their sufferings of economic and social degradation. Let the R&R policy reflect the means of sustainable development of displaced community and its surroundings, not only as a mission statement but as a tangible living tradition also. The next chapter makes an attempt to understand the industrial development project and its impact and how the resettlement issue has been dealt with.

CHAPTER-IV

DEVELOPMENT PROJECTS IN ORISSA: A CASE STUDY OF UTKAL ALUMINIUM INTERNATIONAL LIMITED PROJECT

The inherent characteristic associated with any development process is a change of ideas, value system, and mode of production and technique of production. In this process of development, the world scenario has never been uniform in all countries. In the present age of globalization, India is integrating its local and national economy with the world economy. This involves opening of public and private sector industries to foreign trade and investment. This ultimately leads to rapid industrialization and subsequent growth of allied developmental projects aiming at growth and poverty reduction. A significant social consequence of such growth of developmental projects is a large-scale involuntary displacement of people. It is industrialization that has, indeed, been pursued with the seriousness suggested in the statement by Jawaharlal Nehru “Now, India, we are bound to be industrialized, we are trying to be industrialized, we want to be industrialized, we must be industrialized”.

Orissa, there is a popular statement that Orissa is rich in mineral resources, but it is poor. Hence, industrialization of the state is a must to eradicate the poverty, to open up employment opportunities to be educated and unskilled labour, besides enhancing the state's revenue. Therefore, in the era of liberalization and privatization, industrialization is primarily geared towards harnessing the vast natural resources in the state. As a result, a large number of mineral processing industries are coming to Orissa to invest particularly in the area of bauxite-aluminum, and iron ore-steel. The high-voltage support of the state government has extended to industrial houses has created widespread discontent among the people who have been affected directly by projects launched on them. Their inability to receive a convincing response to their grievances from the state has compelled them to resort to violent protest as their livelihood and survival are at stake. No one disputes the fact that the state needs industrialization as agriculture alone cannot ensure growth and development. The rich mineral deposits need to be harnessed to achieve prosperity. In this connection, it is important to ask questions: Prosperity, for whom? At what cost? Does this

prosperity ensure 'equity' and 'justice'? These fundamental questions regarding the ongoing development paradigm require the scrutiny of planners, development practitioners and corporate magnates that have joined hands for improving the state's economy. Rehabilitation and resettlement of the displaced persons require special plans and emphasis on the part of the government to completely equip them with the opportunities they were enjoying and to eliminate the trauma displacement. This chapter deals with the rehabilitation and resettlement of the displaced persons due to an Utkal Aluminum International Project in Orissa. It makes a comparative analysis of the pre and post-displacement period and attempts to study the positive and negative impacts that industrialization on the livelihoods of the local communities in the mining area, using the sustainable reconstruction livelihood framework.

4. History of Industrialization in Orissa

In India, the mining industry plays an important role in meeting the raw material need for industrial growth and attaining a degree of self reliance particularly in the core sector such as iron and steel, power, mining, cement and other essential commodities. Since 1947, India's mining industry has shown rapid growth. In the pre plan period prior to 1950, India produced 24 types of minerals with a total value of US\$ 23 million. Today, it produces 89 minerals, accounting for 3.5 percent of the country's gross domestic product and 11.5 percent of total industrial output. Public sector mines are now privately owned, by 1996-97, India had 3,488 mines. Of these, 563 were coal, 654 were metals and 2,271 were non-metals. In 1990, with the restructuring of the Indian economy into an open economy, the mining sector was liberalized, making easier for mine-owners to obtain permission for prospective mining. In March 1993, with the announcement of India's new National Mineral Policy, the mining sector was opened private initiative and investment. Some 34 mining investment proposals from transnational corporations (TNCs) covering an area of 49,000 km² were approved by the national government.

Any contemporary discourse on development in Orissa does give an impression that Orissa is really backward in terms of industrialization, whereas the actual scenario may not necessarily be so. Orissa has been there in the industrial and mining map of the country ever

since its inception of mining and industry in India.³¹ The mineral deposit of the state is not only vast but also equally diverse. It is one of the largest minerals bearing states in India, having 16.92 percent of the total reserves of the country. Orissa has 97 per cent of India's chromites and 95 per cent of its nickel reserves, 50 percent of its bauxite, and 24 per cent of its coal reserves (Government of Orissa, 2004). Overall, it has an estimated reserve of about 5, 923 million tons of 18 minerals valued at Rs. 1,674 million in 1996. The very first private sector steel plant established in India in Jamshedpur by Jamshed Tata in the pre-independence period sourced its raw materials from the iron ore mines in Mayurbhanj district of Orissa. The public sector coal mines have witnessed a number of public sector initiatives in Orissa. Some 370 mining companies are active in Orissa, including public undertakings such as National Aluminum Company (NALCO), Steel Authority of India, Mahanadi Coalfields Limited, Orissa Mining Corporation (OMC), and private mining companies. The total number of mining leases in the state by 2004 numbered 607, covering an area of 101, 947 hectares. Out of these, 339 leases covering an area of 73, 910 hectares were in operation, including the extraction of bauxite, iron ore, chromites and manganese (Government of Orissa, 2005).

Mineral production in Orissa is increasing. Between 1993 and 2003, there was a phenomenal 278 percent growth in mining and quarrying (from Rs. 7,005 to Rs. 19, 489 million) even as production in the agriculture, forestry and fishing sector fell by 16 per cent. In 2003-04, total production of minerals and ores was 108, 283 million tons an astounding increase of 171 percent from 1992-93 levels (ibid, 2005). Iron ore registered the highest growth in production (33.7 per cent), followed by chromites (182 per cent) and bauxite (101 per cent). The value of minerals and ore production in Orissa was the highest in the country, constituting eight percent of the national total (Rs.625, 255 million). In 2003-04, Orissa exported 7.64 million tons of minerals and ores valued at Rs. 11, 865 million, representing 321 and 206 per cent growth in quantity and value, respectively, over 1999-2000.

³¹ Mineral wise Orissa has been divided into four parts, (I) Central Orissa on the bank of river Mahanadi, which includes Angul, Jharsuguda and Sundergarh district, is known as coal belt (ii) Sukinda Valley, Keonjhar district and Mayurbhanj are known as the chrome, iron ore and manganese belt (iii) Southwest Orissa, which includes Koraput, Rayagada, Kalahandi and Bolangir, is known as the Bauxite belt and (iv) Coastal Orissa has deposits of mineral sands and rare earth (Government of Orissa, 2004).

With its abundant natural resources, Orissa attracts Trans National Companies and big businesses (e.g. Aluminum Peshiney (AP) International of France, Norsk Hydro of Norway, Alcan of Canada, Alu Sussie of Switzerland, Broken Hill Propriety (BHP), Billiton and Rio Tinto of Australia, Vedanta, Sterlite, and Alocua of the United States, and NALCO, Hindalco, Larsen and Toubro, Utkal Aluminum International Limited, Aditya Birla, and Tata Group of India) in mining, steel, aluminum and coal-based power projects. Besides the availability of cheap labour, the Government of Orissa offers exceptionally huge subsidies to investors in the form of guarantees and tax concessions. The state currently ranks sixth in foreign investment, having attracted Rs.973, 000 million in investments in the last five years. Project worth Rs. 2,500,000 million are envisioned to be implemented in the state in the next five to ten years, the majority being mining and mining related projects.

This rate of industrialization in Orissa, is feared, may not lead to a reduction of poverty as the process of industrialization has not been democratic and transparent. In fact, the areas which seem to be relatively developed in terms of mining and industrialization also present a horrifying picture of abject poverty and pauperization of thousands of families, mostly indigenous (TARU,1996). Industries are linked to being the available natural resources like metals and mineral, forests and water. Diversification and expansion in these sectors have also led to large-scale deforestation (Mining and industrial sectors have accounted for nearly 39 per cent of total conversion of forest area to non-forest area, and responsible for the acquisition of 622, 463, 94 hectares of land of the poor in tribal and rural areas (Pandey, 1998). As the majority industries and mineral resources are located in the Northern and Southern Tribal dominated regions of the state, they invariably encroach upon the major sources of livelihood like forest produces, forest and revenue lands and forest dwellers.

4.1. Industrialization and Displacement in Orissa

Orissa has rich mineral resources. Industrialization takes place rapidly in the habitation of its indigenous populations for state's prosperity and economic development and employment generation. The Government of Orissa has been taking up mining operations and settling up of different industrial projects since independence. Because of its rich natural resources and new investor-friendly development policies, Orissa in recent years has become an attractive

investment destination for large cooperation. The mega projects have, however, necessitated the large-scale acquisition of revenue land, forest land and common property resources. A large number of rural poor tribals in the state are dependent on forests resources, forest lands and common property resources for their livelihood; acquisition of such land has led to massive displacement. Since the majority of the displaced persons in the state so far belong to the marginalized section of the population, the impact of such displacement on their socio-economic conditions has been severe.

It is observed that in four districts of Orissa, namely Dhenkanal, Ganjam, Koraput and Phulbani, over half of the Adivasi land was lost to non-Adivasi over a 25-30 year period. It is found that in Koraput district alone, over 1,000000 Adivasi were dispossessed of their land, including 1.6 lakh hectares of forest on which they had depended for their survival. More than six percent of the district populations, a majority of them tribal, were displaced (Fernandes and Asif, 1997).

Table.4. Number of Families Displaced by Industrialization in Orissa

Type of the project	No. of villages displaced/affected	No. of Families Displaced/affected				Total Land Acquired
		GEN	SC	ST	Total	
Rourkela Steel Plant	30	592	118	1657	2367	7917.8
NALCO, Angul	40	3376	510	111	3997	1570
NALCO, Damanjodi	19	315	75	398	788	3444
Ordinance Factory	14	NA	NA	NA	1200	NA
HAL Sunbeda	10	NA	NA	NA	468	3764
Kalinga Nagar Industrial Complex	20/30	-----	-----	-----	815/1500	12000/13,000
UAIL	24		109	38	147	2, 800
Vedanta	95	NA	NA	NA	319	8,000/10,000
POSCO	400	NA	NA	NA	400	6,000

Source: Pandey and Associates, 1998.

The absence of any meaningful rehabilitation contributed to land alienation. The government of Orissa established transmigration schemes for displaced people who essentially eroded their cultures and facilitated their assimilation into mainstream consumer oriented society through industry-friendly education and skill training.

4.2. Utkal Aluminum International Limited Project: An Overview

Since 1947, India's mining industry has shown rapid growth. Today it produces 89 minerals, accounting for 3.3 percent of total industrial output. It is estimated that India has 1.6 billion tones of bauxite deposits, one of the world's largest. Mining for aluminum in India began over 50 years ago when the Indian Aluminum Company (INDAL) established the country's first aluminum project in Kerala. The sector continued to expand as consumption needs increase within India and around the world. The bauxite deposit in Southern Orissa is the only ones within the country that contain unexploited bauxite mines. Almost 70 per cent of these deposits are found in the state of Orissa, mostly concentrated in the Eastern Ghats in the districts of Koraput, Bolangir and Kalahandi (KBK) in Southern Orissa, which is predominantly populated by adivasi people. In this context, mining has become one of the focuses of the Government of Orissa to raise revenues. The Government of Orissa has leased one billion tones of bauxite to multi-national cooperation's (MNCs) through Memorandums of Understanding (MoUs) (Government of Orissa, 2005).

Utkal Aluminum International Limited (UAIL) a consortium was formed in 1993 and was originally composed by ALCAN (Canada), Hindalco of Birla Group (India), TATA (India) and Norsk Hydro (Norway). In 2001, TATA and Norsk Hydro withdrew from the project largely due to political concerns, following large-scale public protests. Today, UAIL remains a joint partnership of ALCAN and Hindalco holding 45 per cent and 55 per cent ownership in the project, respectively. UAIL proposed to mine the bauxite from Baphilimali plateau of Kashipur block, Rayagada district, which has bauxite reserves of 200 million tons. Mined ore will be transferred through a conveyor belt to a refinery/ captive power plant located 22 kilometers away on the outskirts of Kucheapadar village. It is estimated that 195 million tones of bauxite will be mined during the project; eight million tones extracted annually to produce between 1-3 million tons of alumina per annum.

UAIL documents state that the project would be spread over an area of 2, 800 hectares, i.e., roughly 25 sq. km². This includes the bauxite mining at Baphilimali (1,388 hectares); the conveyor belt corridor (77 hectares); the refinery and related infrastructure (326 hectares), the pond of red mud, a residue of a power plant (137 hectares), the UAIL Township (143

hectares) and finally the railway corridor (128 hectares). Large scale land acquisition is a requirement of the UAIL project and an estimated 2, 800 acre of agricultural lands, forestlands, grasslands, and homestead land will be acquired, out of which 1790 acres of privately owned land and 712 acres of government-owned land, 92 acres in the non-forest communal land and 206 acres in village forest land. The designated red mud area and the ash pond at Bagirjholia and Muchkuli villages, and the plant fall within the catchments of Barha River. Water requirements for the construction of the refinery would be tapped from this river. The water needed for running the refinery once it starts operations would be tapped from San River, with Barha River as a supplementary source if needed. To meet the requirement of about 50 megawatts of electric power, a steam and coal-based power plant will also be installed.

UAIL is investing a total of \$Rs. 45 billion as of 2000 in the project. However, it will make a significant profit based on current world market rates; according to some sources as much as Rs. 2.88 trillion which would mean a 6, 300 percent return on its investment. According to UAIL, its Internal Rate Return (IRR) is 11.5 percent, based on 200 assessments in US currency. In fact, the proposed UAIL bauxite mine is considered the most low-cost Greenfield for bauxite in the world today-if it proceeds as planned. In the contrast, the government of Orissa, which is selling its bauxite to UAIL at the bargain basement price of Rs. 85 a ton, will generate an estimated Rs. 14 billion that too over two decades.

4.3. Displacement and Rehabilitation in the UAIL Project

There are contesting claims and counter-claims about how many people the project will displace and how much it will affect. UAIL's 1996 project survey found that the alumina refinery will displace 147 families from three villages, from Kendhukhunti 46, from Ramibeda 38, and Talakoral 63 families. The SC population constitutes 109 families (74 percent), and ST 38 (26 percent) families are displaced by the project. No displacement has occurred at the mining site. 24 additional villages were partially affected by the bauxite-mining project through the acquisition of agricultural lands. However, all 147 families opted and moved to the new resettlement colonies, and it is within 100 meters distance from the plant site. Norsk Hydro had put the number of Project Affected Persons (PAPs) at 750

families. Prakrutik Sampada Suraksha Parishad (PSSP), which is leading the agitation in the area, claims that the Doraguda plant alone will directly affect 2,500 people living in 24 villages in Kucheipadar, Hadiguda and Tikiri panchayata. Mining in Baphilimali would adversely affect another 2, 500 families in 42 villages in Chandragiri, Maikkanch and Kodipari panchayatas (PUDR, 2005). The study conducted by United Nation University (2004) puts the number of villages affected at 82. The Norwegian Agency for Development's estimates it at 60, 000 persons. Clearly, there is no precise data about the number of affected people. Nevertheless, data shows that historically SCs and STs have been the worst victims of the development project, and UAIL is no exception.

4.3.1. Profile of Displaced People under the UAIL Project

Kashipur is one of the most economically backward districts of Orissa. However, it has rich deposits of bauxite over its hill ranges. Recently, the State Government and its corporation have entered into an agreement with certain industrial houses for creating infrastructure to extract bauxite and process it. The thickly forest land and river region of Kashipur in Rayagada is under severe pressure from mining development for alumina processing. Kashipur, located in the south east part of the Rayagada district in Orissa, has become the site of an ongoing struggle against the company and government establishment of bauxite refinery.

Kashipur has been declared as a Scheduled Area. It has a total geographical area of 1505, 90 sq.kms. Out of the population, 62 percent belongs to scheduled tribes, 23 percent scheduled castes and the rest 15 percent are other castes. Kashipur is composed of distinct and unique Adivasi groups and sub-groups that include the Kondhs, Jhodias, and Pengas. These Adivasi groups also referred to as tribals or adivasi, have lived in relative isolation from larger society, which has allowed them to preserve their languages, cultures, identities, and livelihoods for centuries. According to the 2001 Census, 85 per cent of the Adivasi population in Kashipur relies on agriculture as either landowners or agricultural workers. The project survey found that the UAIL has displaced 147 families from the villages of Kendhukhunti, Ramibeda and Talakarol. However, out of 147 displaced families only 100 families have been resettled in the resettlement colonies. The sample taken in the project

shows that near about 55 per cent were Scheduled Caste and about 45 per cent respondent are Scheduled Tribes.

Table.4.1. Social status of the respondent of rehabilitated families of UAIL Project

Caste	UAIL Project
SC	54.96
ST	45.04
Total	100.0 (91)

4.3.1. Sex Status

Out of 91 heads of the households interviewed, 81 per cent were male and 19 per cent were female. Though the percentage of the female head of the households is very low in the sample, but analyzing the Indian conditions where maximum households are male dominated, i.e.; patriarchal, this figure seems to be reasonable.

Table.4.2. Sex status of the respondent of rehabilitated families of UAILP

Project	UAIL		
Sex	SC	ST	Total
Male	90.0	70.73	81.31
Female	10.0	29.27	18.69
Total	100.0 (50)	100.0 (41)	100.0 (91)

Note: 50 Scheduled Caste Resettled Household Respondent, 41 Scheduled Tribe Resettled Respondent, Total 91 Resettled Household Respondent.

4.3.2. Marital Status

The following table shows that near about 96 per cent resettled persons of UAIL were married and only 4 per cent were unmarried. Though there is not much change observed during the whole interval of displacement, but a close look reveals that the number of unmarried persons has slightly increased after resettlement. In other words, we can say that the rate of marriage has increased after inception of the project, may be due to the cash compensation provided by UAIL.

Table.4.3. Marital status of the rehabilitated respondent of UAILP

Project	UAIL		
Marital Status	SC	ST	Total
Married	100.0	92.68	96.70
Un-married	----	7.31	3.30
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.3.3. Literacy Status

Like all other sectors of socio-economic life the tribals and other backward sections of people, considering their literacy and education, are at different levels of development. If we compare the education levels of the family members, we can see in UAIL Project the literacy level is not so much improved, 79 per cent were illiterate, 8 percent were educated up to below 5th and 13 per cent persons were educated up to intermediate and professional degrees such as Information and Technology (IT). Thus, education levels of the displaced family members are exhibiting a silver lining in the dark clouds, especially if we observe the literacy of intermediate and above.

Table.4.4. Educational status of the respondent of UAILP

Project	UAIL		
Education Status	SC	ST	Total
Illiterate	74.0	82.92	79.02
Up to V	10.0	7.31	8.33
Up to X	10.0	9.77	6.75
Degree& Professional	6.0	----	6.0
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.4. Resettlement and Livelihood Assets in UAIL

The compulsory acquisition of land for public purposes and for public sector or private sector companies displaces people, forcing them to give up their home, assets, and means of livelihood and to reside elsewhere and start their life all over again. It has been an important reason for the pauperization of affected families, sometimes leading them to a state of shelterless and assetless destitution. This happens partly due to lack of income generation opportunities at the relocation site that could correspond with that they leave behind. Due to land scarcity, not all people who give up their land for development projects can hope to own land again. Jobs too are scarce, and the removal of people to distant locations, seldom gets them back the kind of jobs that they were doing before. Unsatisfactory arrangements for their resettlement and rehabilitation creates opposition to acquisition of land are much more than the cost that would be incurred in case of satisfactory resettlement and rehabilitation. The reconstruction livelihood framework identifies five core assets categories or types of capital upon which livelihoods are built. The following section has attempted to highlight the resettlement measures taken by UAIL and its positive and negative outcomes on people's livelihood. Then it examines whether the resettlement measure, which is a source of livelihood of the community, is leading towards sustainable living or not.

4.5. Resettlement and Impact on Physical Capital

The intention of resettlement has always been to provide a better living environment. In fact, the participation of the displaced persons in both work and community life enable them to carve out a satisfactory living style. Even if working conditions are not congenial, a comfortable community life in a residential neighbourhood can affect a great impact on their liking and disliking. Therefore, an attempt has made in this section to assess the impact of displacement on the physical capital of displaced people of UAIL.

4.5.1. Satisfaction with Rates of Compensation

UAIL has not offered land for land as compensation. UAIL project has paid cash compensation for the agriculture lands was based on the type of land possessed by the outsees. The land coming under land acquisition has been classified as Paddy, I, Paddy II, and Paddy III, and Dongar, I, Dongar II and Dongar III. The analysis of the compensation

amount received shows that 91 household or 100 per cent of total sample households were paid cash compensation. The amount of compensations received varied significantly in the project areas. As regards, satisfaction with the rates of compensation, the opinion is divided. The opinion of the respondents on the satisfaction is presented in Table.4.5.

Table.4.5. Satisfaction of the compensation money

Project	UAIL		
	SC	ST	Total
Status			
Satisfied	24.0	21.95	33.07
Un-Satisfied	76.0	78.05	76.93
Total	100.0 (50)	100.0 (41)	100.0 (91)

The recipients of compensation of UAIL project have expressed (77 per cent) dissatisfaction regarding the rates fixed by the project authority and remain 33 per cent have shown their satisfaction. Which they felt was not at par with the prevailing market rate. In fact, the rates determined were actually lower than the replacement value. UAIL initially offered compensation for non-homestead land in the range of Rs. 15000 to Rs. 50,000 per acre, depending on land quality. The affected people protested against this amount to be paid for land acquisition. Following strong local protests that this amount was inadequate, it increased compensation for non-homestead land to between Rs. 1, 05, 000 and Rs. 1, 50, 000 per acre.

The reasons for dissatisfaction as brought out from the focus group discussion with the displaced persons are as follows: (a) they were dissatisfied as the valuation of their land based on registered sale is often less than the actual market price; (b) valuation of land based on the type of land recorded in *pattas* was also found faulty. In cases where there is no *patta*, especially in the case of the tribals, it was difficult to judge the quality of land based on the revenue records; (c) lands were not classified properly and the prices of houses and trees were not calculated impartially; (d) sometimes compensation paid in old rates could not be utilized to replace assets. In addition to the monetary compensation for homestead land, UAIL has also offered each Displaced Family (DF) the option of a new home in a settlement

colony and also indicated that it will construct a water treatment facility, community center, school and health center, which are yet to be constructed.

4.5.2. Utilization of Compensation

The prime objective of rehabilitation has been to replace lost assets. For various reasons, this method could not be adopted, and cash compensation was paid for acquired properties. In this context, several questions have been raised: Whether the money paid by was adequate to acquire property again? Whether the compensation was utilized for acquiring productive assets? And whether the money was invested for useful purposes? To understand these questions, the study has examined how the money was utilized by the affected people. Living with industrial neighborhoods, increasing urbanization and continuous mixing with other caste people have tempted people to buy various modern items such as, motorcycle, table chair, mobile phone, stainless steel utensils, etc. While near about (43 per cent) UAIL people mostly spent the money on purchase of household items as much as 24 per cent of the total compensation amount has been spent on own consumption such as purchase of clothes, consumption of liquor, performance of marriages, rituals, etc. It is also reported that the consumption of alcohol and social functionaries has increased alarmingly among the Jhodia tribes. The data shows that only 11 per cent people of UAIL have invested in the purchase of agriculture land. This is mainly because they were not provided with alternative land. In general, the tribals have spent more on agriculture in comparison to non-tribal. Possessions of bicycles, mobiles, radios, etc. have become status symbols among the tribals and non-tribal villagers. Most of the respondent expressed that expenditure on dress and cosmetics by both males and females has increased.

Table.4.6. Utilization of compensation money by the respondents of UAILP

Project	UAIL		
	SC	ST	Total
Way of spending Compensation			
Purchase of agriculture land	6.0	17.08	10.98
Purchase of household items	40.0	46.34	42.88
Own consumption	28.0	19.51	24.17
Deposited in Bank	----	----	----
Repayment of loans	----	----	----
Social function	26.0	17.07	21.97
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.5.3. Satisfaction with the Utilization of Compensation

It is found that more than (66 per cent) of the recipients of compensation money in UAIL project are dissatisfied. The survey revealed that affected people who were mostly illiterate and non-materialistic in values, could not utilize the compensation money in a proper way. Without proper guidance, they spent the money on repaying debts, purchasing luxury goods, procuring daily necessities and consuming alcohol. The presence of petty business selling commodities like watches, cycles, transistors, jewellery, etc., and the emergence of stalls selling liquor and gambling near the place where the cash was being distributed, only made matters worse. They were left with perhaps a mobile phone or a watch, but nothing to sustain them in the future. It is reported during the survey that money lenders, lawyers, bank officials also exploited the situation. Since the affected people had to produce recognition certificates, some of them had to pay very high fees to the lawyers. The compensation money was deposited in the Grameen Bank where the clerks even realized money from these people at the time of withdrawals. Further, it was reported that when a huge amount was required, the bank could not make it available in time, making them visit the banks several times for withdrawal. In some cases, the Jhodia tribes have reported, they had to pay 10 to 12 per cent of the amount to the clerks and other persons in the bank for filling up the forms and making arrangements for withdrawals. It has also been reported that there were instances of misreporting in the pass books.

Table.4.7. Level of satisfaction regarding the way of spending compensation

Project	UAIL		
	SC	ST	Total
If satisfied with way of spending			
Satisfied	36.0	31.70	34.06
Dis-satisfied	64.0	68.30	65.94
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.5.4. Quality of Houses

The most important aspects of resettlement are the selection of a suitable site in accordance with the wishes of the affected people. In the resettlement colonies, PAPs had to build new houses to reinitiate their life. Through direct observation an attempt has been made to know the condition of the house in the resettlement area. A comparison of the overall housing situation in the new resettlement colonies with that ancestral village has shown in Table 4.8. In addition to the monetary compensation for homestead land, UAIL has offered each DF the option of a new home in a settlement colony. The following table shows the type of the houses in both pre and post-displacement phases. Before displacement (67 per cent) people had kutch house but after displacement all resettled people having pucca house, because of the resettlement colony was provided by UAIL project. During the focus group discussion most of resettlers expressed their dis-satisfaction that the types of houses provided by UAIL were neither suitable nor liked by most of the tribal people. However, despite having new constructed houses for all resettled people, the household items are very less in proportion.

Table.4.8. Quality of house of rehabilitated persons of UAILP

Project	UAIL Before Displacement			UAIL After Displacement		
	SC	ST	Total	SC	ST	Total
Kutch	68.0	65.87	67.03	----	----	----
Thatched	14.0	19.51	16.48	----	----	----
Pucca	4.0	2.43	5.31	----	----	----
Semi-Pucca	14.0	12.19	11.18	100.0	100.0	100.0
Total	100.0 (50)	100.0 (41)	100.0 (91)	100.0 (50)	100.0 (41)	100.0 (91)

4.5.5. Landholding and Property status

Possession of land and other immovable assets of a person residing in the village also reflect his/her prosperity. The following table shows property status of pre and post displacement period of the resettled families, and it indicates that prime assets have drastically reduced in the territory after displacement. In the UAIL Project before displacement, only 28 per cent had the house, but after displacement, it has gone up to 79 per cent, which is a remarkable rise because all displaced people were getting the house in the resettlement colony. The survey has found that in the group denoting '1 to 4.9 acre' land about 34 per cent displaced people had land before displacement, which has dropped down to the pathetic level of just 20 per cent after displacement. Next category of land, i.e., '5 to 9.9 acre' also had lots of takers before displacement and stands for 25 per cent, which has declined totally at present. The figures show that the aftermath of displacement has reduced DPs to just a meager amount of land left with them, which could only provide roof over their land. Overall we can see that maximum congregation of DPs before displacement is in the category of less than 1 acre to 4.9 acres. However, displacements have thoroughly bombarded this figure and consequently, most of the people have become landless and are categorized with 'only house'.

Table.4.9. Property status of the respondent rehabilitated families of UAILP

Project	UAIL Before Displacement			UAIL After Displacement		
	SC	ST	Total	SC	ST	Total
Only House	42.20	39.04	28.56	78.0	80.48	79.13
1 to 4.9 acre	31.03	29.26	34.05	22.0	9.52	20.87
5 to 9.9 acre	14.28	21.95	25.27	----	----	----
10 to 14.9 acre	10.0	9.75	9.89	----	----	-----
15 and above acre	2.22	----	2.22	----	----	----
Total	100.0 (50)	100.0 (41)	100.0 (91)	100.0 (50)	100.0 (41)	100.0 (91)

4.6. Resettlement and Impact on Financial Capital

Rehabilitation is incomplete as long as the displaced person is unable to support himself and his family through his own efforts. Financial capital denotes the stocks and flows of financial resources that people use to achieve their livelihood objectives. In the aftermath of loss of agricultural land and traditional source of occupation, more and more family members have become unemployed and underemployed. Creation of employment opportunities and skill formation for timely absorption of affected manpower are the two most significant aspects of rehabilitation of affected people. Only appropriate training would enable to equip with the skills of the new culture and earn independent living. Planned skilled formation also helps redressing the imbalance created in certain sectors of economy. It is in this context that the scope for creating employment opportunities through developing downstream industries, promoting resource based small industries, and encouraging various traditional as well as a modern service oriented activities are explored here.

With the establishment of UAIL the social and economic changes have been imminent in all walks of life. The impacts on financial capital and dimensions of changes in the economy and society have been discussed in detail in the following section. These impacts have created significant changes in the economic and social life of people of the region in particular and the district in general. The aggregate effects of these impacts are reflected through social transformation of different communities living in that area. This transformation indicates, on one hand, the progress towards modernization by any community and its state of development, on another hand. Both these ascribed phenomena are useful in decision making for rehabilitation and planned progress.

4.6.1. Occupational Rehabilitation

In the aftermath of loss of agricultural land and traditional source of occupation, more and more family members have become unemployed and underemployed. They are more or less untrained and unskilled to engage in some other activity. Occupational rehabilitation is very essential for the affected landless labourers and workers dependent upon agriculture pursuits. The occupational mobility is always regarded as an important indicator in the changing socio-economic structure. An attempt has been made here to take an account of

the measures taken up by UAIL project towards occupational rehabilitation of the displaced persons.

UAIL has assured to provide occupational rehabilitation to the affected people by offering employment to one person from each family, depending upon the skill possessed by him. However, it has not been possible for the project to provide permanent jobs for everyone, because the plant is based on the latest technology which requires limited manpower. Due to non-availability of unskilled jobs and low level of skill among the affected people, about 88 percent got a temporary job for Rs. 2200/ per month in the construction area. Although still there are several vacancies reserved for SC and ST, due to lack of skill among the affected people, those could not be filled up. In addition to this, a large number of workers are currently engaged in temporary construction works, and these workers will have to absorb in some gainful jobs by the end of project completion. Thus, the estimated additional workforce along with the temporary workers will have to be absorbed in gainful employment and provisions must be made for offering substantive jobs to the underemployed workers.

Table.4.10. Occupational status of the respondent rehabilitated families of UAILP

Project	UAIL Before Displacement			UAIL After Displacement		
	SC	ST	Total	SC	ST	Total
Occupation Status						
Wage Labour	18.0	31.70	23.07	8.0	26.83	16.48
Cultivator	68.0	60.99	66.63	----	----	----
Business	14.0	7.31	10.30	----	----	----
Service	----	----	----	92.0	73.17	87.92
Total	100.0 (50)	100.0 (41)	100.0 (91)	100.0 (50)	100.0 (41)	100.0 (91)

4.6.2. Household Income pattern

Occupation of the family members is giving a different picture when compared with the monthly income. The yardstick of monthly income can easily mark out prevailing social and economic status of a family. Keeping this aspect in mind, monthly income of the families

both before and after displacement was recorded at the time of the interview. The annual income levels of the affected households have been divided into four broad groups: (i) Low income group (below Rs. 1000), (ii) Middle income group with income between Rs. 1001 to 5000, (iii) High income group with income between Rs. 5,000 to 10,000 and (iv) Very high income group (above 10,000).

The distributions of surveyed households into above four income groups are shown in the following table. The project area wise data shows that the income level of the households affected by project has been increased. All displaced people of UAIL got a temporary job of 2200/- per month in the project area, which helped in the annual income up to 25,000/- after displacement. It is found to be as high as (100 per cent), in comparison to only (29 per cent) in pre-displacement. It is also noticed in UAIL area that the employment and the monthly salary system has made a positive impact on the annual income of people. Before displacement, maximum concentration of population was in the monthly income range of Rs. 1,000 to 5,000. This has slightly expanded after displacement and penetrated the range of 10,000 to 25,000. Another notable impact of UAIL project is the proportion of families below the poverty line has been reduced from the pre to post displacement periods, at the same time a higher proportion of the families is now coming under a higher income slab in comparison to the pre-displacement periods.

Table.4.11. Income status of the respondent rehabilitated families of UAILP

Project	UAIL			UAIL		
	Before Displacement			After Displacement		
Income Status	SC	ST	Total	SC	ST	Total
500 to 1000	12.0	7.32	9.90	----	----	----
1000 to 5000	26.0	24.40	25.27	----	----	----
5000 to 10,000	32.0	41.46	36.26	----	----	----
10,000 to 25,000	30.0	26.82	29.57	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
	(50)	(41)	(91)	(50)	(41)	(91)

4.6.3. Consumption Pattern

Consumer expenditure is one of the important indicators for measuring the living standards of a population. High consumer expenditure signifies economic prosperity. It is already pointed out that the income of the affected people in UAIL area has shown a substantial increase. This rise in income has caused changes in the consumption level. This change has been measured here in terms of food intake. The respondents were asked to state the quantity of average daily consumption of the food intake before and after displacement. The analysis shows that around 55 per cent in UAIL expressed the consumption level more or less same and 22 per cent have indicated the increase of consumption level, whereas for 23 per cent it has decreased. The establishment of projects as well as townships has created a huge demand for agricultural commodities such as food grains, pulses, vegetables, fruits, milk, eggs, meat, etc. This has resulted in the commercialization of agriculture in the villages around the projects, and the resettlers could not afford to purchase the food grains.

Table.4.12. Changes in consumption level of respondent of UAIL after rehabilitation

Project	UAIL		
	After Displacement		
Consumption	SC	ST	Total
Increased	24.0	19.51	21.97
More or less same	46.0	65.85	54.95
Decreased	30.0	14.64	24.08
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.7. Resettlement and Impact on Social Capital

Displacement and resettlement cause serious social and cultural disruption. However, the process of resettlement in any project is always associated with pains and pleasures of the affected people. Tribal and other indigenous people have strong attachment to their houses and lands, which are essentially family assets, symbolizing the accumulative efforts of generations. Therefore, uprooting them from their ancestral lands disturbs and erodes their way of life. The improvement in the conditions of living and working environment of displaced families calls for the creation of social amenities and revival of economic

activities. The intention of resettlement has always been to provide a better living environment. In fact, the participation of the displaced persons in both work and community life enable them to carve out a satisfactory living style. Even if resettlement conditions are not congenial, a comfortable community life in a residential neighborhood can make a great impact on their livelihood. The level of social transformation among the displaced persons is conceived as an aggregate measure of the reflections of changes in social and economic life. In this context, various aspects related to resettlement such as, consequences of leaving the ancestral villages, problems in new places, changes in various aspects of community life, disruption of self-sufficient economy, changes in intra-family relations and relation with host population, etc., have been explored. An attempt has been made in the following section to examine, whether the nature of friendliness and extend of help have undergone changes after resettlement.

4.7.1. Displaced persons and Host population Relationship

The process of displacement throws the residents out from their own resources, symbols, products, themselves and their relatives. Their traditional skills and qualities no longer remain valid to fetch them livelihood in the new economic setup. Ironically, they could not learn easily new skills that are important in the urban atmosphere. When people move to new places, it is natural that they confront innumerable problems. The UAIL Project people were no longer having access to the resources, they were dependent upon prior to their displacement. Their skills and their lifestyle had been built around a resource base available to them. Displacement has put them at a further disadvantage because those traditional skills are no longer of any use. They felt alienation where they depended on UAIL for jobs and shops. Agriculture activities were at a standstill because of the acquisition of agriculture land.

Around 70 per cent respondents mentioned that their trauma and frustration got further aggravated when they could not find a friendly atmosphere in the new resettlement colony. The authorities forced the residents for resettlement in such a place where they were no longer able to adjust because of the hostility of the host people. The host population, living around that place since time immemorial, found the newcomers as their competitors. They

thought that the arrival of thousand of jobless and homeless people to the place, would enhance the competition for scarce resources, and they may be outsmarted by the immigrants. The situation aggravated the problems of the outsees and put them in a soup. They were on the fringe of the social and economic bases and the psychology governing the urban culture was not suiting their mentality, resulting in frustration, anguishes and alienation as a whole. The UAIL resettlers stated that the original villagers close to the colony treated them with disdain and derision. They used to call the resettles as destitute who occupy an inferior social status. Near about 77 per cent respondent expressed the neighbourhood interaction between tribal and non-tribal was almost nil. Sometimes the tribal's felt secluded and neglected by the majority of non-tribal. Thus, it can be said that site selection and proper caste and village-wise grouping of people have important bearings on neighbourhood relationships and inter-dependence among resettlers.

Table.4.13. Perceived relationship of displaced persons with host population

Project	UAIL		
	Yes	No	Total
Equally observing social function	29.67	70.23	100.0 (91)
Using CPRs equally	36.26	63.74	100.0 (91)
Helping in bad and good times	41.75	58.25	100.0 (91)
Participation in marriage and funerals	23.07	76.93	100.0 (91)
Caste and Religion feeling	18.68	81.32	100.0 (91)

4.7.2. Secure at Relocation area

The village community is known for its interconnectivity, dependence and self-reliance. The transitional phase is the most crucial for outsees because if they can overcome the hurdles in an alien area then only they can begin their life afresh. Those co-operating and facilitating each other in the agriculture mode of production have become healthy competitors and

started competing for the share of the scarce resources available in the new setup. The process of acquisition of agricultural land and forced relocation of the residents widely opened the gates for the urban economy and way of life, for the earlier closed agrarian society.

The following table shows that not many of the residents relocated in the resettlement colonies are happy with the scenario presently available for them. When asked whether they feel secure at the new relocation site, the villagers openly criticized and rejected the set up of the resettlement colonies. They vehemently opposed the concept of resettlement colonies and said it did not suit their rural mentality and pattern of living. Out of 91 residents interviewed, near about 65 per cent of the respondent showed their dismay and apathy towards the resettlement colonies and the new relocation site and said the lack of friendly neighborhood is always missed over there, which has created a continuous feeling of insecurity in their minds. Now, they have to live and adjust with the strangers as their neighbors, with a completely different mind set up and standard of life. Inter-communal rivalry also broke out as a result of the assembly of workers from different states and communities working together. Frequent inter-ethnic clashes were reported in the past and these caused death and injuries to many workers. During the initial stages, the resettlers of UAIL were attacked by migrants. All these incidents have created conditions of distrust and insecurity resulting in social tension and adverse industrial climate.

Table.4.14. Respondents view on secure at relocation site

Project	UAIL		
Feeling	SC	ST	Total
Yes	28.0	56.10	35.16
No	72.0	43.90	64.84
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.7.3. Intra-Family Relationship

The agricultural mode of production had the strength to bind a joint family together. However, the acquisition of land and traditional specious houses has brought the same

family down into a stage of misery. Now, they lack food, space and resources to fulfill the basic needs of the family members. The resettlers of UAIL found themselves in an industrialized world, where the agricultural mode of production was replaced by industrial activities. The existed self-sufficient village economy has undergone a complete change. The case of strained inter-family relationship was proportionately more among the UAIL resettlers (58 per cent) and about 31 per cent respondents stated that intra-family relationship is more or less same. The reasons for strained relationships are reported to be due to differences of opinion on utilization of compensation of money, growing individualism and disrespect to elders in the family. Nuclear family lacks matured persons to advise and suggest ways to tackle the problems, as a result the youth and the middle-aged fell victim to illicit behaviour such as indulging in liquor and drugs.

Table.4.15. Intra-Family relationship after displacement

Project	UAIL		
Opinion	SC	ST	Total
Improved	12.0	9.75	10.98
Same as before	22.0	41.46	30.76
Strained	66.0	48.79	58.26
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.7.4. Impact on Women

Dislocation and relocation in another area, unless very carefully executed, means a breakdown in the community network. Since the dependence of women on men is a greater, breakdown of these networks creates tremendous insecurity and trauma, which the women experience more than men who are relatively more mobile. Even collection of fodder and fuel or water is often not a purely economic activity. It is an opportunity to socialize and exchange confidences. Families, which earlier used to be the production units were reduced to the level of the consumption units. The following table shows how the household status is showing a very dismal picture of activities associated with women. There were 87 percent UAIL respondent felt the requirement of space and sanitation. However, in the new resettlement colony they did not get enough space and sanitation facility. This led to a sharp decline in the status conferred on the women, from what they enjoyed earlier. Dowry system is also on a sharp increase. With the establishment of projects the crime rates in the

surrounding villages are on the increase. It is reported that vices on local women became frequent during the construction stage. This shows that how the women of the region have either become dependent on their men folk or are losing their freedom.

Table.4.16. Respondents view regarding impact on women after rehabilitation

Project	UAIL		
	Yes	No	Total
Impact on Women			
Health Problem	76.92	23.08	100.0 (91)
Space and Sanitation	86.79	13.21	100.0 (91)
Poverty and Un-employment	73.62	26.38	100.0 (91)
Drug and Liquor	33.0	67.0	100.0 (91)

4.8. Resettlement and Impact on Human Capital

Provision of human capital is very important for the overall development of villages. No rehabilitation programme would be complete, unless minimum basic facilities and amenities, like education, health care, electricity, water facility and communication, etc. are provided along with the opportunities for employment and scope for improving agriculture and allied with activities. The urban industrial activities have created a strong market force for their own demand of different consumer items and this in turn has helped these small towns to emerge as regional markets with large service areas beyond the limits of the project complexes. Various facilities have been established, and the people are becoming conscious of availing of these facilities. The development projects have contributed to the establishment of schools, Panchayat Bhawan, markets and other community centers, etc. All these new development impulses are gradually reaching the surrounding villages and thus providing scope for quicker economic transformation of the region. One method of examining the functional gap in the availability of amenities is to compare the present situation with that enjoyed before displacement. An attempt has been made here to understand the measures taken by UAIL in providing these facilities and how it has impacted on the human capital of the displaced families.

4.8.1. Facilities in the Resettlement colony

After studying the dynamics of the relocation process, it is also important to understand whether or not all the new resettlement colonies are provided with the basic infrastructure or not; whether or not all the new clusters are provided with basic infrastructure as required and whether or not such amenities are in good and usable conditions. The following table gives an account of the available resources in the resettlement colonies. The study captured the perception of the displaced persons regarding the problems being faced by the displaced persons in the resettlement colonies. Around 72 per cent respondents revealed that the working of Panchayat Bhawan in the UAIL project area remains the same. The plight of displaced persons suggests that there has not been any participation of the local people in the decision making process of Panchayat Bhawan. About 20 per cent of resettlers stated that the Panchayats were not functioning in the new places. Around 45 per cent respondent felt that the level of education facilities decreased in the new resettlement colonies.

It was disheartening to note that most of the primary schools constructed by the project authorities were lying vacant, as the education department had not sanctioned teachers for these schools. A discussion with the PAPs revealed that the schools run by UAIL are not affordable to them because of higher fees. As an obvious consequence, these schools are now in a bad condition in the absence of any care. Some of the schools are now being used as cowsheds. Thus, overall education facilities have given a very dismal picture in that area. Electricity is one of the basic modern day's necessities. The UAIL, R&R policy guidelines said that all resettled colonies are electrified. In an interview with the project authority and with displaced people, the study captured that the electricity facility has decreased up to 41 per cent. Though the resettlement colonies are electrified, street light is available and people are paying every month Rs. 200 for electricity, but there is no regular electricity service available.

The water facility in the UAIL Project has decreased to more than 60 per cent, the project authority has provided water facility, but almost half of pumps are presently lying in defunct states. Even the resettlement colony tanks become dry and the villagers face an acute shortage of drinking water. In the absence of concrete guidelines, most of the hand pumps

are not in working condition. In the scorching summer of May-June, most of the people are using water from the *nallah*. In the UAIL project resettlement colonies, there is no cremation ground, about 80 per cent respondent viewed that it is not available. People are generally using the neighbor villages cremation ground by paying some money.

Table.4.17. Community infrastructure facilities in the R&R colony of UAILP

Items	Panchayat Bhawan	School	Electricity	Pond	Well	Cremation ground
Increased	7.69	12.08	19.78	7.69	15.38	6.59
Decreased	19.79	47.27	41.76	61.55	68.14	80.23
Remains the same	72.52	40.65	38.46	30.76	16.48	13.18
Total	100.0	100.0	100.0	100.0	100.0	100.0
	(91)	(91)	(91)	(91)	(91)	(91)

4.8.2. Market and Communication facilities

In the UAIL Project, the communication facility is very poor, about 83 per cent respondent viewed that they have used to go to two miles to catch a bus. Currently, the whole area of Kashipur is undergoing industrialization and urbanization. This naturally requires good facilities. Near about 72 per cent respondents expressed that there is no daily market in the resettlement colony and about 84 per cent reported that there are no post-office and P.C.O facilities available in the resettlement colonies of UAIL. UAIL respondent expressed the facilities as grossly missing, where they used to get these facilities near the village Kucheapadar. In the case of UAIL project, these facilities were not extended. The resettlers were at a disadvantage stage, since they had to shift to far off places. This shows poor quality of the communication facilities available in the resettlement area.

Table.4.18. Market and Communication facilities available at R&R colony of UAIL

Project	UAIL		
	Yes	No	Total
Particulars			
Daily market	27.48	72.52	100.0 (91)
Weekly market	33.46	66.04	100.0 (91)
Grain mandi	12.08	87.92	100.0 (91)
Bus stand	17.58	82.42	100.0 (91)
Post-office	15.38	84.62	100.0 (91)
P.C.O	8.79	91.21	100.0 (91)

4.8.3. Awareness about the Project

Information encompasses awareness, aptitude and adaptation towards anything and everything. If a person is apt to grasp inherent meaning of the disseminated information, he/she will be able to tackle and acclimatize himself/herself with the imminent situation easily. However, the victims living in UAIL region did not know in advance of their future fate. Their vision was blurred in the absence of knowledge and wisdom. They knew nothing about displacement, neither the time nor the place. Mental preparedness for the problem was nil, and they were completely dependent on others, especially the project authorities, who were the masters of their destiny. Neither NGOs nor government organizations gave a helping hand to these oustees during times of deep distress.

Around 86 percent respondents of the UAIL showed ignorance towards the project set up and the policy governing resettlement and rehabilitation and any procedure named as Land Acquisition Act of India. This shows that pathetic mental awareness of the residents towards the policy and guidelines, which is continuously altering and affecting the fate of the people. It is apparent that most of the residents acted on the will of the project authorities and the directives of government, without knowing the reasons attached and the prospects concerning their future. Only 14.28 per cent PAPs, who were semi-literate, could acknowledge the meaning of the notice, the project set up and the Resettlement and

Rehabilitation Act. They were many helpless poor people, for whom everything was beyond their control.

Table.4.19. Respondents view on awareness of the project set-up

Project	UAIL		
Aware	SC	ST	Total
Yes	16.0	12.91	14.28
No	84.0	87.09	86.82
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.8.4. Attitude towards officials

The time when the project was in the inception stage, there were large-scale false promises were made to the victims by the R & R unit. PAPs were promised by project authorities to get good compensation and persuaded to vacate their respective land and dwelling in favor of the upcoming project. The project authorities assured to provide health, education, training, electricity, employment and sanitation but nothing has been effectively implemented so far. Considering the total sample respondent, around 89 per cent respondent of UAIL asserted that the project authorities could not keep up their promises.

Table.4.20. Respondent's view on the attitude of officials help and provisions of facilities in resettlement

Project	UAIL		
Attitude of the officials	SC	ST	Total
Helpful	12.0	9.75	10.98
Not-helpful	88.0	90.25	89.02
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.8.5. Support Provided by Follow-up services

Tribal and other indigenous people usually depend upon neighbours, relatives and project authorities for help. An attempt has been made in this section to examine whether the nature of friendliness and help have undergone changes after resettlement. The displaced people of UAIL were shifted far away from their original villages. This has deprived them and was asked to choose the resettlement camps as per their convenience and likings. The adverse

post-resettlement situation was beyond their imagination. Their poor economic condition happened to be the outcome of their being agriculturally much worse off than before. The resettlers' level of satisfaction with the condition of living depends upon the extent of fulfillment of various promises made before displacement. Follow-up services are a part of the rehabilitation programme, as they minimize difficulties and hardships and provide satisfaction in living. The project area wise data indicate that the UAIL respondent showed 23 percent, higher rate of satisfaction. More than half of the respondents, i.e., around 72 percent were not satisfied with the resettlement activity by the UAIL authority.

Table.4.21. Respondents level of satisfaction with resettlement and fellow-up activities

Project	UAIL		
Satisfaction with follow-up service	SC	ST	Total
Satisfied	24.0	21.95	23.07
Un-satisfied	76.0	78.05	76.93
Total	100.0 (50)	100.0 (41)	100.0 (91)
(b) Satisfaction with resettlement activity	SC	ST	Total
Satisfied	28.0	26.82	27.47
Un-satisfied	72.0	73.18	72.53
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.8.6. Cooperation of NGOs

The result received to vide earlier table seems to nullify the claims by the authorities and NGOs regarding help and support provided to the victims. It was surprising because quite a few NGOs, working in the area, credit themselves with an extensive list of activities accomplished in order to rehabilitate the affected people and also to provide basic amenities to the downtrodden. The mountainous list of activities performed by NGOs, as per the claim, was blown to the wind by the report received. The following table shows that a majority of respondents discredited the assistance provided by NGOs. Out of the 91 household respondents around 78 per cent asserted their dissatisfaction and just 18 per cent respondent showed their satisfaction. Just only 3 per cent respondent did not take any stand due to some reason or other and opted for the preference making 'do not know'.

Table.4.22. Respondent view regarding co-operation of NGOs

Project	UAIL		
Opinion	SC	ST	Total
Satisfied	18.0	19.52	18.68
Un-satisfied	76.0	80.48	78.03
Don't know	6.0	----	3.29
Total	100.0 (50)	100.0 (41)	100.0 (91)

4.9. Conclusion

The initiation of many industrial projects like UAIL has led to the eviction of people belonging to tribals and other weaker sections throughout the country. The positive impact of UAIL project has offered Orissa enormous benefits in terms of improving economic condition, health, education, communication and housing facilities. The impacts are consistent with the range of problems typically associated with population resettlement caused by industrialization. It has impacted seriously on the social capital, natural capital, physical capital and financial capita. To start with land and monetary policies, compensation policies were inadequate and frequently implemented on an adhoc basis, often depending upon project officials and political parties in power. Existing policies are frequently changed without retroactive provisions to close the gap between earlier compensations and the current provisions. Families who were fully affected, defined by resettlement authorities as those who had lost more than 50 percent of their land due to the project, were offered only monetary compensation deemed equivalent to the amount of land acquired for the project. The field work and observations demonstrated that these resettlers have suffered economic insecurity, loss of livelihood, increased poverty, food insecurity, social disarticulation, psychological stress, and higher morbidity and mortality rates.

The implementation of development projects is indispensable for regional development. However, the UAIL so far failed to induce any significant impact in bringing social transformation among the affected people. Opinion of the affected people, functionaries, and representatives of voluntary organizations, project and government officials, social activist and others vary on the question of success and failure of the rehabilitation programmes.

However, their replies are enough to say that rehabilitation programmes receive a low priority in project planning and execution. The UAIL Project did not cause many significant benefits; rather the resettlers have been put to many difficulties, such as severe shortages of drinking water, fuel wood and fodder, low level of productivity from inferior land in areas of resettlement, lack of permanent employment opportunities, and above all conflicts with host population. As regards occupational rehabilitation, UAIL has not been able to provide alternative jobs to all those who were affected due to limited scope for unskilled jobs in this technologically advanced plant. However, displaced families income has increased because of temporary job, but it has increased expenses on materialistic items, destruction of self-sufficient economy, increased consumption of alcohol, involvement in gambling, insecurity around the project areas. The new resettlement colonies are unable to provide scope for a wide range of personal and professional services. The traditional cultivation pattern has undergone changes. Some rich cultivating families found it difficult to pursue this change, while some others, who by tradition are agricultural labourers, are today only bonded labourers. The community became increasingly dependent on income and market consumables as self-sustain crops were replaced by cash crops.

From the environmental point of view, probably the worst long term adverse effect of UAIL project is the creation of environmental hazards. The environment was drastically altered, as forest lands were destroyed, and pollution and population density dramatically increased. The deforestation triggered increased soil erosion and resulted in depletion of land, a large majority of which had formerly been on cultivated hillsides. The peaceful atmosphere of the project area was also destroyed, due to discharge of industrial effluents, emission of polluting gases, dumping of solid wastes, generating sound pollution, destruction of forest and wild animals, and degrading land qualities. Further, the area is covered in thick layers of fine dust, which even blanketed fresh planting. According to local people, displaced families have been suffered from dust allergies and respiratory infections. In addition to breathing ailments, those living near the project site suffer from other health complications.

To conclude, it can be said that resettlement issue has not been taken seriously. The process and forces of development have many negative implications. Alternatives have to be found to the system that impoverishes and marginalizes people, and deprives them of a

constitutional right to life with dignity. Thus, the main issue in the discussion on development-induced displacement is not compensation or rehabilitation, but the right to a life with dignity. Constitutional rights have also to reach the voiceless communities. The main issue is the development pattern and the legal system that impoverish people by the name of an eminent domain based on a public purpose, and judges development only by economic growth or the infrastructure built. It has to be changed through a development paradigm that judges progress primarily by improvement in the lifestyle of every displaced person. In the following chapter, an attempt has been made to compare the livelihood reconstruction of displaced people of UIHEP and UAIL.

CHAPTER-V

RECONSTRUCTION POLICIES OF UIHE AND UAIL PROJECTS: A COMPARATIVE ANALYSIS

The process of socio-economic development activated under the successive five years plans have led to the establishment of large development projects in different parts of the country. These development projects have been projected as symbols of progress because they are usually implemented in backward and tribal areas where modern development is yet to be initiated. The objectives of this development process include raising the living standards of the local population, but this does not happen uniformly. Certain sections of the local population are adversely affected in this process of development. The most spread effects of involuntary displacement are the impoverishment of considerable numbers of people. In India, for instance, many studies have found that the country's development programs have caused an aggregate displacement of more than 20 million people during roughly four decades, however, 75 per cent of these people have not been "rehabilitated". Their livelihoods have not been restored; in fact, the vast majority of development resettlers in India have become impoverished (Mahapatra, 1999).

Involuntary displacement and resettlement have adverse social, economic, cultural and environment impacts that affect productive assets, sources of livelihood, homestead, cultural identity, families and kinship, social relations, community structure, traditional authority and potential for mutual help that come out of these relations. This means that displacement causes certain problems and risks, which have an economic, social, and cultural implication. Over the years, many studies of planned human settlements on new lands have proposed several conceptual frameworks to describe planned settlement process and focused attention towards the process and limitations of rehabilitation at the levels of policy, planning and administration.

However, whether resettlement has been successful or not has been a major concern in studies of development and resettlement. Since resettlement deals with the construction and reconstruction of human communities, the role of state and its agencies are crucial in

ensuring effective implementation of resettlement and reconstructing measures. In this process, the state and its institutions play a positive role in community reconstruction. The present chapter highlights different policies being adopted by state agencies and also non-state agencies on the resettlement and reconstruction process and makes a comparative analysis on the process of development and reconstruction dynamics among communities resettled pursuant to planned development. An attempt has been made to frame a conceptual approach through a detailed understanding of existing literature on the resettlement and rehabilitation process supplemented with an empirical analysis of two selected case studies.

5. Policy and Planning on Reconstruction

It has been established all over the world that any development projects, which require huge acres of land essentially displaces local residents. It is also a well-known fact that displacement brings with it hardships and trauma. The displaced people pay the price for the development of the nation. This brings attention towards the process and limitations of rehabilitation at the levels of policy, planning and administration. Policy guidelines are essential for the success of any project. This section is meant to deal with the problems which mounted during project execution, the way they were dealt in the background of the present available policy guidelines of different agencies such as the World Bank, National Resettlement & Rehabilitation Policy of India, Land Acquisition Act of India, Orissa State Governments R&R Policy, Non Governmental Agency Policies on rehabilitation and resettlement of the displaced people. There is also an effort to analyze the effectiveness of these policies and the modifications that took place during the years to suit the changing circumstances and demands of the situations. Finally, an attempt has been made to analyze and evaluate the policy planning that has been incorporated to reconstruct the livelihood of the displaced people of the selected case study projects of UIHE and UAIL in Orissa.

5.1. Rehabilitation & Resettlement Policy of World Bank

World Bank was the first agency of its kind, to experience the aftermath of development in the form of resettlement and rehabilitation. So, being responsive towards the growing environmental problems, it was the World Bank, which took the first steps in formulating an approach to the resettlement question. In 1980, the Bank issued a policy to protect the

interests of the populations displaced by the development projects. This was the first time that any major development agency instituted a policy to deal specifically with the problems of involuntary resettlement. Since then, the Asian Development Bank, the Inter-American Development Bank and the Organization for Economic Cooperation and Development laid down policies for projects requiring resettlement.

The World Bank policy on resettlement has undergone several revisions since it came into existence. Its first revision took place in 1986. A new version of the policy document appeared in 1988. This too underwent some revisions lately and an updated operational directive has been, in effect, since 1990. Current resettlement policy governing funding of development agencies takes the element of policy of 1990. As per Bank guidelines, the very nature of involuntary resettlement gives rise to special social and technical problems, which are to a great extent different from, and usually more severe than, those encountered in cases of voluntary resettlement. The bank policy rests on a collection of basic principles, such as, minimizing displacement, government responsibility towards the relocated, participation of stakeholders, the rights of victims of displacement, protection of host populace interests, a forward-looking definition of objectives of resettlement and so on.

The Bank policy emphasized that the projects designed and appraised in the past, there was no provision for resettlement and rehabilitation in their guidelines. Subsequently, when it was discovered that resettlement would be necessary, the lack of resources for the purpose only complicated the implementation of the project. In order to prevent recurrence of such cases, the Bank guidelines insist that initial planning of any project construction should accompany the budget of R & R and other development activities. The Bank policy recognizes that in any involuntary resettlement situation, some human suffering is inevitable. As its very first requirement, the policy, therefore, states that involuntary resettlement must be avoided wherever possible. When it is unavoidable, it must be minimized. Emphasis is on providing resettled people with new and better economic opportunities. The policy states that the families affected by a Bank-financed project should share in benefits from the project as a result to be better off than before an involuntary resettlement program must at the same time center on development programs. Emphasis in the policy on preparation of resettlement plans in advance is intended to ensure that the

people affected by projects are helped effectively in their rehabilitation. Specifically, the plans are to provide for compensation in full before departure to the new locations; assistance in moving to the relocation site and support during the transition period; and assistance in efforts to improve their living standards.

As resettlement planning decisions impinge on the lives of the displaced groups, agencies concerned enjoined to encourage community participation on planning and implementing resettlement. A related recommendation concerns the involvement of local groups and non-governmental organizations (NGOs). The Bank policy regards as of particular importance the welfare and development of the indigenous groups, ethnic minorities and other marginalized groups, such as women. Even without legal title, these adversely affected groups are to be eligible for full compensation as well as resettlement. In this way, the World Bank has made R & R Policy mandatory in its grant guidelines for development projects.

5.1.1. Land Acquisition Act (LAA) in India

The Land Acquisition Act³² of India regulated for the first time in 1824 and empowered the government to acquire immovable property at a fair and reasonable price for construction of road, canals or other public purpose. For the first time, a detailed procedure for the acquisition of land was provided in 1870 Acts. The provision of the 1870 Act did not satisfy the needs of the day and eventually the Land Acquisition Act, 1894 was enacted. After post-independence of India the Act was drastically amended in 1984 by the Central Government. Prior to 1984, the Land Acquisition Act, 1894 was not applicable to the states of Jammu and Kashmir, Rajasthan, Kerala and Nagaland, which had their own self, contained Land Acquisition Act. In 1984, the Land Acquisition (Amendment) Act made applicable to the whole of India except Jammu and Kashmir. The right of “Eminent Domain” is the basis of this act. The law of “Eminent Domain” established the principle of State monopoly over

³² In Australia this is known as *terra nullius* (nobody's land). When Europeans occupied native land in Australia, New Zealand, Canada, USA and other countries, they claimed that it was without an individual title and as such belonged to none. So anyone could occupy it. In reality this land belonged to the native people though they did not have a written document to prove their ownership. In most cases their whole community, not individuals, owned it. In 1992, the Australian High Court declared the concept of *terra nullius* unconstitutional.

land and community resources like forests. This colonial principle continues to be the basis of land laws in India (Verma, 2004). Its first dimension is that land without an individual *patta* is State property. Its second dimension is that the State alone has the right to decide what a public purpose is. So the LAA authorizes the State to displace people by the name of a public purpose. However, public purpose has not been defined until today.

The LAA provides only for payment of cash compensation and that to only to those who have an interest in the land being acquired or in the compensation to be paid. The interest of those who form an integral part of the social and economic fabric of the village community like landless labourers and artisans are totally ignored. Nor is there any provision for resettlement or rehabilitation of those, whose land has been compulsorily acquired under the Act. The only provision is for payment of reasonable expenses incurred by a person interested if he has to change his residence or place of business as a consequence of the acquisition. According to this Act, the most important factor in deciding what compensation will be awarded for the acquired land is the market value of such land prevailing on the date of publication of the notice. As the Act has fixed the date of publication of the notification as the date of valuation, it ignores any increase in the value of such land subsequent to this date. The value of crops and trees as are on the land at the time of publication of notice is to be included in the market value of the land.

Land, which is owned and occupied as one property is often divided due to acquisition. It may suffer depreciation in value by reason of the fact that it can no longer be occupied and enjoyed as one holding. The owner/occupier of such property is entitled to be compensated for such decrease in value of the un-acquired land. One will be entitled to compensation for the portion of one's land acquired for making a railway tract and also for the decrease in the value of the remaining portion that has not been acquired. A person interested is entitled to compensation for damage to his other property or earnings as a consequence of the taking of his land. One is entitled to compensation not only for the land that has been taken but also for any other damage to one's other property or earnings that one may have suffered as a consequence of the acquisition. If pursuant to acquisition of his land, a person is compelled to change his place of residence or business, then he will be compensated for the expenses incurred by him pursuant to having to make such a change. A person is entitled to

compensation for any loss suffered by him pursuant to the decrease in the profits of his land between the times the declaration is published and possession of the land.

5.1.2. National Rehabilitation & Resettlement Policy in India

India in the early 1980s has witnessed a serious concern towards the ever growing and all pervasive problems of resettlement and rehabilitation. Opinions of the donor agencies as well as national and international organizations concerned with the social cause, shifted towards protection of human rights. As a result, there was increasing concern favouring the enactment of a sound National Resettlement and Rehabilitation Policy in India, ingenious enough to solve the problems of the outsees. As such, efforts are constantly made towards the composition of such a national policy.

The attention of the NGO movement, particularly those concerned with tribal rights, as well as that of some donors, has been drawn to the issues surrounding displacement, because of increased interest in matters of sustainability and human rights. These focused during early 1990s around the Sardar Sarovar Project. There was pressure from World Bank, other major donor agencies as well as national and international organizations concerned with the rights of the displaced. They expressed the need for a national policy. As a consequence, the Government of India initiated formulation of a sustainable policy on R&R. Thus, draft of a national resettlement policy has been the subject of widespread consultation among state governments and within the NGO community in many parts of the country.

The Indian government began the policy drafting process only in 1985 when the National Commission for Scheduled Castes and Scheduled Tribes indicated that about 40 per cent of the DPs/PAPs were tribals. In 1989 a National Working Group on Displacement was formed through an NGO initiative. This also involves government officials and a draft National Policy on Development Resettlement of Project affected Persons was prepared. The Ministry of Rural Development prepared the draft of a National Policy for Rehabilitation of Persons Displaced as a consequence of Land Acquisition. The circulating government draft emphasizes equity, fairness, justice and equality on the distribution of burdens and benefits. The draft recognizes the right to settle and reside in any part of the country, the special rights of tribal, the customary rights to common property resources of those dependent on

the forests, and also those classified as ‘encroachers’. It emphasized the need to ensure rehabilitation in any displacement process and stresses the need to ensure that the displaced persons actively participate in their own rehabilitation.

Several states and some public sector companies have adopted their own state policies for displacement and resettlement. In the 1980s, Maharashtra in Western India, Madhya Pradesh in Central India, and Karnataka in South India enacted laws on the rehabilitation of irrigation-displaced persons. In the 1990s, Orissa in Eastern India, and Rajasthan in Western India formulated policies for persons displaced by irrigation projects. Coal India limited (CIL) (1994) and the National Thermal Power Corporation (NTPC, 1993) promulgated their sectoral resettlement policies in the 1990s. NTPC has revised it in 2005 and the National Hydro-Power Corporation (NHPC) has finalized its policy in 2006. Except Maharashtra Act, all the other state as well as sectoral policies were prepared at the suggestion of the World Bank (WB), which co-financed development projects in those states and sectors (Fernandes and Paranjpye, 1997).

The Government of India issued the long awaited National Resettlement and Rehabilitation Policy³³ on 17 February 2004, which has been reissued in 2006 (GoI, 2006). The policy reflects the concern of the government for the affected people and provides measures required to mitigate adverse project impacts. The policy aims at laying down basic norms and packages, but the states are free to adopt their own R&R packages, even though those may be higher than what the national policy provides. The policy was intended to apply to projects displacing 500 or more families (2500 to 2750 persons) in the plan and 250 or more (1250 to 1350 persons) in the hills or tribal areas known as Schedule V and Schedule VI in the constitution. The stated policy objectives are to:

³³ See for more details, National Policy on Resettlement and Rehabilitation for Project Affected Families, Prepared by NAC, 2007.

- Minimize displacement and to identify non-displacing or least displacing alternatives;
- Plan for resettlement and rehabilitation of project-affected families (PAFs) people, including special needs of tribal and vulnerable sections like Scheduled Castes, Small/marginal farmers, women and the very poor.
- Provide better standard living to the PAFs.
- The principle of 'land for land' must be followed scrupulously and each PAP in irrigation projects, and SC/ST PAPs in all projects, who loses land must be given land of at least one standard hectare of irrigated land.
- The process of selecting rehabilitation sites and lands must involve the PAPs and their preferences must be mandatory for the final selection.
- The PAPs must also have a first right to get employment in the project. The need for trained and experienced personnel should not be a constraint as training should be organized for interested PAPs ever before the project is initiated.
- To ensure that benefits to be displaced people must be comparable with the people benefiting from that specific project or with the people who have been beneficiaries of the development process in general.
- It shall be a compulsory obligation on the part of the project planning and implementation authorities to involve and consult the representatives of the affected communities, including women and members of disadvantaged groups in all phases of planning, execution and monitoring of the RR plan.
- While determining compensation, replacement value at the operative market rates must invariably be the basic principle. This must be at the market rates that actually operate and that to at the time of purchase and not just those that are officially recorded.
- Rehabilitation packages and processes must be gender sensitive. Land and other assets should be provided in the joint names of both spouses.
- All PAPs, and other concerned citizens and peoples organizations, would enjoy the right to information about all aspects of the project which are of public interest, including the detailed project report, financial plan, social impact-benchmark and other studies, environment impact assessment and rehabilitation plans and the detailed RR plan. This must be in the local language of people and in a form and manner that they can understand.

- Agricultural or cultivable wasteland is to be allotted to each PAF to the extent of actual loss, but subject to a maximum of 1 ha of irrigated or 2 ha of un-irrigated land/cultivable wasteland 'subject to the availability of government land in the district'.
- Each PAF whose house has been acquired will be allotted a site free of cost but only the families below the poverty line (BPL) will be given a one-time fixed grant of Rs 25,000 for house construction. Land losers will be given one-time grant of Rs 10,000 per ha for land development and Rs 5000 per family for agricultural production.
- Each PAF will get a monthly allowance of 20 days minimum agricultural wages for a period of one year, not exceeding 250 days of MAW.
- A PAF whose entire land has been acquired will get one time financial assistance equivalent to 750 days of MAW for loss of livelihood. PAFs who become marginal or small famers because of acquisition of a part of their land will get an one-time financial assistance equivalent to 500 and 375-day MAW respectively.
- Agricultural or non-agricultural labourers will be given 625 days of MAW. Each rural artisan, small trader, and self-employed PAF will get financial assistance of Rs 10,000 for construction of shops or working sheds. Those who lose their customary grazing, fishing, or other rights will get a one-time financial assistance equivalent to 500 days of MAW.
- However, it is not enough for just pay cash compensation; various other principles must be followed to ensure that social costs are minimized.
- Facilitate a harmonious relationship between the requiring body and PAFs through cooperation (NPPR, 2007).

The efforts towards the formulation of R & R policy would enable the project affected people to claim their socio-economic and political rights. If the objectives of the R & R policy as proposed are implemented in true spirit then it would further help to democratize the process of development projects.

5.1.3. The National Thermal Power Corporation (NTPC)'s R & R Policy

NTPC drafted its first R & R policy in 1991 and finalized it in 1993.³⁴ The company felt the need of adopting a rehabilitation policy because the projects are often delayed in the absence of rehabilitation. As a result the company gets negative reputation and loans are refused. They felt the need of rehabilitation in order to resettle the people because they pay the price

³⁴ See for more details, Resettlement and Rehabilitation Policy, NTPC, New Delhi, 2003.

of development, and so they deserve some consideration. This policy includes among the DPs and PAFs the agricultural labourers, common property resource (CPR) dependents, those whose land is rendered uneconomical, those who lose their homestead or both their land and home and others depending on the acquired land. By the name of rehabilitation some may get land and others only a house. Since land is not easily available, it is to be given only to the landowners who opt for it. It envisages other schemes for those who are not entitled for land. This includes self employment in dairy, poultry, handicrafts, opening own shops, awarding small contracts, etc. However, NTPC does not expect many jobs for the DPs and PAFs. Some may be given unskilled jobs and if they have skills for better jobs than they will be given preference. Those who qualify for training will be sent for training and NTPC will pay the cost. Those losing their homestead will be given developed house sites of 50'x40', free of cost. The colony will have a primary school, a dispensary and other facilities like a village pond, panchayat ghar and drinking water well. Before deciding on the compensation to be paid, NTPC proposes a detailed demographic and socio-economic survey in the area to be acquired. It also proposes regular monitoring of R&R activities; also it emphasizes a dispute solution mechanism set up. It will also adopt a village in the neighborhood and provide it community and other development facilities.

5.1.4. The Coal India's R & R Policy

A mining site is determined by the location of coal. In the past coal subsidiaries could acquire land with relative ease because they offered jobs. Though preference for jobs had been given to the DPs and PAPs but the company will have to find alternate ways of rehabilitating them. The policy believed that only proper resettlement would elicit their co-operation. A good relation with the affected persons is the basic need. Thus it decided to give high priority to avoiding disturbance among the affected persons. Coal India wants its subsidiaries to explore alternative sites and project designs in order to minimize the need for resettlement. Where the people will be affected the subsidiary will plan their R&R. Basic aim should be to provide the affected persons the same lifestyle if not an improved one. Though mining brings new jobs, but it also eliminates many traditional sources of income. Hence, there is the need of rehabilitation, in order to integrate the affected people into the regional development process. Under the R&R policy of Coal India landowners may be

given compensation and the option of buying equivalent land elsewhere. Otherwise, they get priority in jobs or will be assisted to establish “non-farm employment”. The landless, share croppers and others are entitled to this. Subsistence allowance of the Rs.12, 000 may also be provided. This scheme will attempt to give women priority and provide them access to income generating opportunities offered under this policy. Those losing their house or homestead will get a 100sq. meter site and will be assisted to design a new house. This policy also has implementation, monitoring and evaluation opportunities.

5.1.5. The Draft Water Resource Policy

Since the adoption of the National Water Policy in 1987, a number of problems and challenges have emerged in the development and management of the water resource's sector. The National Agenda for Governance provided for adoption of a National Water Policy³⁵ for effective and prompt settlement of displaced people and their time bound implementation. This policy recognizes that the compensation provided by LAA is inadequate. Following is the principles of this policy:

- All families affected by submergence and project activities, not merely the title holders, are to be included among the DPs/ PAFs
- It recognizes that many outsiders purchase small plots in the affected region in order to reap the advantage of jobs and other benefits being offered. Hence, there is the need to have a cutoff date that is different from the notification.
- It envisages the usual stages of the declaration of an intention, objection and final declaration in acquisition but wants various groups, including representatives of affected people to be included in the bodies dealing with these stages.
- It envisages a comprehensive resource base survey to understand the economy of the area to be affected. Its social structure, demographic features, etc. need to be studied in order to understand all the deprivation that the people will experience.
- Based on this understanding it proposes the preparation of an R&R plan that includes dealing with losses, including the psychological stress.

³⁵ See for more details, Draft National Policy on Resettlement and Rehabilitation of Persons affected by Reservoir Projects, Ministry of Water Resources, Government of India, 1996.

- The aim of this policy is to make the affected people share the benefits brought in by development projects and not merely restore the lost livelihood but also improve it and ensure that they enjoy an improved resource base after their displacement.
- When whole villages or localities are displaced, social relations are affected. The relocation plan should be sensitive to this loss. The DPs should be compensated as a community as well as an individual for all types of losses.
- The relocation plan should be made public and be ready at least a year before starting the project. Its preparation should follow a participatory process.
- Land for land is the basis of its rehabilitation package. It varies from the persons who own land, cultivate land, and cultivate land belonging to other people as sharecroppers, agricultural labourers or in any other form.
- It also includes those who cultivate land belonging to the Government and all other categories of persons in the project-affected area, who are directly or indirectly dependent upon agriculture or forest.
- The minimum land to be given is based on irrigation/non-irrigation, productivity and the price index of the region. The land should be ready for cultivation and be free from encumbrances.

5.2. Rehabilitation & Resettlement Policy in Orissa

The content of any National Policy for Resettlement and Rehabilitation (NPRR) has to be considered primarily from the perspective of those communities who suffer the brunt of displacement and face terrible risks of getting even poorer. In India, though a very large number of people have been displaced by development projects, but until now as a whole has not had a national rehabilitation law or policy. Several states and some public sector companies have adopted their own state policies for displacement and resettlement. Resettlement and Rehabilitation (R&R) activities in Orissa have passed through three phases. The early phase started (immediately after independence to 1973-74) when there was neither policy nor specific guidelines rather a highly apathetic attitude of engineers and bureaucrats towards resettlement of this hapless population. The R&R activities were only confined to give some money to land losers. In the second phase (1975-80), there was no policy but the government had specific resolutions passed in different periods considering project realities. The most important one was the principle of 'land for land' in the year 1977. These resolutions created a sense of responsibility and sympathetic attitude towards

resettlement of outsees. During the third phase (late 1980's to the present), growth of development nexus and highlighted the counter effects of large development projects globally.

This has created a worldwide concern among the international agencies, financial sectors, civil societies, NGOs and academic researchers about the social aspects of dam projects and the pauperization of the outsees. In the 1990's Orissa in eastern promulgated resettlement policy at the suggestion of the World Bank which has co-financed many development projects in Orissa. In order to ensure sustained development through a participatory and transparent process, Government of Orissa has revised several times its resettlement and rehabilitation policy and plans. The present policy which was revised in 2006 defines the DPs as one "affected in respect of his/her land, including homestead land and structures thereon, trade and occupation due to construction of the project within the affected zone".³⁶

The main provisions of the Orissa policy are as follows:

- It includes within its purview agricultural labourers and other dependents.
- It treats as separate families, sons who are above 18, unmarried daughters more than 30 years and widows and divorces without independent income.
- Gram Sabha or Panchayats at the appropriate level shall be consulted in scheduled areas before initiating the Land Acquisition Proposal.
- The Government is to set up a *lok adalat* to deal with grievances.
- Compensation is to be paid in full before the people move out of their habitat.
- Public property is to be compensated according to its depreciated value and deposited with the department, trust or organization concerned. Later the project is to maintain these institutions in the new area together with the department concerned.
- Land for land is to be the main method and the project should provide transport free of cost to the new site.
- The policy stipulates that a baseline survey be done of the land to be acquired for rehabilitation together with the land for the project. It should be close to the submergence area.

³⁶ See for more details, Orissa Resettlement and Rehabilitation Policy, The Orissa Gazette, 2006.

- Site for the resettlement habitat shall be selected by the RPDAC in consultation with the displaced families.
- A development plan should be worked out for the settlement sites and for the irrigation of the displaced population with the host community.
- The extent of land depends on its quality and whether it is irrigated or not.
- The DPs will be given in writing whether they want land to be allotted or not.
- The *patta* is to be allotted by the name of both the husband and the wife.
- As far as possible homestead land is to be allotted even when agricultural land is not allotted to them.
- The village should be taken as one unit.
- It provisions relating to rehabilitation will be given effect from the date of actual vacation of the land.
- The DPs are to build their own house and are to be given assistance to the tune of Rs. 20,000.
- An identity card shall be issued to each displaced a family in a manner prescribed by the government.

When it is impossible to allot agricultural land, alternatives such as plantation around the reservoir, cottage industry, dairy, poultry, allotment of shops and vocational training may be planned. The affected persons are to be given first priority in jobs. Only one member per family may be provided with these facilities. The heads of displaced families are to be issued identity cards before issuing it. They should be given information on the project and the main features of R&R. It may be done through booklets and different campaigns. The policy also suggests development programs for all and special provisions for the tribal's. The rest of the policy deals with the administration of the programme, the organization involved ongoing evaluation and monitoring.

5.3. Rehabilitation and Reconstruction Policy of UIHEP

In Orissa each department has its own resettlement and rehabilitation (R&R) policy. Different norms are being followed for rehabilitation of the Project Affected Persons (PAPs) by different project. Construction of Water Resources Project is likely to affect human settlement. Consequently, there is a cause for resettlement of the affected persons. With a

view to provide the resettlement and rehabilitation of persons displaced from land, which are acquired for Water Resources Projects, the Government of Orissa's Water Resources Department has formulated its first Resettlement and Rehabilitation Policy in the year of 1994 for UIHEP.³⁷ The then R & R policy 1994 of the Government of Orissa aimed at integrated holistic development of displaced persons and project affected persons who suffer loss for the cause of the project, with special attention to weaker sections. The main objectives of policy were (a) Land acquisition and payment of compensation, (b) R & R benefit to displace persons/families and to project affected persons and (c) Economic rehabilitation programme. The administrative hierarchy, for implementation for the policy, is R & R Directorate at the state level, Rehabilitation Advisory Committee at the project level, special Land Acquisition and Resettlement and Rehabilitation Officer at the Field Level. As per the policy, the survey and identification of the affected area and people was done by government organizations and NGOs. Participatory Rehabilitation Action Plan was then implemented with monitoring and evaluation.

5.3.1. Eligibility Criteria for R & R Assistance

According to Irrigation and Power department, a Displaced Persons (DP) means: "A person who on account of the acquisition of his lands for the major and medium irrigation projects, has been displaced from such lands, including any landless and homeless persons, who is dependent for his livelihood, by manual labour, on agricultural lands immediately before the area comprising such land is taken up for acquisition by the project and who is being deprived of such livelihood on account of acquisition of the lands." The definition of a family in relation to DPs includes his or her spouse, minor children, minor brother(s) and sister(s) and other dependent members. Later the liberalized R&R policy considered the following categories of persons from the submergible villages for R&R benefits also. The policy was revised from time to time, with suggestions received from the DPs, the elected public representatives also the feedback from the R&R unit.

³⁷ See for more details the Resettlement and Rehabilitation Policy of UIHEP, 2000, Khattiguda, Nawarangpur.

- All affected families from fully submerged (dam/canal) areas;
- Families in a village where more than 75 per cent of agricultural land is acquired;
- Villagers of partially affected villages, where socially and an economically unviable living conditions is found;
- A son who is more than 18 years irrespective of his marital status;
- All physically and mentally disabled persons;
- Minor orphans who have lost both parents and have nobody to fall back upon; and
- Divorces with dependent children and divorcees without children having no source of livelihood.

In addition to the above assistance, certain other rehabilitation benefits are also provided by the project to the displaced families.

- Moreover, all the displaced families have received maintenance allowances at Rs.500. Per month for one year after being evacuated from the submergible villages.
- Registration fees and stamp duty admissible during registration of land have been reimbursed by the R&R unit since December, 1992.
- The R&R unit provided free transport facilities with loading and unloading charges provided for the evacuation with no limit on the number of trucks availed or distance covered.
- In case a family opts for self-evacuation an allowance of Rs.300 It was paid towards the same.
- Dry food packets were provided during the transit.
- The families displaced during the first two phases who failed to utilize the R&R package assistance for the aforementioned purposes were provided later with additional rehabilitation assistance with a maximum of Rs. 20,000 per family.
- House building assistance @25,594/- per family.
- The R&R policy provides for installation of one tube well/open well in a resettlement cluster, more tube wells/open wells are to be installed depending upon the location of the houses and requirement.
- Where the number of displaced families exceeds 30, based on the necessity, a tank and a two-roomed school building have to be provided. Link roads have provided to resettlement clusters.

The R&R benefits package has been extended to the displaced families in four phases as presented in the following:

Table.5. Resettlement and Rehabilitation Package of UIHEP

Phase	Extent	Agriculture Land		Extent	Homestead Land		House Building Assistance	Maintenance Allowances	Total Cash Assistance
		Rate	Cash Equivalent		Rate	Cash Equivalent			
1	2	3	4	5	6	7	8	9	10
I & II	5 Ac(Un-irrigated Land) or 2.5 Irrigated Land	Rs. 3650 Per Acre of Irrigated Land	Rs.18, 250	0.5 Ac	Rs.3650	Rs.1825	Rs.9500	Rs.6000	Rs.35.575
III	2 Ac-4 Ac (Un-irrigated Land) or 1Ac.-2Ac Irrigated Land	Rs. 8000 Per Acre of Un-irrigated Land	Rs.16000 to Rs.32.000	0.1 Ac	Rs.16.000 per Acre	Rs.1600	Rs.17.000	Rs.6000	Rs.35.575 to Rs. 56.600
IV	2.5 Ac (Un-irrigated Land) or 1.25 Irrigated Land	Rs. 8000 Per Acre of Un-irrigated Land	Rs.20, 000	0.2 Ac	Rs.16000	Rs.3200	Rs.17000	Rs. 6000	Rs.46.200

Source: R & R Unit office of UIHEP, Khatiguda.

In the old R & R policy of government of Orissa following infrastructure facilities may be provided in the resettlement colonies: (a) One two roomed primary school for every 100 families or less. (b) There will be drinking water tank with enough as per a norm prescribed by GOI under the minimum need programme (MNP); (c) One village pond for each colony irrespective of the number of families resettled there; (d) One community centre in the colony irrespective of the number of families; (e) One dispensary for every 500 families; (f) Each colony should be linked to main road by all weather roads; (g) Every single colony should be electrified; (h) Amenities like school for higher education, Veterinary Dispensary, Panchayat Room, etc. should also be provided by the respective department duly being supplemented by the project.

5.4. Rehabilitation and Reconstruction Policy of UAILP

Until, recently, the government has not paid adequate attention to the rehabilitation and reconstruction of the people affected by the development project. In the absence of a statutory rehabilitation law or even a national policy, there is no legal imperative for state government or project authorities to integrate comprehensive rehabilitation planning into the planning of a project. However, some states have drawn certain policy measures for payment of compensation and other benefits to the people affected by irrigation projects implemented in those states. Industrial development and other projects throughout the country have not been considered for this purpose by state or central governments and as a result, the rehabilitation policies followed vary widely from the project to project. The state of Orissa currently lacks a binding and mandatory R&R policy; therefore, under the Land Acquisition Act, 1894, UAIL has offered the 2, 005 identified people as cash compensation through a government approved R&R policy. UAIL submitted its R&R package in 2000. The UAIL Rehabilitation and Resettlement package was approved by the Revenue Dept, Govt. of Orissa, on 24 November 2004.³⁸ The policies as stated in the office records of UAIL (2005) are as below.

³⁸ See for more details Resettlement and Rehabilitation Policy of UAIL, 2005, Rayagada, Orissa.

5.4.1. Definition and Terms in the R & R Policy

Displaced Person: Mean a person who since at least three years prior to the date of publication of the notification under section 4 of the Land Acquisition Act, 1984, has been ordinary residing, and who on account of acquisition of his/her land, including homestead land in the submergence zone for the project is displaced from such land. This would also include landless labourers. Eligibility for benefits: DPs located in three villages on land required for the project, separately for:

- A son over 18 years old irrespective of marital status
- An unmarried daughter above 30 years
- A divorcee/ deserted women or widows.
- The physically and or mentally handicapped
- Orphaned siblings

2. Employment: Preference to the nominated members of the DFs in providing employment either in the industry or in its ancillary units (with the following priority).

- DFs losing all lands including homestead land
- DFs losing more than 2/3rd of land and homestead land
- DFs losing more than 1/3rd land and homestead land
- Other displaced families.

Benefits of housing and other infrastructure: Each DF or DP to get

- 1/10th of an acre of land for homestead
- Pucca house (480 sq feet areas)
- Infrastructure facilities like road, drainage, drinking water, electricity, community center, etc., as needed
- School and health centers as approved by government
- DFs who opt for self relocation elsewhere other than in R& R colony will be given a onetime Rs. 50,000/

Project Affected Persons/Families:

A person/family will be termed as Project Affected Person/Family if his/her land is acquiring for the establishment of the industrial project. These persons are therefore, affected by the establishment of the project by way of acquisition of their private land but are not required to be displaced as their homestead land is not acquired.

Benefits to PAPs:

(1) Preference to PAPs after DPs in giving employment

1st preference-PAPs losing 2/3rd or more agriculture land

2nd preference-PAPs losing less than 2/3rd agriculture land, which is to be arranged in the descending order of percentage of land lost.

(2) The PAPs losing 2/3rd or more agriculture land shall be entitled to monetary compensation of Rs 1 lakh in lieu of employment.

In addition to the above assistance, certain other rehabilitation benefits are also provided by the project to the displaced families. Those are (i) free transformation of household effects at the time of evacuation to the new settlement; (ii) common facilities and infrastructures like roads, schools, electricity, community centers, grazing land, cremation ground, tanks, wells, tube wells for drinking water, etc., (iii) maintenance allowances 500/- per month (iv) old age pension of 2500/- (v) Health centre facility in the project.

In short, UAIL is offering compensation for lands acquired under the Land Acquisition Act, construction of a rehabilitation colony for DFs, and preference in employment decisions to DFs, PAPs, and DPs. UAIL project has paid cash compensation for the acquired lands, houses and other structures. The compensation for agricultural lands was based on the type of land possessed by the oustees. The valuation of houses was determined based on materials used for roof, wall, floor and trees were considered differentially for the fruit bearing and non fruit-bearing categories. The UAIL project has paid compensation in the form of cash, in lieu of land and homestead acquired for the project from the DPs and PAPs. As already mentioned it did not offer land for land compensation. The displaced and project affected families have received the compensation in two phases. In the first phase according

to the quality of the cultivable land, an amount between Rs. 21,300 to Rs. 66,030 was paid for acre. In the first phase for homestead land Rs. 71,000 was paid for acre. And later ex-Gratia was paid only after local resistance and Maikanch firing (Goodland, 2006). Following strong local protests that this amount was inadequate, it increased compensation for non-homestead land to between Rs.1, 05, 000 and Rs. 1, 50,000 per acre. Homestead land will be compensated at the rate of eight lakhs per acre, which means Rupees eight thousand per decimals; compensation for these lands would mostly be in the range of 8,000 to Rs. 16,000. Table.5.1, it shows the rate compensation paid by UAIL to different lands.

Table.5.1. Compensation Paid by UAIL for Land

Land Type	Land Compensation Paid by UAIL	Ex-Gratia Amount Paid by UAIL	Total Amount
Land	(R.s./Acre)	(R.s. /Acre)	(R.s./Acre)
Atta	21, 300	78,700	100,000
Mala	32,660	87,340	120,000
Berna	39, 050	90,950	130,000
Bahal	50, 410	99,590	150,000
Ghana	71,000	729,000	800,000
Bahalpani	58,220	91,780	150,000
Bahalpani	66,030	83,970	150,000
Patita	10,650	89,350	100,000
Bagayat, Badi	21,000	78,700	100,000
Kacher	33,370	86,630	120,000
Rasta	21,300	78,700	100,000

Source: R&R Unit office of UAIL, Rayagada.

5.5. Comparative Analysis on Reconstruction Measures taken by UIHE and UAIL

Development programmes that provide irrigation, energy for new industries and jobs, schools and hospitals in residential areas, or wider roads in clogged downtowns are indispensable for developing countries. They improve livelihood and expand national and local economies. However, such developments also make rearrangements in human settlements inevitable. Historically, involuntary displaced people have shared more in the pains than in the gains caused by development. The State of Orissa in the process of development has been experiencing the grim truth of displacement due to development

projects. In Orissa, nearly 5, 46,794 people have so far been displaced because of development projects (Ota 1998). They have lost their habitat along with their socio-cultural and economic base, which was built over generations. Experience shows that people uprooted from their habitats and relocated to a new site are unable to restore their pre-displacement socio-cultural, environmental and economic status. Although it is generally agreed that the displaced usually fail to regain their pre-displacement quality of life, there has not been any systematic study in India in general and Orissa in particular to assess the extent to which project displaced families (PDFs) have been able to adjust to relocated sites from a socio-economic, cultural and environmental standpoint. Michael Cernea (1998) has put forward an Impoverishment Risks model which states that the project-displaced persons/families are likely to undergo eight risk factors, which cause impoverishment. The eight dimensions of this impoverishment Risk are: landlessness, joblessness, homelessness, nationalization, increased morbidity and mortality, food insecurity, loss of access to common property and social integration. Others have suggested the addition of other risks such as the loss of access to public services and the loss of civil rights or abuse of human rights.

The development project authorities have so far taken many decisions for reconstruction of livelihoods of the displaced people. However, most of them have not been effective. Many of the decisions are found to be arbitrary and without proper planning, as a result many development projects are deprived of the tribal rights and benefits of the projects. If the projects are located and designed based on the rationale should not suffer economic losses and thousands of affected people should not have left without proper resettlement. On one hand, they must be rehabilitated properly and on the other, the project unit must function without any interruptions. This demands the formulation of a set of policies which, provides regulation to both projects and affected people towards peaceful transformation of modernization and progressive development of the project side. Various sets of policies thus can be drawn up, and they are linked with pre-rehabilitation measures, site selection and resettlement measures, payment of compensation, employment measures, infrastructural development, education and basic health facilities, protection of human rights, involvement of NGOs, participation of the community in project planning and implementation, special programmes towards women, and environmental protection, etc. These measures are mainly

derived to examine the extent of the risk factors leading to the impoverishment of the displaced people at different stages and the reconstruction policies taken up by UIHE and UAIL Projects to mitigate these risks.

Land-Based Resettlement: Land in India is more than a resource base. It has a symbolic rather than a market value. Landlessness, as also displacement, is caused by acquisition of land, and it has very serious social and economic implications not only for the displaced persons but also for their families and others who depend on these lands (agricultural labour, tenants and share-coppers, for example). In as much as landlessness is usually associated with land acquisition and loss of land by *patta* holders, the alienation of forest lands cultivated by those with traditional and customary rights is not considered when the government looks at the problem of landless. Land-for-Land is considered to be a viable option to address the problem of landlessness. This is particularly so as the experience in India with the land-for-land option is not very encouraging. Enough land is not available for this purpose either in the command areas or in areas that are considered to be parts of forest land closer to places where the tribes live.

The socio-economic survey of UIHEP, has found that nearly 44 per cent of the assistance has been spent in purchasing agricultural lands by the sample householders. More than 55 per cent of the sample resettlement families are possessing land. The number of landed persons is much more after displacement because, most of the landless persons got an opportunity to possess the land from the rehabilitation assistance. According to the latest statistics provided by the R&R Unit about the overall displaced families land status shows that, about 5128 families out of 5344 displaced families (nearly 96 per cent) have purchased agricultural land. The survey has found that after displacement, there is a sharp decline in the average size of holding from 4.36 acres to 1.50 acres of irrigated land from 5.32 acres to 1.97 acres of un-irrigated land. At the same time, 1062 displaced families who were totally landless before displacement has become owners of agricultural land-a move towards more egalitarian distribution of land holding. This could be a piece of information for the displaced people to cherish upon. The latest information brochure prepared by the R&R Unit reveals that, the 5128 families displaced having own 4734.59 acres of irrigated land and

8030.73 acres of un-irrigated land. Due to this sudden spurt in the demand for land, its price has escalated drastically.

One of the vital findings of the study is related to the quality of land purchased by the people. On ranking the 27 different types of agricultural land owned by the people before and after displacement, a weighted average index for the land quality was developed. Different test was applied to look for a difference in the quality land purchased by the people after displacement. The T-value is not significant at al. There are some projects in India, where land-to-land policy adopted; the major dis-contention among the displaced is regarding very poor quality of land being provided to them. In contrast to such projects, in UIHEP, the displaced have been given the liberty to select and purchase land; and the people have been acquired from them. The socio-economic survey has provided empirical evidence to this fact.

A displaced person comes to the R&R Unit with a willing seller of the land of the buyer's choice. On negotiation with a willing seller of the proposed land, money is released and paid at the time of registration. Until such time, the money is deposited in the DP's Saving Bank Account, and the passbook is maintained by the R&R Unit. The strategy was adopted only from the third phase onwards after realizing that the displaced people of the initial two phases were not utilizing properly the rehabilitation assistance. These changes have meant a lowering of the status of the big landowners, and a narrowing of the difference between the poorest and the richest. Further the land development programme in the action plan will ensure sustained development of the DPs using agricultural land as the base for further growth. Another important inference drawn from the study is the reduction in the area brought under podu (shifting) cultivation.

The case of Dinabandhu Mali is a good example. He was living like a beggar in the submersible village of Mundaguda in Koraput district. With the rehabilitation assistance, he has purchased 2.51 acres of agricultural land and has settled down at Maligaon,

*Kalahandi district. Mali and his wife now live in a better and more secure life.*³⁹

The above analysis does not, however, include the government ‘dongar’ lands that were being cultivated by the DPs. Prior to the establishment of UAIL projects, the main source of livelihood was cultivation and other traditional occupations (such as dependence on forest and livestock). The R & R package of UAIL has provided cash compensation for land under the Land Acquisition Act. However, this requires proof of ownership and many people in the area do not hold official deeds to their land; therefore, under the existing statutes this land can be acquired without compensation. UAIL also erroneously asserts, “Most of the land associated with the project is on non-agricultural land where farming capabilities are extremely limited due to prior quality of the site and the lack of irrigation”. UAIL claim that of the 2,800 acres to be acquired by them, only 22 acres are currently used for agricultural purposes; and that the cultivation of these lands yields limited crops. However, their assessment fails to recognize the acquisition of lands for which there are no official entitlements but are used in tribal cultivation practices or are important common resources.

Shifting cultivation of hilly slopes are integral parts of the local food security system of UAIL DPs. Tribal communities in the area have recognized entitlements to dongar land. In 1996, the Government of Orissa launched an initiative in the area to formalize the ownership of dongar lands, but its implementation suspiciously stopped just short of the area surrounding the Baphlimali Hills and the proposed site of the alumina refinery. As a result, these lands are officially considered government lands, and compensation is not required under existing statutes to the people who have been cultivating it for years. A substantial portion of the land to be acquired by UAIL is forest land, important common resources for the tribal communities living in the area; its loss will affect food security and livelihood options in the area, but this deprivation is also not compensated for in the UAIL R & R package. The resident of villages and habitations near these hills, such as Paiku Pakhal and Maikanch, has not been benefiting from these common resources, and they are not been

³⁹ Interview with Dinabandhu Mali a displaced person from Mundaguda, Koraput, by the researcher on 10.11.2007

identified or included in the R & R package even though they may be directly affected by the project.

“In all the bauxite areas, where the people are subjected to police terror, Adivasis and dalits will be deprived of compensation because their lands have not been recorded in the registry of revenue office. There are nearly a hundred villages in the surrounding hills, which have not been mentioned in revenue records. These villages will be deprived of compensation when mining activities will be carried out in these areas.”⁴⁰

House Reconstruction: Housing is a basic need and the loss of housing that result from involuntary resettlement and an uncertain future has a traumatic impact on the displaced. When families are homeless and relocated, they are separated not only from their land and sources of livelihood but also from their long-established social and community support systems.

All resettlement does not. However, take place in the officially set up centers. The displaced persons of the Upper Indravati project did not want to resettle in the command area and wanted to be closer to their social relations and sources of non-timber produce. The Rehabilitation and Resettlement Unit (R&RU) of the project actively facilitated this in spite of the administrative and logical problems. The socio-economic study of displaced persons shows that the quality of construction of the houses built by the displaced is by far much better than those found in the host villages. This was possible because the resettlement was a participatory process. To cover the risks for a longer period, the resettlement plan entitled each household to 0.2 acre of homestead land at Rs 16, 000 per acre and Rs 17,000 for construction of the house. All displaced families have constructed their houses to suit their needs, under the direct supervision of the R & R unit.

⁴⁰ Interview with local environmental activist, Bhagwat Prasad Rath, Rayagada, by the researcher on 22.02.2008.

For the support at the time of shifting, the DPs were offered government transport (trucks). Since there was no restriction on the cargo, the DPs could transport a large amount of building material along with their household goods. Food packets were given at the time of evacuation. Those who opted to make their own arrangements for transportation were given Rs. 300 in cash. The field survey data shows that about 12.61 per cent of the rehabilitation assistance is spent on construction of houses. Many people have saved the money earmarked for house building to buy agriculture land. As a result of liberalized rehabilitation policy of government of Orissa to consider all the major sons for a provision of the rehabilitation package, the number of nuclear families has increased. The number of DPs owning houses has registered to a sharp increase of pucca house from 14 per cent before displacement to 32 per cent after displacement. The qualities of the houses constructed by the displaced persons are by far much superior to those found in the host villages.

The case of Chingdu Jhadia, a Displaced Person from the village Ghuntrukhali, and Kalahandi are illustrative. He was a bonded labour under Jaya Jhadia, another Displaced Person, without a house. With rehabilitation assistance, he has constructed his own new house at Chadur, Kalahandi. He has also purchased three acres of agricultural land.⁴¹

The field survey noted that the housing condition of DPs in new resettlement clusters was much better than those of the host villages. The DPs resettled in cluster villages Umin and Chitrakota and 140 others will have the domestic electrification programme sponsored by the R & R unit. None of the villages where they lived earlier were electrified. Further, the data of UIHEP has found that overall 2,702 DPs out of 5,448 were living with relatives and had no houses to call their own, after resettlement only 1107 DPs out of 4,122 surveyed by the centre for development research and training (CDRT) were living with relatives (CDRT, 2002). This is another successful aspect of the R & R work in terms of quality housing.

UAIL, project has provided so far one hundred pucca houses for 147 displaced families in the resettlement colony, with modern amenities and remaining 47 families are waiting for house still. The civic amenities, like water supply schemes, internal roads, sanitary

⁴¹ Interview with Chingdu Jhadia from a village Ghuntrukhali, Kalahandi, by the researcher on 14.11.2007

arrangements, school building, yet to be provided. However, over a period of time due to non-maintenance and overburdening of the civic amenities provided, many are in need of repair, restoration and remodeling, even though the company takes 200 rupees per month for maintenance. It is also necessary to upgrade some of the civic amenities due to increased population pressure. Though the resettlement colony provides access to modern amenities, the PAPs still feel a loss of environmental benefits, common property, etc. The major concerns are lack of participation in village colony planning; and in the maintenance of basic amenities.

“If the company comes up, we will lose thousands and thousands of acres of cultivable land and homestead land and be reduced to beggars. That’s the reason why we won’t allow our land and home to be destroyed.”⁴²

It is understood from the focus group discussion that the type of houses provided by UAIL were neither suitable nor liked by most of the tribal people. The houses, they were of a row type and looked like barracks. As the tribal people are accustomed to live in detached but closely spread hutments type of houses, they were not happy with these houses. It is learnt that the expenditure on repair and maintenance appeared to be too costly for them. The houses were also of smaller in size in comparison to their previous houses. After interviewing some of the dwellers in the colony, it has been reliably learnt that they used to feel very uncomfortable at night due to the height of walls and the large openings therein.⁴³

Employment Opportunities: Loss of wage employment occurs both in urban and rural displacements. Those losing jobs are enterprise workers, landless labourers, employees in the service sector, artisans, and others. Creating new jobs is difficult and requires substantial investment. The resettling unemployment or underemployment among resettlers causes a painful economic and psychological effect that last as long as employment is not re-established.

⁴² Interview with Pradeep Majhi from Dimundi, Kashipur, by the researcher on 12.02.2008.

⁴³ Focus Group Discussion was conducted at the resettlement colony of UAIL, by the researcher on 27.02.2008.

The main occupation in the submersible area was agriculture, followed by wage earning. The filed data shows that more resettled persons of UIHEP, have started engaging themselves in both agricultural and non-agricultural work. While 57 percent persons were working as a cultivator and after displacement it has reduced to 40 percent. The project itself has given employment skilled work has increased from 60 to 67 after displacement. Another 50 or so DPs have become civil contractors and have constructed infrastructural facilities in the resettlement clusters. Various income-generating programmes have been planned by the R & R unit after consulting the people themselves regarding the trades they would like to practice. People themselves had been asked to choose the trades keeping in mind locally available raw materials and skills and marketability of the products. The R&R Unit expects that this would ensure more self-employment to the displaced families in the resettlement areas.

The case of Kartik Harijan, a Displaced Person from a village K.K. Chaptaghat, Kalahandi, is noteworthy. He was landless and was engaged in daily labour prior to the project. Although he has exceeded the prescribed age limit for government service, he was considered on the basis of R & R policy. He also owns 2.04 acres of agricultural land.⁴⁴

Further, the income-generating programmes for which the DPs have opted will ensure more self employment opportunities. The activities have been selected by the DPs themselves and keeping in the view of availability of raw materials and marketability of the products.

Job's creation forecasts by UAIL are quite small, given the magnitude of the project; this reflects the introduction of new technologies in the mining industry and as a result, the jobs available will also require specific skills and expertise that are largely absent from the local agrarian population. UAIL promised in the *palli sabhas* and other meeting to provide one permanent job to each displaced a family before its establishment. However, UAIL has not provided the 2,005 PAPs they have identified with a written guarantee of employment, it has provided to some DPs those who have a little skill as menial job for per month at the

⁴⁴ Interview with Kartik Harijan, a displaced person from village K.K. Chaptaghat, Kalahandi, by the researcher on 18.11.2007.

Rs.2200/. Employment offered thus far has been seasonal or adhoc in nature at a daily wage of Rs.60/. Employees are not paid if they do not work and there appear to be no provisions for illness or injury. It certainly appeared from the survey that certain kinds of work have already begun prior to the company's direct operations: the laying of roads, the digging of pillars for the conveyor belt, etc. Construction workers have been hired on contract, for the most part, through the contractors, but there is no work for the DPs, because simply they do not possess the levels of education or skill to take optimum advantage of such as job. If UAIL does indeed uphold its offer of one job per displaced family, the situation would still be problematic. First, the number of displaced families (147) is based on the 1991 census, but families have grown and separated since then. Second, land belongs to the whole family who until it and enjoys its produce collectively. In exchange for this land, one elected number of the family will receive a job, unskilled and at the lowest rung in the company hierarchy.

“Now we work for one month and celebrate for two. I work, my five sons work. My father and forefathers also used to work. The company is claiming that it will give us jobs, so is the government. However, will it give permanent jobs to everybody? If the company gives a job to the father, will it give jobs to the sons too?”⁴⁵

In the case of women, particularly vulnerable to become dependent and losing their status within the family. Moreover, employment opportunities are only available for the limited duration of the project estimated at not more than 25 years, and a return to traditional livelihoods may not be possible given the environmental damage created by the project. This raises serious concerns among young people within these communities and for the plight of future generations. Finally, if families accept a lump-sum payment in lieu of employment, there is little scope in the area to pursue alternative livelihoods to sustain them once the money has disappeared. In some villages like Dimundi, Bagrijhola, UAIL has acquired all the agricultural lands surrounding the village sites, but is not acquiring the village site itself, leaving these village sites intact means that the residents of these villagers are not physically displaced; therefore, they are not defined as DPs, and UAIL has not offered them one job

⁴⁵ Interview with Bulha Minika from D-Koral by the researcher on 24.02.2008.

per family. However, these villages will be surrounded by company land, which will restrict their freedom of movement and ingress/egress to their homes; making it extremely difficult for them to pursue alternative livelihoods.

Finally, landless persons seem to fall completely off the radar of the proposed R & R package. As agricultural lands in the area are acquired by the company and/or decimated by pollution, their livelihood opportunities will decrease and may even vanish as people are displaced or begin to migrate out of the area. While there is some scope for their employment with UAIL, the landless will be at the end of the receiving line for jobs because they have not been identified as PAPs. Even then, the jobs available to them will likely consist of short-term construction work. In all likelihoods, the 80 jobs that UAIL claims its employment generation scheme had directly or indirectly created fall within this category. It does not provide for sustainable employment alternatives.

Social Inclusion: Marginalization is partly an outcome of landlessness, homelessness and joblessness. It is mainly due to the uprooting of the families that the person loses his bearing with regard to the social, cultural and hierarchical relationship. In a new environment, it takes time to settle down at the 'correct level' as also for the host population to accept the newcomers and define their rank and status and involve them in their social and community gathering.

In the UIHE Project, part of the risks of marginalization had been tackled by the DPs themselves by choosing to relocate in areas with which they were familiar or where they had a social relationship. Out of the 161 cluster where 10 or more DPs are living, 66 are within two to three kilometers of their original villages, and another 24 are within five to six kilometers from their original villages. Further, only eighteen clusters may be classified as having an environment significantly different from their original habitation. The R & R unit staffs have also contributed by building up a close rapport both with the DPs as well as with the host population. The case of Kandhaguda village is especially striking where the host community of potters has welcomed the DP potters and there is no separate pada (colony) of the DPs.

The formation of women thrift and credit groups by the R & R unit among the DPs has also helped in strengthening the ties in new clusters and building new bonds. The risk of homelessness has been tackled quite effectively, as stated earlier. The minimum basic resource of agricultural land has been provided to more than 95 per cent of the population. The action plan will add to the existing basic resources of DPs and hence should certainly help avoid the risk of marginalization. The people's participation will, however, be the main factor in bringing about solidarity. The case studies of many DPs have confirmed that proper utilization of land compensation and rehabilitation puts them in a comfortable position.

*The case of Banchanidhi Kuldeep, Kapiaguda, and Koraput is worth mentioning. He was a daily wage labourer, with two sons. Now, all three of them have benefited from the rehabilitation assistance. They have 5.15 acres of agricultural land. His elder son has a job with the project and has homestead land in Nawarangpur town.*⁴⁶

According to the 2001 Census, 85 per cent of the Adivasi population in Kashipur relies on agriculture as either landowners or agricultural workers. The agrarian livelihoods practiced by tribal groups involve traditional cultivation techniques and institutional arrangements that are complex and based on collectivity, equity and ecological integrity. It appears that after the establishment of UAIL project, the proportion of landless families at relocated sites has increased. Similarly, while the percentage of medium-size farmers and large-size farmers have decreased substantially. This clearly indicates that DPs have been marginalized. This marginalization may be attributed to the following five reasons: (a) Many DPs spent the compensation money and rehabilitation assistance on unproductive purposes like gambling, buying motor cycle, taking alcohol, and in the social functions. (b) Their operational landholding has been reduced due to non-reclamation of the land allotted. (c) The acquisition of objectionable encroached forest/government and wasteland. (d) Encroachment of *patta* land of DPs by the host villagers. (e) Restriction on shifting cultivation in forest land near relocation sites by the host population.

⁴⁶ Interview with Banchanidhi Kuldeep from Kapiaguda, Koraput, by the researcher on 19.11.2007.

“With the company coming here, thousands of tribals, Dalits, oppressed, Paika, Mundi's tribes, etc., will disappear from here. Along with them unique lifestyle and culture-their traditions, language, dance, music and festivals will vanish from the face of the earth.”⁴⁷

Food Security: Food insecurity results from loss of land, livelihood, income and loss of access to forests that gave the DPs tubers, fruits, plants, leaves, etc. The loss of cultivable land affects food production and also the pattern of the DPs in submergible areas was typical of production from the plain agricultural land, hill slopes and forests. Many PDFs were not familiar with paddy or wheat. They depended more on coarse grains like *jawar*, *suani*, *mandia*, etc. Food security worsens particularly during the pre-monsoon period when food intake levels are rather low among the landless, and when resettlement normally takes place. Food security could be provided through a strategy for restoration of sustainable livelihood as a basis for rehabilitation that would enable the displaced to grow more food if the land-for-land option is pursued or if the resettlers are given a means to enhance their purchasing power to buy and consume food through employment-and-income-generating schemes.

In Upper Indravati resettlement clusters, problems relating to food security were more acute and expressed by a large number of resettlers. Taking care of this risk of food insecurity by the public distribution system (PDS) is the main agenda of UIHEPs R & R activities. Considering the severity of this problem, a voluntary organization Agrabamee, has made some innovative efforts in few resettlement clusters by making PDS participatory, wherein people themselves take care to lift the quota from Government warehouses and make essential commodities available to all the villagers. In this system, a dealer who is selected by the people from among themselves remains accountable for all the villagers. This voluntary organization has also introduced Grain Banks as a household food security programme.

After displacement 40 per cent displaced families have come to possess the agricultural land. Cultivation practices of the plains have been adopted by most of them, having most of

⁴⁷ Interview with local social activist, Shanker Prasad Mudili, Kashipur, by the researcher on 02.03.2008.

them, shifted to paddy, pluses, etc., although some still follow traditional practices. According to R & R Unit of UIHEP, “saplings of fruit trees were distributed to the resettled persons for developing kitchen gardens. These trees in many houses have already reached a fruiting stage, gaining added benefit to the displaced persons”. The variety and quantity of vegetables consumed by DPs in the UIHEP was higher in all resettlement clusters because a majority of DPs there continued their pre-resettlement dietary habits. The preference for new varieties in food and other measures, such as the supply of essential commodities through the public distribution system, mid-day meal in school, nutritious food supplement through an Integrated Child Development Services (ICDS) programme is further intended to improve the food security outlook. The maintenance allowance of Rs 500 per month for one year has taken care of the immediate food problem after displacement. Likewise, land development, community irrigation, and other such allied with agricultural income generation schemes, as envisaged in the action plan, will alleviate food insecurity still further.

According to the 2001 census, 85 per cent of Adivasi population in Kashipur relies on agriculture as either landowners or agricultural workers. The agrarian livelihoods practiced by the tribal groups involve traditional cultivation techniques and institutional arrangements that are complex and based on collectivity, equity and ecological integrity. In general, tribal and other backward communities do not seek to produce surplus crops and normally cultivate only enough to meet their own needs. Single crop rain-fed cultivation produces an annual harvest that meets food requirements for up to six months. The harvesting of forest produce, occasional wage labour and livestock cultivation augments these agrarian livelihoods making population not only food secure but also food sovereign. Access to forests for food and income generating opportunities is an integral part of the tribal food security system. A variety of fruits, greens, roots, tubers, and mushrooms gathered from forests supplement dietary needs and play a crucial role between annual harvests. Kendu leaves (*Diospyros Melanoxylon*) and Mahua trees (*Madhuca longfoil*) are also used to supplement dietary intake, but additionally it became one of the main sources for cash income. This annual harvest is supplemented by dongar cultivation on the slopes of the different hills, including Baphlimali Hills. After the land acquisition by UAIL, they were unable to cultivate in that area, which affected to their livelihood. It is therefore, not

surprising that the destruction of forestlands will bear the linked to starvation death in the area in 2000. Finally there is no evidence to support the assumption that food security in the area is reliant on major cereal crops and/or state based entitlements such as the Public Distribution System (PDS).⁴⁸

“The people used to cultivate 50 varieties of a rice paddy; these varieties are drought resistant, low water consuming and are not dependent on shifting cultivation. We are dependent on these crops for sustenance. If the mountains are destroyed, what we will do? We depend on the forests for our wood and other forest products. The company will not only be taking river bank land, which provides fertile sediment to the village but will also be taking at least 100 acres of the village on which three crops are grown a year. However, there is no specific policy in the UAIL, R & R package to protect and preserve of these seed varieties and food security system.”⁴⁹

Health Facilities: Serious decreases in health level results from displacement-caused social stress, insecurity, and the outbreak of relocation-related diseases, particularly parasitic and vector-borne. Unsafe water supply and poor sewerage systems heighten vulnerability to be epidemic like diarrhea, dysentery, etc. The weaker segments of demographic spectrum- infants, children and the elderly-are affected most strongly. Common health problems such as malaria, diarrhea, etc., were rampant in the submersible area. The remoteness of the location, lack of communication and the traditional medical practices contributed to the high death rate, mainly infant mortality in submersible areas.

The R & R package of UIHEP has mentioned specific guidelines for health services. In the process of resettlement the people have gained from modern health practices, such as immunization programme for children undertaken by the R & R unit and NGOs. The primary health care medicines from the R & R unit through primary health centre (PHCs)

⁴⁸ India' PDS system.....Note: starvation deaths reported in the area were directly related to the destruction of forest in the area that disrupted adivasi food security system.

⁴⁹ Interview with Chito Jena, a displaced person from Kendukhunti, Kashipur, by the researcher on 12.03.2008.

and sub centers (SHCs) and basic communication facility have also helped them in times of emergency. The district health activity concerned will take care of the displaced population in resettlement clusters too. Nevertheless, the resettlement location is in inaccessible forests and also because of better road infrastructure.

The case of village Bendella, Koraput is worth mentioning. The village was prone to malaria. One displaced person namely, Dinu Gouda was suffering from chronic fever. Timely help from the R & R unit staff and medical assistance from the project hospital saved him from chronic fever. Gobra Naik, another Displaced Person from village Mendhakuta in Kalahandi district, was also saved with timely medical help.⁵⁰

It has been an accepted truth that bauxite mining and the alumina refining process are environmentally destructive endeavors that can have serious effects not only on natural resources, but also human health. The UAIL project will extract its bauxite from Baphlimali Hills, which is the source of perennial springs, which the local population is dependent on for drinking water and irrigation needs. The contamination of perennial springs can lead to desertification that negatively impacts agricultural lands, natural forest lands, and grasslands. It is estimated that the refinery will require approximately 12, 000 cubic meters of water a day. The large water requirements of alumina will access from two streams: the Sana Nala (Small stream) for water requirements and the Bara Nala (Big stream) for effluent discharge. The diversion of water will affect water available for local use and crop irrigation patterns. The Bara Nala will also be contaminated with highly toxic heavy metals. There is the hazard of streams drying up as a consequence of bauxite mining, which has not been taken into consideration. For people who depend on local streams for their daily needs-bathing, washing up after defecating, washing clothes, the bathing of buffaloes and other livestock. Those streams currently serve 22 villages, which will affect seriously to their safe drinking water and irrigation.

⁵⁰ Interview with the R & R officer of UIHEP, Khattigud, Nawarangpur, by the researcher on 22.11.2007.

The processes of refining bauxite into alumina leave a toxic residue known as red mud. UAIL documents state that 3, 000 tones of red mud would be generated in the refining process every day.⁵¹ Red mud usually contains iron oxides, silica, zinc, phosphorus, nickel, etc. This by-product, whether it is dumped into the mined areas, or whether it is dumped in sealed ponds, percolates into soil pretty quick, which makes the water unusable for drinking. There is also the problem of fly ash from the captive power plants: for instance, the UAIL power plant would generate 600 tones of fly ash daily and the dust that files around both because of removing the top soil and because of the small size of raw bauxite and alumina will affect both people's health and water bodies in the area. It has already been reported that tube wells in D. Karol and Kendhukhunti villages are no longer functioning because ground water levels have fallen and that water available for agriculture has become scarce because UAIL has taken over the water sources. There are seven hand pumps in the resettlement but most are not in working condition. There is a tap but the water supply is erratic. The quality of drinking water leaves a lot to be desired.

The field survey found that, there is no primary health centre in the resettlement colony and the distance of the medical centre has increased and the visit of health workers is becoming less frequent. People used to go for a medical check up to Rayagada town, which is a serious concern; however, UAIL is not paying any attention to that. There is no space at relocated sites has been earmarked for garbage disposal, and the integrated child development services (ICDS) and material and child health (MCH) packages are not delivered regularly. The impact of the mine and the refinery on water sources in the area together create a serious risk of water shortage for the local people, something that has rarely been a problem to date.

Community Reconstruction: The process of involuntary resettlement sets in motion the process of social disarticulation as are affects social and kinship relations and communal supports network that provide mutual help arrangement, labour exchange relationships and production oriented informal organizations. It also affects the ability of the displaced to manage their socio-economic and cultural affairs due to the weakening of traditional authority and leadership.

⁵¹ See for more detail Robert J. A. Goodland, India: Orissa, Kashipur: "Utkal Bauxite & Alumina Project: Human Rights and Environmental Impacts", 2007.

Disruption in social relationships has been minimized in the UIHE project because the DPs were given the opportunity to choose resettlement sites. In the Upper Indravati Project where resettlement was a participative process spread over 160 resettlement clusters. They chose their new habitation based on proximity to forests and the kinship factor. People have either resettled near their kith and kin in other revenue villages, or they have resettled as a group, which has greatly minimized the problems of social disarticulation.

In this case, the clusters located in Chitrakot, Nawarangpur and Dingribandh, Kalahandi, can be cited. While in Chitrakot twenty-eight PDFs are from the Scheduled Tribe community from three or four submersible village. In Dingribandh, forty-eight PDFs (mostly tribals) have resettled from a single submersible village.⁵²

The cluster village Ekataguda, Nawarangpur, has resettled DPs from a single community who are also traditional potters. The liberal resettlement policy, better host-guest relationships and the sharing of infrastructural assets have minimized the risk of social disarticulation. The DPs have been able to integrate with the host population is also borne out by the fact that before displacement, there were six public representatives (one Chairman of the *Panchayat Samiti*, three *sarpanches* and two ward members) from among the DPs, there are now three *sarpanches* from among them. This is with a view to helping them regain their sense of community leadership and mutual help arrangements so that they are socially integrated.

Tribal agrarian livelihoods are integrally linked to tribal culture and identity. There is a deep respect for zamin, jal and jungle (land, water and forest). As the study brought out, that the UAIL, displaced families have not been relocated en bloc and families belonging to different caste and ethnic categories have been put together. They are losing group identity. Similarly, the traditional social and political organization, which was very deep-rooted in the pre-displacement locations, has been shattered and has withered away. The acquisition of tribal and other backward caste peoples land and environmental damage created by bauxite mining would displace and disrupt tribal communities leaving them with limited means to sustain

⁵² Focus Group Discussion was conducted at the village of Chitrakot, Nawarangpur, by the researcher on 27.11.2007.

the traditions and lifestyles of their forebears once the zamin, jal, and jungle are taken away from them, radically altered, or rendered unusable. Moreover, marriage distance and marriage circle has been expanded, and kinship ties have been strained. Inter-family dependence and cooperation are reduced considerably, the joint family system has disintegrated and the labour exchange system is also out of vogue. Community regeneration has not taken place as yet. The breakdown of cultural norms, communities and family structures, and livelihoods has been resulted in high levels of frustration, anger and low-self-esteem.

“Our life, culture and employment everything revolves around the soil. We celebrate Diyali festival, Chaita parba (festival), Bali parba, Nua parba, Bhoju parba and Mandia parba. When the priest gives a call, we start our festivities of dance and music. We celebrate our festival together, we live in peace. We live together and help each other, we do everything together. So there is peace in our village. However, once industrialization starts, our festival will vanish and our region will be destroyed.”⁵³

Restoration of Community Assets: The impoverishment caused by the loss of common property, particularly forest and village command lands. The forest and common lands, is also an issue that is not generally addressed. For the poor, particularly for the landless and otherwise assetless, loss of access to non-individual, common property assets belonging to the community (forest bodies, grazing lands, etc.) represent a cause of income and livelihood deterioration. Families which depend on such common properties are not eligible to receive compensation and when new resettlement centers are created, the provision of village common land is ignored.

In the UIHEP, all the displaced people preferred to choose resettlement sites in the uplands closer to their existing settlements near the forests rather than in the command area of the project. Nevertheless, the choice of resettlement places near the forest area is one measures of reducing this feeling of rootlessness and enabled them to have access to timber and non-

⁵³ Interview with Sidharth Nayak, a displaced person from Dimundi, Kashipur, by the researcher on 18.03.2008.

timber produce. Since submergence has not taken place yet, many are still cultivating their lands in the original submersible village. This is in addition to the lands being cultivated in their resettlement areas. In fact, out of the 161 clusters where ten or more DPs have resettled, 143 clusters can be classified as having a terrain similar to their original villages. The field survey reveals that out of 141 families all were having access to forests before displacement. The figure is 128 after displacement, indicating that access to forests remains about the same before and after displacement. The survey found that after displacement, 91 percent have access to fuel wood, 71 percent fodder, 63 percent to timber, and 56 per cent to non-timber produce. Improved *chullahs* (stoves) have been distributed free to DPs to help reduce the quantity of firewood required. In order to answer the needs for fuel wood and fodder it is proposed in the action plan to take up social forestry programmes in selected clusters covering 500 hectares each so that the risk associated with the loss of access to common property are further reduced. The species will be a judicious mix to ensure that at least in the daily requirement areas, sharing common assets provided by the R & R unit and other district development agencies, acquaintance with communication facility and modern health practices and effective rapport of the R & R unit staff with the DPs, have considerably mitigated the psychological trauma.

The study revealed that in the UAIL Project, the resettled people have lost their lands and means of livelihood, seemed completely at a loss, particularly the middle aged who had nothing to do. Among the specific problems, they have the lack of access to common property resources. In every resettlement cluster, the main grievance is about the shortage of fuel wood and forest produce, land for grazing and burial grounds in the pre-displacement area these were accessible to all families. The forests and the streams did not make them feel the need for better communication, health facilities, education, etc. Their outside contact was limited to the weekly market where they bartered their agricultural and forest products for items required by them. The loss of access to common property of the displaced people of UAIL Project may be attributed to the following five reasons: (a) acquisition of objectionable agricultural forest and government land; (b) restriction on shifting cultivation by the host people; (c) no space earmarked for burial grounds, grazing lands and wasteland in a close vicinity of the relocation site for the DPs exclusive use; (d) relocating DPs at a distance from forest; and (e) host population not allowing the use of government/forest land

close to relocation sites. Above all, the psychological and nostalgic experiences of their old native environment such as the collection of mango, guava, tamarind, timber, hunting of birds and animals, etc., are not substituted in their new environment.

“We were getting everything from the forest or the cultivated lands except salt, kerosene oil and cloth, which were purchased from the local market/haats.”⁵⁴

Restoration of Community Services: It is only when the affected people move to resettlement colonies that they become aware of the loss of basic community services. Even in the most isolated villages, a wide range of basic public services now exists: schools, clinics, streetlights, public taps for drinking water, village-to-city transport bus service, and so on. And the people have come to rely on them. This loss of basic public services, a colossal one to the poor, this contributes further to their continuing impoverishment.

The displaced of UIHE Project, choose their new habitation to resettle new habitation near to forest area and with their relatives. The R & R policy guidelines formulated by the UIHEP has mentioned that, drinking water facilities by the tube well/open wells must be provided to a cluster where ten or more DPs have resettled. In clusters where the number of families resettled exceeds thirty, a tank must be constructed and provision should be made for a two-roomed school structure to facilitate education for the children of the displaced families. The R & R unit has been provided several infrastructural facilities in the resettlement clusters (including 198 tube wells, 57 open wells, 39 tanks, 29 school building, 18 power boats, 119 link roads), which has helped the affected families to live in a good quality of life. The project authorities also connected all clusters to their respective Panchayat Samiti or Gram Panchayat roads through link roads. The study also found that in most the cluster's have electricity facility, provided by the R & R unit. Besides the R & R unit is providing fuel and fodder through the social forestry programme in selected clusters covering 500 hectares each. Most of the displaced people have shown their satisfaction with the access of basic service in their cluster. Much more activities have been carried out in order to strengthen facilities such as education, health, extension of ICDS, public

⁵⁴ Interview with Jhunu Jena, a displaced person from Ramibeda, Kashipur, by the researcher on 20.03.2008.

distribution system, identification and inclusion of the displaced families under various poverty alleviation programmes implemented by the Government.

In the context of the UAIL Project, displaced people were resettled near to the project site. Though all people got pucca house to settle, but the basic amenities are not available in the resettlement colony. UAIL had promised to provide all the facilities. However, on arrival in resettlement colonies, they discover to their dismay that the basic service promised to them before the move just does not exist. They may get those services eventually, but nobody knows when. Often, it takes years before anything happens, if at all. Many services remain beyond the reach, almost forever. The new colonies have school and dispensary building but usually no teachers and doctors. There are seven hand pumps but most are not in working condition. There is a tap but the water supply is erratic. The quality of drinking water leaves a lot to be desired. Though UAIL has provided electricity to every house and people are paying Rs. 200/ per month, but power is available only at the night time. There is also lack of transport and market facilities in the resettlement colony. All people used to go long way to catch a bus for marketing. Among the specific problems, they have the lack of access to forests and forest produce to fuel and water is the biggest problem. Some people have begun saying, within less than a year of this resettlement site coming up, that they want to go back, because of not getting the basic facilities which are necessary to rebuild their livelihood in a sustainable manner.

Community Participation: The concept of participation has become a virtual sine qua non for all development projects. Most resettlement programs, in effect, become extremely large bureaucratic technical organizations operating with specific models of development progress. Rather than empowering a community through participation, there has been a neo-liberal re-conceptualization of the idea in which the opportunities afforded by the development/reconstruction project are to be used by individuals to better themselves. Project that consults the affected people and seeks their involvement in resettlement planning and implementation succeed in re-establishing them in a much better way. The right to development is an inalienable human rights by virtue of which every human person and all people are entitled to participate in, contribute to and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully

realized. The goal of participation should be to strengthen the self-sustaining capacities of the impacted community by the development of its local capabilities. By reducing conflicts, tensions and negative perceptions, a participatory can create conditions in which projects can get on with the job and accomplish it satisfactorily.

At the heart of any rights-based approach to development are concerns with mechanisms of participation of the affected people, seeking to empower people through legal and policy reforms that establish key conditions for the enjoyment of their rights-access to land and water. The study has revealed that in the UIHE Project, a beginning towards participation has already been made by providing the choice to the displaced people to choose on their own, the places for resettlement and to opt for either land-based rehabilitation or cash based rehabilitation (incidentally, all displaced families opted for cash-based rehabilitation package only). The R & R unit also formed village committee's to protect the grievances and interest of DPs/PAPs. The committee involved in deciding the evacuation schedule and mode of evacuation, selection of relocation sites, cluster planning, purchase of land, construction of houses, infrastructure planning, implementation and management. The committee also took the lead role in the management of CPR and the distribution of its products. The R&R unit claims that it translated its R & R package into Oriya and the local Kivu language and distributed it to villagers. Keeping in view the participatory rehabilitation process, the R & R Unit has been preparing the Community Based and Family oriented Rehabilitation Action Plan (CBFORAP). Formation of people's organizations could pave the way for people taking care of their own development, which should be the ultimate output expected from the project. In order to bring about better integration between the resettlers and the host population, certain development programmes such as social forestry, women's groups in DWCRA, etc. has been initiated, which are common to both the communities so that the host communities do not feel left-out.

It is an indisputable fact that the proposed UAIL project in Kashipur took place on land designated as a Fifth Schedule area, without the local peoples consent. As a Scheduled Area, the acquisition of an estimated 2, 800 acre of land by UAIL for project purposes requires consultation with the local people. The entire project is subject to local consent, while individual consent for the Resettlement & Rehabilitation (R & R) package is required in

exchange for privately-owned land. The legal preconditions to acquire land for development projects in Scheduled Areas are clear in this regard and given the stiff opposition UAIL has faced from local people, provisions requiring consent have remained an impediment to the UAIL project since its inception. The Orissa Scheduled Tribes Transfer of Immovable Property Act, 1956 made it illegal to transfer tribal land to non-tribal entities without first obtaining the consent of the local people.

One of the main criticisms of the R& R package is that it lacks transparency. Although the R & R policy is listed on the Government of Orissa's website, the document is not publicly available. The local people, who are expected to accept the package, have also not been provided with any comprehensive or written information about it. In addition, the R & R package was revised several times since then and only finalized in 2004. However, there is no information on whether or not the new R&R package was translated and/or provided in writing to the public. UAIL's efforts to obtain individual consent for land acquisition and acceptance of its R & R package have been more vigorous, but still fail to provide people with adequate written information concerning compensation for land acquisition and its details of the R & R package. Communicators/facilitators have been hired by the company to personally approach people and convince them to sell their lands and homes, often by making exaggerated verbal promises. The illegality of the proposed project has been established through the legal arguments pertaining to the mining lease and the absence of mandatory local consultation; the Government of Orissa and UAIL inadvertently acknowledge this by adopting a strategy to circumvent these laws, rather than directly challenge them.

Involvement of Voluntary Agencies: Rehabilitation of people affected by development projects is a long-drawn process. It involves an understanding of people and requires planning. It needs the coordinated efforts of specialists from diverse disciplines, including those from voluntary and philanthropic associations, social workers, project officials, and affected persons themselves. The NGOs contribution to economic recovery efforts can be quite productive. They have the grassroots experience to creatively design income generating options well suited to the capabilities and needs of the people requiring resettlement. NGOs are placed better than government agencies and their bureaucracies.

Where NGOs willing to work with government agencies and sharing their expertise and resources that will help rebuild the lives of relocated people. In this regard, the involvement of voluntary agencies is most ideal. These agencies can act as pressure groups to extract desired benefits for the displaced people. These non-governmental organizations can play a vital supportive role in implementation of the rehabilitation programmes.

The study found that there is a great involvement of non-governmental organization in the UIHE Project from zero dates. These local NGOs promoted local participation in designing and implementation of R & R packages and organized vulnerable groups to face the challenge after resettlement. Local NGO like Agramee tried actively to reduce or minimize the conflict between hosts and the resettlers and also organized innovative programmes like regular immunization and health check up programmes for the DPs & particularly women and children, grain banks for food security of DP households, low cost night schools, public distribution of essential commodities through participatory means and organize groups into different income generating avocations, etc. The involvement of Agramee, which has quietly transformed the Indravati DPs by regular land literacy and legal literacy interactions, the dissemination of development information, holding grievance session by Panchayats and training the community leaders has developed the capacity building among the displaced persons. These local NGOs are identified various Government and non-government schemes and programmes for the rural poor and vulnerable categories and tried to get the benefits of such programmes to the displaced community.

Whereas, in the UAIL Project, there is no active participation of local NGOs in the rehabilitation and resettlement process of displaced people. The government has launched severe retaliatory measures against four local NGOs named as, Agramme, Laxman Nayak Society, Ankuran and Weaker Sections Integrated Development Agency (WIDA). These four voluntary agencies led by Agramee have been carrying out development activities for the last two decades in the most backward and remotest tribal regions of Orissa. Over the years, they have achieved remarkable results, particularly in the areas of universalization of primary education, ensuring food security at the household and community level in the drought-affected areas, watershed management, implementing government's pro-poor policies, strengthening grass root people's organizations and organizing the rural poor for

asserting their rights and participating in the process of development. These local NGOs have been standing by and supporting the legitimate, genuine and peaceful movement of tribals and other affected people against coercive and forceful eviction from their lands and homes. Their stance was not anti-industrialization; per se. These voluntary agencies had to respond and stand in support of the genuine concerns and worries of the project-affected people. The government of Orissa withdrew all financial support for the programmes that these NGOs were implementing at the behest of the government itself. They issued show cause notice for deregistering them. They informed the government of India and other aid agencies not to fund these NGOs, unleashed a concerted hate campaign against NGOs through the media and also sponsored anti-NGO groups locally to physically harass them. This movement by Orissa Government is unhealthy for the growth of the institutions of civil society, as well as for the socio-economic transformation of the displaced people.

Special Programmes for Women: The action plan of UIHEP envisages the formation of women's groups like (*udyaogi mahila sangha*) and youth groups (*yuvak mandal*) to help them articulate their views effectively. Given women are the most vulnerable group, more so during displacement, *udyogi mahila bandhus* has been appointed from among the local villages to assist women groups take up economic activities, which will lead not only to economic empowerment but will also give them a social voice. As part of community based and family-oriented rehabilitation action plan (CBFORAP), the R & R unit is also further integrating the displaced women with those in host villages by including them in micro-enterprise groups, self-help groups, grain bank and thrift and credit groups. This will further strengthen the existing relationships and reduce social disintegration. The R & R unit also involving NGOs such as Agragamme⁵⁵, which is already working with the displaced, to form community groups in all resettlement clusters. This is with a view to helping them regain their sense of community leadership and mutual help arrangements so that they are socially integrated. Some training courses were designed by UIHEP to attract women, particularly those who have been rooted from their traditional activities. This has helped

⁵⁵ Agragamee a local non-governmental organization was formed by Achuat Das in 1990, have been carrying out development and conscientisation activities for the last two decades in the most backward and remotest tribal regions of Orissa.

them in improving literacy; employment related training and also covered general issues such as health, child care and hygiene.

Particularly tribal women affected by the introduction of UAIL project in gender a specific way. The project would transform gender relations and power structures within communities and families, limit women's livelihood options and decrease their level of safety and freedom of movement. Tribal women have always enjoyed autonomy and equality within their societies. They work alongside men in the fields. It is women who mainly harvest forest produce for consumption and sale, and conduct other income-generating schemes. Women are respected as contributing members of the household income and have status in their communities. They not only participate in decision making, but are also recognized as community leaders. The acquisition of agricultural and forest lands by the UAIL project has transformed the agrarian culture and threatens tribal women's ability to contribute to household income, which is directly linked to their status in society and the family.

“We work among our men folk, every child and old women work in the fields. Because we work, we command respect, both inside and outside our homes. We work in the fields. Whatever the men do, we also do the same thing. Will we enjoy the same freedom once the company comes? Today we have independent economic options. Once the company moves in, we will have no options but to wash dishes in the homes of the company employees.”⁵⁶

In the resettlement areas provided by UAIL, displaced women were unable to get any skilled job because of their low literacy rates and because of continued discrimination against them in the formal labour market, both of which are rooted in patriarchal middle class and upper caste views that women's role is limited to the home. The majority of employment opportunities generated by the UAIL project allocated to men and employment for women has restricted to menial domestic work in the households of the company, or the domestic sphere of their own homes. The absence of sanitation and hygiene facilities in resettlement areas also caused problems, mainly for women who, to begin with require greater privacy

⁵⁶ Interview with Mukta Jhodia, a displaced person from Ramibeda, Kashipur, by the researcher on 6.03.2008.

than men. Finally, as a result of the UAIL project women will face new safety issues that restrict their freedom of movement. The field survey has found that there is increased incidence of violence against women as men attempt to cope with the tension and disruption caused by displacement and a new economy through heightened alcohol intake. The influx of male UAIL employees from outside communities will make local women more vulnerable to sexual harassment, exploitation, and prostitution.

Role of the State and Institution: State and institutions are socially embedded and function in the context of social and economic inequalities. In this process state play a positive role in community reconstruction. The research methodology integrates the notion of livelihood strategies and the mediating role of state. In the process of reconstruction institution can be advantageous, functioning as gates opening into opportunities for some in the community, but equally institutions can be oppressive, denying agency and access for certain members of the community. The democratic governments deny people knowledge to access their fundamental rights and disallow them the opportunity to transform those endowments into entitlement. Resettlement policies and practices, driven by indiscriminate cost-benefit analysis, served to intensify inequalities and marginalization within resettled communities and hindered the livelihood re-establishment. Specifically, that resettled communities should get compensation for losses enhanced by growth supporting investments in a legal context that identifies and upholds the rights and entitlements of people displaced by state and private sectors. Resettlement operations continue to be shaped by the 'economics of compensation' rather than the 'economic of recovery', more equitable compensation and development intervention will depend for their success on the community level institutional involvement.

The state Government of Orissa played an important role in the UIHE Project in resettlement and implementation of the R&R policy effectively. The state approach towards resettlement was people centric approach. The state emphasized on the people's participation in the resettlement programmes. The process of the resettlement and subsequent rehabilitation process increased the interaction between DPs and the government or project officials. Regular contact with the project staff had increased about various programmes, including health programmes, which in turn led to a demand for more and

better health facilities. With proper coordination between the project officials and the district administration there has been integrating the several poverty alleviation and development programmes under R&R package. Government programmes relate to (a) income-generating scheme under an integrated rural development programme (IRDP); (b) entrepreneurship and training programmes; (c) employment generation by creating community assets, such as irrigation, roads, school building, under Jawahar Rozgar Yojna (JRY); and (d) welfare schemes, such as housing, old age pension, etc. The project acted as guarantor, financing parts of the cost, assisting in completing formalities for availing loans and providing managerial skills, thus contributed to sustainable income restoration programmes. The existing R&R cell of UIHEP has monitored the implementation of the policy on the regular basis. The R&R cell has been strengthened by including personnel with appropriate social skills and adopted more creative demand-based approach to rehabilitation. Some of the tasks, such as organization and motivation of outsees for operation and maintenance of services, running of schools and health centers, programmes for women imparting certain skills in selected trades, assisting the outsees with loan procedures and completing other formalities. Several people during the field survey expressed great satisfaction with the initiative of R&R unit and district administrations undergo training programmes in the trades of mechanical, driving, electrical repairing and tailoring. Some training programmes also designed to attract women, particularly those who have been uprooted from their traditional activities. This included the opportunities for improving literacy, offering them employment-related training and also covered general issues such as health and hygiene.

UAIL project in Kashipur has established on land designated as Scheduled Fifth Area. The Schedule provides tribal communities with specific rights and protections under the Indian Constitution that aim to prevent the dispossession of Scheduled Tribes and ensure the preservation of their unique cultures and livelihoods.⁵⁷ These constitutional provisions are further underscored by national and state legislation bolstering the legal rights of Scheduled Tribes over lands and natural resources within Scheduled Areas. However, despite the existence of numerous laws to protect Scheduled Areas from encroachers, the Government of Orissa and private companies like UAIL have been able to routinely violate them with

⁵⁷ According to the Indian Constitution, the Governor has special powers to amend any law in the interest of tribal people, as they need protection, but these special powers have almost never been used.

impunity when lucrative natural resources is at stake. The Fifth Schedule of the Indian Constitution and the Orissa Scheduled Areas Transfer of Immovable Property Regulation 1956, protect tribal lands and property by making it illegal to transfer tribal lands to non-tribal entities.⁵⁸

More recently, the Panchayat Extension to Scheduled Areas Act, 1996, (PESA)⁵⁹ stipulates a strict requirement of consultation prior to land acquisition for development projects, as well as the formulation of R&R packages.⁶⁰ It instructs a binding framework of law for Panchayats in Scheduled Areas with several relevant provisions providing protection to local communities. Gram Panchayats or Gram Sabha at the appropriate level shall be consulted before land is acquired for the development project; Gram Sabha and Panchayats are endowed with the powers to prevent land alienation, including to the Government and States are required to follow the pattern of the Sixth Schedule of the Constitution when designing the administration of Panchayats in Fifth Schedule Areas.

The Government of Orissa and UAIL has failed to obtain the requisite consent of the local population in order to implement the project and UAIL's environmental clearances⁶¹ for the project-related work and land acquisition in the area. However, the state has never consulted on the type of development people desire, thus it has violated the right to decide their own priorities as part of right to development as an inalienable human rights. Under Article 19 of the constitution, all people have the right to freedom of peaceful assembly, freedom of

⁵⁸ Nehru stated this in the foreword that he wrote for Elwin's book. A Philosophy for NEFA (1960). He charted out five general principles known as tribal *panchashheel*. Which should guide the policy towards tribal people. He envisaged that tribal rights over land and forest should be preserved; tribal areas should be administered by trained adivasis, so that they can develop along their own genius, without imposition of alien values.

⁵⁹ The Panchayats Extension to the Scheduled Areas Act, 1996 (PESA) was enacted and came into operation on 24 December, 1996. This Act extends Panchayats to the tribal areas of nine States, namely, Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Orissa and Rajasthan, which intends to enable tribal society to assume control over their own destiny to preserve and conserve their traditional rights over natural resources.

⁶⁰ See more details *BALCO Employees Union vs Union of India* (2002) 2 SCC 333, especially at p.374, where the Supreme Court expressed its 'strong reservations with regard to the majority decision' in *Samatha vs State of AP* (1997) 8 SCC 191 in which case the transfer of tribal land to non-tribals through the agency of the state had been held to be illegal.

⁶¹ According to the Environment Impact Assessment Notification (1994), a public hearing is also mandatory for the environmental clearance process.

speech and freedom of expression.⁶² Since the UAIL project was introduced, these rights no longer seem to apply in Kashipur.

Police and company goondas are using violent and unjustified force to disrupt villagers who assemble in peaceful protest against the project or participate in an act of civil disobedience.⁶³ The study has revealed some of the major violation of human rights while the project set up. On 5th January 1998, protestors created a road blockade at Kucheapadar village to prevent UAIL's vehicles from entering the area. Police demolished the check-post and the protestors were tear-gassed and lathi charged; 50 people were injured. In another incident on 16 December 2000, two armed police platoons attacked a peaceful anti-mining meeting in Maikanch village, located at the bottom of the Baphilimali Hills where the proposed mine is to be located. The police opened fire and began shooting at the crowd. Eight people were severely injured, and three unarmed adivasi men were killed. On December 1st, 2004, the administration decided to set up a police post at D Karol road near the Kucheapadar limits to facilitate the construction of the UAIL alumina processing plant at a nearby location.

“On December 1st, 2004, the government tried to set up a police thana and barracks on D.Karol road. This when Tikiri thana lies within a 10 km radius and Dongasil police post lies within 5 km. What is the need for all this? We told them that we need hospitals and schools, not police posts. Instead our presence was declared illegal, and we were warned that our women would be demolished. Police again fired in the air. We were also lathi charged. Two women were severely injured, and four men were arrested and taken away.”⁶⁴

⁶² Chief Minister of Orissa, Naveen Patnaik claimed in November 2004 that no one would be allowed to get in the way of Orissa's industrialisation and the people's progress; Sri. B.B.Harichandan, a BJP Cabinet Minister, was quoted in December 2004 as saying that anyone opposed to mining projects was anti-social and would be sent to jail; and District Collector Promod Meherda told the media that people who opposed the UAIL project were anti-social, anti-national, anti-development, and extremists.

⁶³ People's Union for Democratic Rights (PUDR), 2005, 'Atrocity on the people of Kashipur. A Fact finding Report by Cuttack, Bhubaneswar and Rayagada Units of the Peoples Union for Civil Liberties', available at: <http://www.pucl.org/Topics/Dalit-tribal/2005/kashipur.htm>.

⁶⁴ Interview with Bhagban Majhi, General Secretary of PSSP, Kuchipadar, Kashipur, by the researcher on 10.03.2008.

As per deposition received from Mr. Debaranjan Sarangi of the Prakrutik Sampad Surakshaya Parishad (PSSP)⁶⁵ the issue of de-notification of tribes came into focus in 1992 when Jhodia tribes are included in the OBC list. According to him this has happened only in Kshipur block. Jhodia in other areas is treated as tribals. Therefore, the tribals of this area have not received ST certificate since 1992. Most importantly the lands held by the Jhodia's in the project area are no longer under the protection of the Fifth Schedule of the Constitution and therefore, can be acquired and/or transferred to non-tribal entities.

*“They are trying to declare us as Other Backward Classes (OBC) so that they can take our land. We do not have a deed to our lands. If they take our land away, where will we live? Our happiness is in this area with our land. We feel ourselves as insects of the earth. In 1992, we were declared OBCs and then this process was stopped in 1993 and then started and stopped again. Now we are not given certificate again”.*⁶⁶

The influx of police and paramilitary forces to the area, village raids by armed forces, the violation of the rights to the peaceful assembly, and the widespread and arbitrary arrests indicate that there is large-scale repression of dissent in the area, involving disproportionate force, intimidation and harassment. The Government of Orissa has chosen to rely on police power, rather than democratic dialogue; they have launched a concerted campaign since 1996 to suppress opposition to the project through an excessive use of force. The collusion of the Government of Orissa and UAIL in repressing the voices and rights of the local people explains the state government pro-market oriented policy and an attempt to provide a legitimate façade to the illegal establishment of UAIL project.

⁶⁵ Prakrutik Sampad Surakshaya Parishad (Organization for the Protection of Natural Resources) was originally formed in 1996 to fight a campaign against the violation surrounding UAIL's bauxite-mining project in Kshipur. Since then, the organization has widened its scope and is involved with tribal groups and movements in protest against the onslaught of indiscriminate corporate development.

⁶⁶ Interview with Manhor Johdia, a displaced person from D-Koral, Kshipur, by the researcher on 14.03.2008.

5.6. Evaluation of UIHE and UAIL Resettlement and Reconstruction Packages

When planned and implemented diligently, resettlement programmes can be effective vehicles for substantial social and economic development for the affected people. Resettlement programmes help provide better economic resources, renewed civic infrastructure, and increased access to new markets. Successful resettlement programmes that build upon the social capital of affected communities by facilitating their relocation in pre-existing groups have resulted in improved literacy and health indicators, increased incomes and standards of living as defined by the affected people themselves, and enhanced access to economic opportunities, all of which may have been difficult to achieve without the resettlement programmes. Good resettlement design taps the development potential in the general project area and builds upon the opportunities generated by the project. Economic rehabilitation activities based on careful analysis of resettlers aptitudes and the patterns of demand and supply of commodities and service have helped affected people benefit from the economic growth in the area.

This study reveals that the survival need, essential service facilities and reconstruction of displaced people livelihood have been improved in UIHEP because: (i) the Upper Indravati Project resettlement process has been welcomed by majority of resettlers due to the location they had selected their own place for resettlement, which has helped them to live with their relatives and thus led to social and cultural progress of the community life; (ii) during the period of transition, the displaced people were allowed to have access to their original resources lying in the old villages, so long they remain usable and dry foods were distributed by the project unit to avoid food insecurity; (iii) UIHEP has provided with full information on the lands to be acquired, about the time schedule of evacuation of houses and submergence of villages (iv) most of the displaced people were satisfied with the valuation of land and houses (v) R & R policies are periodically monitored and effectively implemented, (v) R&R packages of UIHEP has shown greater transparency, although the policy is listed on the government of Orissa's website, the document is publicly available and it has been translated into Oriya language and distributed it to villagers; (vi) R&R policy has emphasized on community participation in planning and execution of resettlement programmes; (vii) it has been focused on the alternative livelihood like fishing as a new

occupation is adopted, (viii) community homogeneity is restored, (vii) different welfare schemes of central and state governments for STs are executed, (viii) money towards economic rehabilitation and asset building expenses to all the Project Affected People(PAPs) was given @ Rs.25,000 each. Outreach efforts of non-governmental organizations for tribal communities are implemented, (ix) social forestry has been created to fill the CPR loss (x) the resilient tribal communities have quickly adopted to the changing physical, social and economic setup in relocation sites, (xi) with the help of local NGOs and project official, they could buy agricultural land with the compensation money, which helped them to restore their traditional social status of people, (xii) R&R policy of UIHEP has shown its gender sensitivity by designing special programmes for women, particularly for those who uprooted from traditional jobs, as an integral part of the rehabilitation plan, and it has created an opportunity for improving their education, health, family, welfare, etc.; The rise of income of the affected people in UIHEP area has shown a substantial increase. This rise in income has caused changes in consumption level, (xiii) the establishment of projects as well as townships have created a huge demand for agricultural commodities such as food grains, pulses, vegetables, fruits, milk, eggs, meats, etc. This has resulted in the commercialization of agriculture in the villages around the projects. A large number of people from neighbouring villages come to the townships in the weekly market to sell vegetables, cereals and other agricultural products.

The economic development started in Kashipur with the construction of UAIL project, since then social and economic changes have been imminent in all walks of life. The changes have created significant impacts on the economic and social life of people of the region in particular and the district in general. However, the impacts are both positive and negative are reflected through social transformation of different communities in that area. The R&R policy of UAIL has been critically evaluated in the following section:

(I) one of the main criticisms of the R & R package is that it lacks transparency. Although the R & R policy is listed on the Government of Orissa's website, the document is not publicly available among the displaced people; (ii) most of the displaced person have allegation that UAIL acquired land without fulfilling its rehabilitations requirement; as such people have lost their source of livelihood, but have not given their promised compensation;

(iii) land acquisition has been offered at miserable rates of compensation in the initial year and it was enhanced substantially only in response to the people struggle against the project; (iv) UAIL or the Government of Orissa has not involved the local community in drafting the R & R package or allowed for their input; (iv) two main flaws in the R & R package involve the narrow definition of the term PAP, which effectively excludes thousands of people from receiving compensation, and the lack of viable and desirable alternative livelihood opportunities for the displaced or project affected; (v) the R&R packages provides compensation for land under the Land Acquisition Act, but this requires proof of ownership and many people in the area do not hold official deeds to their land; therefore, under existing statutes their lands acquired without compensation (vi) there are also procedural infirmities involved in property registering lands. Many villages in the area are not officially registered due to the error of government authorities; therefore, they have not been identified or included in the R & R package even though they may be directly affected by the project (vii) a substantial portion of land acquired by UAIL is forest land, an important common resources for the tribal communities living in the area; its lost has affected food security and livelihood options in the area, however this deprivation is also not compensated for in the R & R package; (viii) village Council meeting was not conducted according to Panchayat Raj Extension Act to Scheduled Areas (PESA) of 1998 in the affected villages (ix) the Project Affected People (PAPs) were not informed about the submergence details of the project and the Comprehensive Economic Rehabilitation and Resettlement (R&R) package; (x) houses were constructed at rehabilitation colony without proper ventilation, foundations and any other developmental works; (xi) violation against the various safeguards for the protection and development of Scheduled Tribes (STs) in accordance with the special provisions mentioned in the Indian Constitution; (xii) violations in land acquisition under Orissa Scheduled Tribes Transfer of Immovable Property Act 1956; (xiii) tribal women have lost their independence and dignity since their land and forests were occupied by UAIL. There is no specific provision regarding the employment opportunities for women, and they were very poorly compensated; (xiv) there is an absence of strong monitoring and enforcement mechanisms for pollution controls adhere to environmental and safety regulation for the disposal of mining wastes.

5.7. Conclusion

This chapter has attempted to understand the R & R policy of different agencies in development projects. . It is an effort to locate the historical development of policies and guidelines, concerned with the acquisition of land and the methods of payment of compensation to the displaced families. As mentioned earlier that until the date, India does not have any national policy on resettlement and rehabilitation. In the absence of national policy, planners go for adhoc and temporary solutions to the problems. Planning should be on the basis that it is the right of outsees to be resettled and rehabilitated properly. Policy and planning should be people-oriented and should look after the welfare of the outsees and not the management. Land acquisition Act also needs modification so that it could be more people friendly. PAFs should be involved in the resettlement process right from the beginning. Apart from this, the administration should incorporate the people and social science experts to deal with the human problem of resettlement and rehabilitation.

From the above observation, it can be concluded that the reconstruction measures adopted under the two selected projects have differential implications in rehabilitation. While UIHEPs reconstruction measures have been able to reduce hardships and encourage a similar living environment, the measures taken up by the UAIL Project have failed to restore sustainable living condition, let alone improve the social and economic well-being of the displaced population. Except the land reclamation work, the UAIL authorities have not extended any other facilities. There is no alterative livelihood whatsoever, neither they are in a plan to execute programmes like agricultural extension service, social forestry and tree planting programme, vocational training scheme, off-season employment programmes and other income-generative activities in the resettlement colony. Sharp decline in income and job opportunities has caused miserable living conditions and distress to the resettlers. Probably, the worst long term adverse effect of UAIL project is the creation of environmental hazards due to discharge of industrial effluents, emission of polluting gases, dumping solid wastes, generating sound pollution, destruction of forest and wild animals and degrading land qualities. However, the UAIL Project so far failed to induce any significant impact in bringing social transformation among the affected people because the

outsees are forced to shift to far off places. This has actually deprived them of their exposure to various modern activities created around the project site.

The UIHEPs reconstruction process has been welcomed by the majority of resettlers due to the location advantage of the rehabilitation colony. The clusters are well linked by communication network. It has also access to market facilities and other amenities. These measures have paved the way for proper re-adjustment and thus led to social and cultural progress of the community life. The UIHE projects had caused significant positive impact due to direct and indirect employment opportunities, upward mobility in occupational pattern, increase in income and consumption levels, development of infrastructures, etc. Also the growing consciousness about education, health and hygiene, etc., can be considered as the reflection of a positive outcome of reconstruction measures. This project also created a huge demand for agriculture and animal husbandry products, which has resulted in commercialization of agriculture and allied with sectors in the villages around the project and thus opened many employment avenues for the local people. The above mentioned changes, as inevitable of the reconstruction process, have exerted both positive and negative impacts on social and social life of the displaced persons and other people living in the project areas. These impacts in turn have caused social transformation of people belong to different communities. If the transformation is guided and planned properly, the whole society in the project areas can be given progressive and ordered lead in the future.

CHAPTER VI

CONCLUSION

In the post-independence period, India has sought rapid economic growth through planned development. This has entailed large scale investments in dams, roads, mines, power plants, industrial estates, new cities and other projects involving land acquisition. As a result, last few decades have witnessed a large scale forced displacement of poor and mostly illiterate masses from their native places. Ejection out of the place of inhabitation is in itself a painful experience and in the absence of a proper policy and requisite planning, coupled with inexperienced administration, the situation has further worsened. The result was the breakdown of social and economic structures, landlessness and joblessness; cultural degeneration, ebbing values and beliefs. The present study has been designed to seek answers to some of the important questions viz., how does such development project activity benefits the people of the area? Whether it would lead to a sustainable reconstruction of livelihood of displaced people? And finally how can we prepare a reconstruction module, which will genuinely help the project affected people to build their lives in the present and the future? In the previous chapters, the study has described the process of state- led development in India in general and particularly in Orissa and its impact on local people and examined the reconstruction and rehabilitation measures for the displaced people of Upper Indravati Hydro-Electric Project and Utkal Aluminum International Limited Project. In the concluding chapter, the study makes an attempt to forge theoretical and policy implication and has suggested strategies to mitigate the impoverishment risks while planning for resettlement and reconstruction of the displaced people. The details of the findings of the study have been discussed below.

6. Summary and Findings

In the global march of development, there has been an increasing exploitation of natural resources impoverishing nature as well as the vast human masses that depend on natural resources for sustenance. Planned economic development was the refrain of the Indian Republic from 1950 until 1990, when economic liberalization was launched. The easy availability of credit for development in the 1960s and 1970s has, in the last three decades,

become a milestone around the neck of developing nations. Foreign creditors rescheduled debt repayment for borrower nations on the condition that they would undertake 'structural adjustment', trade liberalization and reduced spending on public welfare. It has been observed that in order to give creditors a guarantee of its ability to maintain the schedule of payment, the state has to play an increasingly repressive role, keeping the working classes in line and preventing social unrest. Thus, the state's indebtedness to foreign capital, incurred in order to develop, has today become a constraint, reducing the options available for autonomous growth. In the name of development, national elites, through the institutions of the state and the market, and often in collaboration with foreign capital, have appropriated natural resources-land, minerals, forests and water. Elites, who have the desire and the power to profit and consume, have thereby impoverished the earth of its natural wealth and, through degradation and pollution, have rendered it unlivable for future generations. The earth's impoverishment has meant that communities who depend on the natural base for sustenance have been deprived of their resources. This alienation cannot be adequately described in terms of the loss of a material livelihood alone; it is most profoundly a wider loss of cultural autonomy, knowledge and power.

The 'mixed economy' that emerged out in the name of development in the early years of independence and the subsequent neo-liberal policies of the state, people have been pushed off the land; their rights over forests and water have been taken by the state and the market and have been deprived of everything except their labour power. While the state claims that the nature and process of development activities have improved the living conditions of people, a close look at the impact of various development projects shows that the benefits of development projects have not reached to masses to a large extent. Many studies have documented that both the state and market led development projects have rendered powerless, impoverished, and a marginalized majority of people, especially the poor and underprivileged. Neither the public sector, that is state, nor the private sector, that is the market institutions, paid much attention to displacement, although they did pay lip service to resettlement and even rehabilitation. Until recently there is no resettlement law in India's guaranteeing protection from displacement and the one that exists is too weak to be much helpful. In the circumstances, projects find that they can easily get away without resettling or adequately compensating the displaced people, especially when the project affected

people are voiceless, poor, tribal, dalit or other background castes groups living in remote small villages. India's Planning Commission, almost exclusively manned by economists has given less importance to the social costs of development projects. Given the over enthusiasm of the first Prime Minister Jawaharlal Nehru for technology-driven rapid development, and his often quoted statement that Dams are 'temples of modern India', protest movements against displacement could not crystallize easily. The development activities of early independence were hardly protested as they were considered necessary for national building process of the country. However, the failure of trickle down theory to meet the basic needs of people has forced people to challenge the dominant notion of development through various social movements and strategies like filing litigation and drawing the attention of the judiciary to protect the fundamental rights of people and environmental degradation. Notwithstanding the protest movements by different societal forces and intervention of the judiciary, violation of human rights through forceful displacement and degradation of environment continue to happen.

Displacement is not uncommon in the development process, but it is expanding its size and adverse impact that are now a cause for serious concern. The current development paradigm as promoted by globalization, liberalization and privatization is one of the main reasons for continuous violation of human rights. Every year about 10 million people globally are displaced by dams, highways, ports, urban improvements, mines, pipelines and thermal power plants and other such as development projects. In India alone involuntary resettlement is estimated to have affected about 60 million people in the last 60 years. However, there is no official count of their exact number. Three-fourth of those displaced in India over five decades still faces an uncertain future. Given the current forms of development plans, displacement issue will continue to a dominant the public discourse in the coming years.

The State of Orissa in the process of development has been experiencing the grim truth of displacement due to increasing development projects in recent years. Due to enormous natural resources, Orissa has become an attractive investment destination for MNCs, both foreign and as well as domestic and recent years have witnessed an unprecedented growth in the number of development projects in the state, especially industrial and mining sectors. As a consequence of these developmental activities thousands of acres of agricultural,

common and forest land were submerged or destroyed and a large number of people were displaced. As mentioned earlier that the total number of displaced people in Orissa during 1951 to 1991 on account of various projects is approximately 5, 46,794 out of whom only 35.27 percent has been resettled. A glaring revelation of displacement in the state is that a significant number among the displaced people is the tribals, and other economically marginalized rural people, who have had depended upon the natural resources for their livelihood. Tribal culture and social structure are inseparably linked to the traditional economy of growing their own food and spiritual relationship with the land they work, and displacement ends their relationship with the land.

People displaced by development projects confront a variety of impoverishment risks that include landlessness, joblessness, homelessness, marginalization, increased morbidity, food insecurity, loss of common property and social disarticulation. Until recently, resettlement has remained largely a neglected aspect of the development process. Resettlement programmes have predominantly focused on the process of physical relocation rather than on the economic and social development of the displaced and other negatively affected people. Such programmes simply lower the living standards of the relocated people, as the living conditions at resettlement sites are generally very poor.

Assessing the “reconstruction” process of the displaced people through development project, the study has found that the challenges in reconstructing livelihoods are indeed formidable, especially where occupational change is involved. During the last several years, the Impoverishment of Risks and Reconstruction model has been increasingly used to understand the conceptual and methodological basis in exploring reconstruction processes caused by major projects. Resettlement is more difficult, expensive, and time-consuming than acknowledged heretofore. Weak implementing agencies, lack of funds, lack of detailed information of affected people, and lack of suitable areas to resettle displaced people complicate this task.

The Impoverishment risks and reconstruction model of Cernea (2000) explains the intrinsic risks of forced displacement and focuses the counteracting process by reversing the risks. Further arguments have been put forth to undertake reconstruction programmes of DPs from

development prospective. The wider perception at the societal level is that true development happens when it renders the minimum survival needs and essential services to people. Health, sanitation, education, and public transportation facilities are essential services provided to people, and these services are considered important in the reconstruction process for the project affected people. Two elements are essential (a) economic sustainability through improvement of livelihood resources, land, occupation and income, and (b) socio-cultural accomplishment through community network and resilience. In the process of reconstruction, the present study produced one of the most comprehensive and integrated surveys of displacement impacts in the selected areas. Its key finding is structured along the model of impoverishment risks, and also focused on “countering the impoverishment risk”. The study measured actual impacts of each risk variable analyzing counter-risk measures and formulating a recommendation about what needs to be done on the ground.

In the absence of a uniform Rehabilitation Policy at the national level and with the existing complexity and diversity issues involved across different types of projects that cause involuntary resettlement, reconstruction measures have not been paid due to attention. Only project wise policy guidelines prepared at the state level are used as a basis for following certain approaches and strategies for resettlement and rehabilitation. In this context, the study has found that the strategies adopted in Resettlement and Rehabilitation in Upper Indravati Project has both positive and negative implications. Some tribals have been benefited by the reconstruction measures. The linkage factor between the hosts and resettlers always demanded careful attention. In many cases, the displaced people other inhabited areas if the hosting community is not friendly. The problems were many, and also the attitudes were diversified. However, attempt was made in Indravati to minimize the loss of the PAPs with divergent measures. The experimental use of the package of rehabilitation measures in UIHEP was internationally acclaimed as unique and progressive. The survival needs and essential service facilities have been improved in UIHEP in many ways like: (a) R & R policies are periodically monitored and effectively implemented (b) community homogeneity restored, (c) different welfare schemes of state and federal governments for STs are executed, (d) outreach efforts of non-governmental organizations for tribal communities are implemented (e) the resilient tribal communities have quickly adopted to the changing physical, social and economic set-up in relocation sites, (f) from the beginning

UIHEP has adopted participatory rehabilitation approach by providing the choice to the displaced people to choose on their own places for resettlement and to opt for either land-based rehabilitation or cash-based rehabilitation, (g) the living standards at the resettlement sites has improved because of increased access to education, better medical facilities (mobile checks, polio drops to children, free eye camps for the aged, detection and medication for sickle cell anemia among the tribals), nutritious mid-day meals at all the schools and increased livelihood opportunities in the non-farm sector because of increased exposure to the mainstream culture, (h) dispersal of close-knit tribal communities to several resettlement sites has provided the PAPs with an opportunity to inter-mingle with their non-tribal host communities in their vicinity, increased interaction would facilitate integration into the market based economy that offered several alternatives livelihood restoration strategies, (i) the resettlers had a share in the project benefits-specifically access to irrigation and electricity, which enabled the resettlers as feel good factor, (k) resettlement is combined with development efforts, such as the setting up of agro-industries that provided alternative avenues of income generation for resettlers, (l) finally, the R&R package of the UIHEP outsees is certainly regarded as the best and the most liberal compensation offered in India.

Considering the type of project, as a whole, it is evident that, the risks of landlessness, joblessness, access to common property, and food insecurity are invariably countered due to participation of local people and non-governmental organisation. However, the other risks are more or less mitigated through liaison of outsees with different welfare and development schemes of the government and support from non-governmental organizations. However, the pro-people R & R policy of government of Orissa, directive principles of funding agencies, and support from the project implementing agencies, during the 1990s have minimized the impoverishment risks of outsees in the new habitation and helped to reconstruct their livelihoods in the post-displacement phase.

The impact of dislocation on livelihood strategies cannot be generalised due to their varied location/socio-economic status and the individual agency of those displaced. Some general observations based on the field study that contrarily, risks have not been countered in Utkal Aluminum International Limited because: (a) R & R policies are not periodically monitored and not so effectively implemented, (b) the non-availability and sudden hike in land price

have restricted the possession and cultivation of agricultural land, (c) traditional homogeneity is destroyed for dispersed relocations, (d) welfare schemes of governments and outreach efforts of non-governmental agencies are not so effectively implemented, (e) parasitical nature of NGOs involvement in the resettlement process, (f) the immigrants and host communities have restricted the access to income and employment in relocation sites, (g) lack of people participation in the decision making process, and (h) illiteracy and secured job motive of outsees have been barred them to access and accept alternate employment, (I) post displacement, there has been a reduction in the size of land holding. In their original villages though most of the PAPs had access to about 4-5 acres of land, they also had access to equal amount of encroached land that could be used on a community basis, (j) the impact of loss of common property resources, mainly the lack of access to fuel and fodder is perceptible and has not been compensated due to the shortage of free land, (k) the negative impact of displacement on certain groups widowed women and major unmarried daughters and clearly visible. Since they were not included in the 'project affected' category, they were not entitled to any compensation and therefore have been dependent for their sustenance on their extended families, (l) the UAIL had a legalistic approach on the subject of R&R. For them R&R was complete, as soon as they handed compensation package to DPs and relocated them to the resettlement sites. The rehabilitation was a long-term process that also involved income and livelihood restoration was not an issue of concern to them, (m) the analysis of the mainly economic impact of displacement based on field research reflects the multidimensional impoverishment caused by the R&R of the UAIL outsees (n) relocation at resettlement sites with poor quality land, lack of water and other basic facilities and the forced survival in a monetised market-based economy has led to the spiraling down of the livelihood standards, (o) finally, UAIL project is illegal on several grounds: UAIL's mining lease is in violation of the constitution, and it appears to have expired; UAIL has failed to obtain the requisite consent of the local population in order to implement the project; and UAIL's environment clearance for the project has expired, which prohibits it from undertaking any project-related work and land acquisition in the area. In addition, the denotify of Scheduled Tribes (Jhodia) to circumvent the law with alarm.

Given the historical neglect of the area in terms of economic and social development projects and people knowledge of the destruction that development projects have created in

other Scheduled Areas in Orissa, there is deep and understandable skepticism the government revenue from the UAIL project will be used in a responsible way to benefit local people communities. Despite verbal claims, there is no evidence that the government has prepared a plan for allocating project-related revenue for ‘development’ projects in the area that will improve social and economic conditions, let alone programmes that will respect tribal communities, traditions, cultures, and identities. UAIL’s own development efforts have been minimal and disproportionate to deprivation of the communities across the area of Kashipur was one of the major reasons why families could not reconstruct their livelihoods in the post-displacement phase.

6.1. Theoretical Implications

In recent years, the approach to resettlement is considered an important element of development projects. The idea is that resettlers must benefit from new economic opportunities that the project generates, achieving levels of income and living standards measurably better than before. The commitment, therefore, has to be not just for resettlement but for rehabilitation, which should be an entitlement and not an act of reluctant generosity. In case of irrigation and hydroelectric projects, there should be clear strategies so that those who have had to give up so much are able to substantially share the benefits of the development intervention. This reduces their opposition to the project and resettlement that goes with it. It is a goal justifiable in terms of both human rights and economics.

For people losing livelihood due to development projects, income restoration is undeniably a matter of the utmost concern. Mere income restoration is, however, not rehabilitation, as people do not just lose incomes and capacity to earn it. In addition to income at the pre-displacement level, resettlers need access to such basic services as education and health, and other civic amenities including electricity, water and sanitation. They also need to be assisted in their absorption into the activities and progress of the local economy to which they are relocated on a footing of equality with the host population. Moreover, simple income restoration is never enough; it does not even restore income, let alone improve it. Therefore, to generally attain the objective of simple income restoration implies to re-

establish the resettlers at levels comparable to those that would have been reached without the project-induced resettlement.

Success in resettlement cannot be judged for many years, possibly until next generation. Relocated people in a new environment take time to recover from trauma and get back on their feet, and require assistance for a considerable length of time. Resettlement must take place in the same ecosystem and in a similar cultural linguistic zone. It must take place without breaking the community as a cluster of villages representing crucial kinship relations. The new settlements should be close to their ancestral villages. Besides, such sites have other advantages like growing kitchen garden and practicing other productive ventures. It is only through such a comprehensive approach, which guarantees resettlement in a similar socio-economic-cultural-ecological space that can minimize the trauma of displacement.

The first requirement in countering impoverishment is to restore confidence and faith among PAPs by ensuring transparency in the working of the project. People must know its pros and cons. They must also see its urgency in the best interests of the nation. Currently, the projects are being implemented without taking into confidence the people who are going to be affected most adversely. This leads to confrontation between the people and the project authorities.

One major concern should be to ensure just and timely payment of compensation money and rehabilitation assistance to each eligible PAP. The general experience is that the compensation money is paid much before the actual resettlement, with the result that most of it is spent on consumable goods for mere survival rather than acquiring land or other productive assets. Due to unusual delay in providing rehabilitation assistance, most PAPs are forced to live in extreme hardship. Ex-Gratia payment, to families who do not have any lands and assets, should be made. Landless labourers and craftsmen like a mason, plumber, various repair workers, etc. should be considered for such payments, since they face severe economic strains when uprooted without any compensation.

Crises such as displacement from development projects are not new occurrences. Displaced people, using their own wits, have often done remarkably well in bringing normalcy to their

shattered lives. Much can be learnt about the coping strategies from the affected people themselves, from the way they grapple with the livelihood issues on their own. Often resettlement planners tend to take note of these local initiatives and solutions emanating from the affected people. It is time attention was paid to learn from people, rather than impose on them the solution devised elsewhere, which often proves unworkable in their circumstance.

Dealing with the complex problems of rebuilding lives essentially requires a shift in the planner's preoccupation with mere income restoration. Income restoration is appropriate only as a short-term goal, not as a long term goal. With a focus on development, the goal of resettlement in the long run must be broadened to ensure that the affected people see for themselves a future that is even better than their own dreams of what they had known as their good old days.

Free and fair dealing by project authorities are crucial to ensure smooth rehabilitation and thereby minimize the impoverishment risks. Experience suggests that most PAPs suffer a great deal due to undervaluation of their assets for compensation. Family enumeration is another aspect where anomalies are substantial, which go against the interests of PAPs. They have a real challenge in making the authorities amenable to accept the wrongs on both counts and in rectifying them without delay.

PAPs require guidance for proper use of their compensation money. Generally, it is found that once compensation money reaches the PAP family, vices follow immediately. In the absence of proper counseling, touts to swindle a sizeable amount through false promises and misleading suggestions. If the compensation money is invested judiciously, a more satisfactory economic rehabilitation is possible. Support from the financial institutions may be ensured for furthering the economic activities with viable marketing linkages. NGOs, which are well accepted among the PAPs, have the advantage of acting as catalysts for restructuring their social fabric and improving their economic condition through a process of collective thinking and community action.

It must be kept in view that while working for the rehabilitation of PAPs; it is the PAPs, who should be put into the centrality of all efforts. The interventions should aim at twin

objectives, first to ensure a definite means to counter impoverishment risks much before the commencement of the project, and secondly to initiate a process towards empowering them through the formation of people's institutions in the villages and equipping them with information and knowledge and required skills so that they may be in a position to safeguard their interests themselves.

Displacement cannot be granted as an inevitable price to pay for development. People who have suffered due to displacement are by no means a small minority, but displacement cannot be justified by using utilitarian logic. Dam and industrial project cannot be allowed, if it is inevitably going to pauperize one (usually the poor) section of the society, in order to provide benefits to others. The state has to ensure that benefits of development projects are shared in a proportionate manner.

The need is for creating conditions where if displacement is inevitable, resettlement can become an opportunity, a mandate for reconstructing production systems, raising standards of living, restoring community and kinship relations and minimizing the conflict with host community. Resettlement must also take place in the same ecosystem and in a similar cultural linguistic zone. It must take place without breaking the community as a cluster of villages representing crucial kinship relations.

Given the grossly unequal power exercised by the planners, politicians and the nexus of interests that develops around any large of interests that develops around any large project-compounded now with the advent of the New Economic Policies-it would require a clear institutional commitment on the part of the governments and project authorities to be transparent and accountable. Projects and processes that cause displacement must be open for public debate.

6.2. Policy Implications

In the context of the recent policy drafts, while several detailed critiques are available, this study highlights some basic principles that must be reflected in any exercise to frame national or state legislation. First of all, these exercises have to be based on the question of accountability-both public and judicial. Rehabilitation and reconstruction of livelihoods

should be the fundamental right of the project affected persons. Therefore, legislation must have the capacity to challenge the constitutionality of the project themselves. The projects and the process of resettlement must meet the constitutional guarantees of ensuring the right to life with dignity of those who are adversely affected by development intervention. It is a part of the fundamental duty of the state to resettle and rehabilitate the people who have paid the price for development and been impoverished.

Most planners consider displacement is inevitable but serious efforts have not been made to minimize it. There can be no displacement without a search for non-displacing and least displacing alternatives. The eminent domain theory on which the laws enabling displacement are based is unacceptable and so are the 'public purpose', compensation and other norms emanating from it. People's livelihood should become the basis of all decisions on issues of displacement. The public purpose should be redefined through engagement with various civil society groups. Public interest or the good at the largest possible number should begin with the concerns of the people affected by displacement.

No democratic society can accept a decision without the participation of the affected persons. The DP/PAP should have a share in deciding whether a project is in public interest. Deprivation even for public interests requires their prior informed consent, based on proper information given in a language and manner they can understand. The policy should recognize 'the historically established rights of the tribal's and rural communities' over the natural resources, which are the sources of their sustenance. Recognition of people's right to information, resources and participation is the basis on which tribal people can become partners rather than victims of development. They have to be treated as copartners in the process of development.

The principle of compensation should be the 'replacement value', not the 'market value' or the present 'depreciated value' of assets. Replacement includes the economic cost, social and psychological trauma and dislocation, psychological cultural and social preparation to deal with the new system, training them for jobs in the project, preparing the host communities to receive them, replacing the environmental, human and social infrastructure like the CPR, cultural and community support systems. In this connection, it is important to

mention that the recent Draft Mines and Minerals (Development and Regulation) Bill, 2010 is a positive step in the direction of ensuring the benefits to the local people from mining projects. The social content of the draft Bill has appealed to large sections of stakeholders, including land losers. The Draft Bill's guarantees assured annuity to the local population as a percentage of profits (26 per cent) earned by the miner, resettlement and rehabilitation of the local population through employment and skill enhancement, compulsory consultation with gram sabha/district panchayats in tribal areas before notification of the area for grant of concessions, and preference to tribal cooperatives in the grant of concessions over small deposits. The draft Bill's emphasis on sustainable development is another salient feature in it. The Hoda Committee held that mining should be done with least damage to natural resources such as air, water, soil, biomass, and also to human community and life forms. The draft Bill, for instance, provides for mine closure during mining, and on closure, restoration of mining land to cultivable. Sections 45 to 48 of the draft Bill carry various provisions to enforce the principles of sustainable development and conservation of minerals.⁶⁷

Tribal people in India have suffered because their traditional rights over natural resources, land, river, forest has not been recognized. They are politically and economically a weak minority. Protective legislation pertaining to schedule areas needs to be implemented seriously. Land acquisition act needs to be substantially changed, recognizing people's right over resources that sustain their livelihood. A policy has to give serious attention to those deprived and underprivileged people and ensure that it meet their special needs and prevent their marginalization. Regional planning is required to avoid multiple displacements so that the PAFs of one project are not displaced and relocated due to the execution of another project.

Resource allocation for DFDR processes is a matter of political will even before becoming a matter of finance availability. Allocation is a matter of distribution. Project benefit-sharing cannot be enacted by project managers themselves: they require political decisions at high levels of governments or at high levels of the private sector corporate management and

⁶⁷ For more details, see Draft Mines and Minerals (Development and Regulation) Bill, 2010, available at <http://mines.gov.in/new/new.html>.

ownership. At the state-level, the rethinking of the place of DFDR processes in a specific country's development and poverty reduction policy means not just tinkering with piecemeal, marginal measures but requires recognizing and addressing the political economy.

The expertise to carry out risk analysis is not effective. Most R&R units clearly seem unequipped for the task. As an institutional entity, R&R units themselves are a new creation. Anthropologists and other social scientists, who are better equipped to work with the people, can handle this task more effectively. As currently constituted, R&R units are, however, staffed mostly by engineers, not social scientists. More attention needs to be given to bolstering R&R units by adding social science capacity to the existing skill mix.

Traditionally, baseline or socio-economic surveys have provided most data for the preparation of resettlement action plans (RAPs). Henceforth, planners should be able to turn to risk analysis as an additional source of information. A properly conducted risk analysis should be able to suggest to planners the measures essential to improving, or at least restoring, the former living standards of the affected groups. Good resettlement management can provide not only adequate protection from resettlement risks, but also open up a range of new development opportunities for the people affected. Therefore, it is crucial for policy planners and implementers to 'manage the resettlement' more efficiently.

Rehabilitation cannot be treated as an appendage to the main project, and carried out as an afterthought. It has to be handled with meticulous planning and execution. Enormity and complexity of the whole process cannot be over emphasized. Consideration of displacement and rehabilitation has to be an integral part of the whole project.

NGOs, because of their proximity to the people and greater access to information, should assist PAPs in exploring better sites for resettlement and in ensuring their participation in decision making processes for a smooth transition, NGOs along with PAPs should prevail on the authorities for prompt and proper development of resettlement sites with all amenities and infrastructure. NGOs, in fact, should facilitate the formation of a pressure group of the oustees to ensure better negotiation with the administration as well as to reverse development works on the resettlement site.

The development projects are associated with India's most controversial environmental issues. Problems such as water logging and drainage, health hazards like water-borne diseases, pollution of air, water, and soil should be thoroughly examined before approval is given for implementation of any developmental project. The resettlement plan should be drawn with a specific orientation towards preserving and improving the existing environment.

Finally, the displacement of people due to the establishment of development projects is a nationwide problem. Several development projects in different parts of the country are in the process of implementation, and several more projects are expected to be initiated in near future. The absence of a comprehensive resettlement policy at the start of the project, the R&R of project-displaced people was done under different state policies and government resolutions that were drawn up at the different time periods to meet the exigencies of the situation. Therefore, it is time to form a national resettlement and rehabilitation policy for complete socio-economic rehabilitation of displaced persons. Displacement policy, practice and research need to focus not merely on the risks and impact of displacement, but also should develop institutional mechanisms that will protect and strengthen the rights of displaced people. The policy should also spell out the guidelines for rehabilitation covering various categories of affected people, and special provisions to be given to tribal outsees under each category of projects.

6.3. Scope for Future Research

The investigations in this study relate mainly to development, displacement and reconstruction. No straight generalization for the entire country could be made of these findings. For that, more elaborate studies covering different types of development activities such as mining, industries, defense, urban transport, irrigation and power, communication, and other categories need to be taken up. Besides, studies should be carried out covering different ethnic groups living in different part of the country. Furthermore, instead of a statistical study, a longitudinal or temporal study would help in understanding changes in terms of economy, culture, social behaviour, and inter-personal relationship of the affected people. The study has indicated avenues for further research in the areas of compensation, land allotment policies, skill and employment planning, adjustment of displaced people in

the new environment, project impact on the hinterland, implications of displacement on women, etc. Further, comprehensive studies of the social ecology of people likely to be displaced can fruitfully be conducted. These studies should have reference to continuous adaptive interaction among population, settlement pattern, social organisation, norms, cultural centers, and patterns of leadership, participation of people, technology and resources, highlighting the extent of economic dependence of different segments of population on the region. The study also indicates the serious need for detailed investigation of environmental implications created by large scale development projects.

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