Chapter-III

LAND ACQUISITION AND COMPENSATION POLICY IN KALINGA NAGAR OF JAJPUR DISTRICT

Demographic

Jajpur district, recently carved out of the former Cuttack district, has a total land area of 2,899 sq kms. The total population, according to 2001 census, is 1.623 millions. Population density is 560 persons per sq km, which is almost twice the population density of the rest of Orissa. This shows that the pressure on land and other natural resources is severe. According to the 1991 census, Adivasi constituted 7.4% of the total population in the district, but according to one of the UNDP survey, this has come down to 5.5% in 2001. However, the Adivasi population in this district is concentrated in just two blocks i.e. Sukinda and Danagadi, where it is said to be about 70%. This drop in demography in regions earmarked for industry or mining, is a common phenomenon, ascribed to the in-migration of outsiders and the disposition of the local population, leading to pauperisation and out-migration. Pauperisation also brings in declining health standards and their consequent higher infant mortality, lower longevity life spans that add up to other reasons for drop in demography. For these reasons the demographic profile of this region indicates that the non-Adivasi segment of the State's population is growing, whereas the Adivasi population is dwindling. Correspondingly, the literacy rate among the Adivasis is 5.6 for females and 26% among the male, a low figure compared to the non-Adivasi population in the same district Sukinda which is 70:95 in the same district.

Kalinga Nagar: Area and People

Kalinga Nagar, under Sukinda and Danagadi blocks of Jajpur district of Orissa, is about 100 kms from the state capital, Bhubaneswar, and about 30-40 kms from the district headquarters. The NH-200, connecting the iron ore, chromites belt of Jajpur and Keonjhar districts with the Paradeep Port, runs through this area. Unlike the plains of coastal Orissa, the topography of the area is undulating and interspersed with hillocks and jungles. Nullahs and rivulets are the main water sources for the area, which also provide for fishing. The Brahmani, one of the major rivers of Orissa, flows around 5-6 kms away from the Kalinga Nagar industrial complex.
The area has a high concentration of Scheduled Tribes and Scheduled Caste population. The two blocks - Sukinda and Danagadi - under which Kalinga Nagar is situated contain 36.06 per cent and 28.19 per cent Scheduled Tribes and 11.89 per cent and 22.31 per cent Scheduled Caste population, respectively. It is significant to note that the Scheduled Tribes population in the acquired area is much higher than the block average. Of the tribes, people belonging to Ho community constitute nearly 80 per cent of the population, and the rest of them belong to Munda and Santal communities.

The area comprises a part of the former princely state of Sukinda. The tribal people in this area migrants from the neighbouring territory of Saraikala-Karsuan, now in Jharkhand. The firsts of migration came in the wake of great famine of 1866 during the time of Kritibas Bhupati who was married in the royal family of Saraikala-Karsuan. According to folklore, Bargadia was the only pre-existing non-tribal village in this extensive forest area. The tribal settlements began with seven villages. Their number has multiplied manifold in the last century and a half. The assignment of land to the migrant tribal people was informal. A regular settlement was taken up and completed during 1922. According to Shri Chakradhar Haiburu, the Munda of the Village Ambagadia, one of the original "seven", his land still continues to be in the name of his grandfather Shri Ganga Munda, as recorded during the settlement.

From time immemorial, people belonging to Ho adivasi nation have been living in the Sukinda valley, which now comes within the Jajpur district. They developed the wild forest into agricultural fields giving them the title of Khuntkatidar, a title given under the British Raj to Munda and Ho first settlers. This fact is also present in their folklore and the relationship that they maintain with the other Ho habited areas. When the region came under the princely state of Sukinda, its Raja had recognized their nation as a republic, as late as 1920. The region politically and culturally once came under Kolhan1 Rule whose core area is presently within the neighbouring Jharkhand State. The Oriyas to this day, refer to the Ho people as 'Kolhha'. With the bifurcation of Jharkhand and, thereby, Kolhan too into Orissa and

---

1 The Ho's call themselves Kol, but when interacting with non-Adivasis they prefer to be known as Ho which mean 'human being'. Gradually the word Kol was used by non-Adivasis as a derogative way to mean 'hard nut'. Ho's are often teased by this rhyme 'The Oal (a potato) does not cook, and a Kol cannot comprehend'
Jharkhand, this political region is losing its significance, however, the social and cultural links between the Ho’s of Sukinda and their relatives in Jharkhand are still very strong. The main reasons for the bifurcations are the same as in the bifurcation of all adivasi or tribal regions in India. In this particular case, it is the consistent endeavours with government objectives/policy to break the political and cultural unity of the Adivasi people they were militantly anti-colonial and they intended to exploit their homeland which is rich mineral and forest resources.

The industries in Kalinga Nagar are concentrated in the core zone comprising of about 13,000 acres. The remaining 17,000 acres are earmarked for the townships and civic amenities. A belt of dense green forest surround over an additional belt of 75 sq km. The flora includes sal, kurum, vandan, ashan and piasal. The forests of Nakasa, Natimara, Barsuli etc, all within 10 km of the project area, are also home to rich and diverse wildlife like leopard, deer, scaly ant-eater, python, cobra etc. This is also an elephant corridor zone as it comes within the larger Saranda Sal Forest area. What is noteworthy is that the people in these 40 adivasi villages have been protecting this forest zone even prior to 1946. Their protection plan included what we call today 'community vigilant groups'. It is for this reason that the forest and wild animals stayed protected from forest mafia, poachers' et al. Interestingly, the practice of these community vigilant groups is much older than our present day environmental NGO's, who are concern for the preservation of the forests.

**Economic**

Since the tribals are exposed to education, they are relatively enlightened than that of their brethren elsewhere in the state. They are primarily agriculturists and have invested their resources in the development of their land. The people are dependent on traditional farming, animal husbandry and forest gathering. The main crops they grow are paddy, a variety of pulses, oil seeds and other food products. For their basic needs, they are self-sufficient. This fertile land and their time-tested crop management patterns is so well-balanced that they can survive even a drought or crop failure. In the Khapuria-Kumbhiragadia locality, a large grazing land supports hundreds of milkmens families rearing cattle. However, rice cultivation is the main source of livelihood for a majority of the local people. In the absence of irrigation, the area is largely rain-fed and productivity remains at a low level. In some villages, people grow pulses. The
basic needs for which the state is responsible, such as education, health care and irrigation, are strikingly absent.

The Affected People

The area is inhabited by a significant tribal and dalit population. The two blocks – Sukinda and Danagadi – under which the area falls has a Scheduled Tribe population of 36.06 per cent and 28.19 per cent and Scheduled Caste population of 11.89 per cent and 22.31 per cent, respectively. In the acquired area, the Scheduled Tribe population is much higher than the block average. Of the tribes, people belonging to the Ho community constitute nearly 80% and rest of them belongs to the Munda and Santal communities. The oral history suggests that these communities have come from Mayurbhanj, Keonjher, Ranchi and Singhbhum districts in different phases, in late decades of nineteenth century and early decades of twentieth century, and have settled here at the invitation of the then Sukinda King. The Madox Settlement Report 1897 also indicates about their settlement. It is also important to mention that Orissa became a province only in 1936.

Table 3.1 The data for three villages, which will be displaced by the Tatas and the Maharashtra Seamless, give us some idea about the socio-economic condition of people:

<table>
<thead>
<tr>
<th>Name of the village/Panchayat</th>
<th>No of Households</th>
<th>% of ST population</th>
<th>% of SC Population</th>
<th>Literacy rate</th>
<th>% of cultivator labour</th>
<th>% of agricultural labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandia</td>
<td>331</td>
<td>85.9</td>
<td>.2</td>
<td>37.6</td>
<td>41.0</td>
<td>36.2</td>
</tr>
<tr>
<td>Gobaraghati</td>
<td>558</td>
<td>88.8</td>
<td>2.1</td>
<td>53.5</td>
<td>16.0</td>
<td>37.7</td>
</tr>
<tr>
<td>Gadapur</td>
<td>140</td>
<td>97.8</td>
<td>0</td>
<td>46.7</td>
<td>43.0</td>
<td>13.5</td>
</tr>
</tbody>
</table>

Sources: Census 2001

Industrial advantage in Kalinga Nagar

Kalinga Nagar is located near the chromite mines of Kaliapani, Kalarangi, Saruabila and Sukurangi and iron ore mines of Tamaka of Jajpur district. The chromite reserve is extended to the neighbouring Dhenkanal and Keonjhar districts. In fact, Keonjhar
has the highest concentration of iron ore and manganese mines. With the demand of steel reaching new heights in the international market, both domestic and global players are vying to set up their plants in Orissa. Apart from being a mineral belt, two national highways passing through Kalinga Nagar connect it with Kolkata and Chennai. It also boasts of a good railway infrastructure. There is a proposal to construct a port at Dhamara and connect it with Kalinga Nagar by road and rail. In addition, the second largest river of the state, the 'Bramhani' flows past Kalinga Nagar, fulfilling its water needs.

These advantages of Kalinga Nagar have made TISCO, VISA industries, Jindal Stainless, Maharashtra Seamless, MAL industries, AML Steel and Power, National Steel and Power, National Steel and Agro industries, Tube Investment India, Dinabandhu Steel and Uttam Galva Steels sign MoUs with the state government for setting up steel plants there. There are 13 mega enterprises like Bhusan steels, JINDAL, MESCO, Nilanchal Ispat Nigam Limited (under the aegis of SAIL), Maharashtra Seamless, etc. There are more than 100 chrome washing plants in this industrial area.

Thus, Kalinga Nagar is emerging as a new industrial destination of Orissa comprising 13000 acres of land covering 83 revenue villages of 10-gram panchayats of Sukinda and Danagadi blocks of Jajpur district. The following table indicates land allocation to various corporate houses in Kalinga Nagar.

**Table-3.2 List of plants and land allotted to industrialists in Kalinga Nagar**

<table>
<thead>
<tr>
<th>Industrialist</th>
<th>Land allotted (in acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mideast (MESCO)</td>
<td>530 Acres</td>
</tr>
<tr>
<td>Orion</td>
<td>150 Acres</td>
</tr>
<tr>
<td>Maithan Ispat</td>
<td>100 Acres</td>
</tr>
<tr>
<td>Uttam Gala</td>
<td>370 Acres</td>
</tr>
<tr>
<td>NINL</td>
<td>2500 Acres</td>
</tr>
<tr>
<td>Maharashtra Seamless</td>
<td>500 Acres</td>
</tr>
<tr>
<td><strong>TISCO</strong></td>
<td></td>
</tr>
<tr>
<td>Rohit Ferrotech</td>
<td>50 Acres</td>
</tr>
<tr>
<td><strong>JINDAL</strong></td>
<td>678 Acres</td>
</tr>
<tr>
<td>VISA Industries</td>
<td>390 Acres</td>
</tr>
<tr>
<td>Dinbandhu</td>
<td>100 Acres</td>
</tr>
<tr>
<td>K J. Ispat</td>
<td>50 Acres</td>
</tr>
</tbody>
</table>

Source: ADM Office Kalinga Nagar.
Kalinga Nagar was originally planned (1990) to be a major steel city on the lines of the former West German-aided Rourkela Steel City (co-incidentally its 5th year golden jubilee is being celebrated this year 2006). Planned for a public sector undertaking, a total area of 30,000 acres (52 sq miles) has been requisitioned by the government for this purpose. The endowed Daitri Iron Ore Mines, another government-owned enterprise, managed by the Orissa Mining Corporation (OMC) was to supply it the iron ore. Being only 30 km away, it was considered an ideal location. For yet another dream project, the owners of the 30,000 acres of lands were asked to make this sacrifice. Under the archaic Land Requisition Act of the British Raj, a highly questionable legislative relic still in force, their lands were requisitioned. The first lands to be requisitioned in 1990-96 were from Duburi, a group of villages. In exchange the people were promised a compensation package, which included land-for-land acquired, jobs in the industries, houses, schools, hospitals and other facilities.

The Government of Orissa mooted the idea of developing a major industrial complex in the early nineties of the 20th century, in the mineral-rich region of Dangadi, Duburi and Sukinda located in the Jajpur district. The proposed complex has the capacity of producing 15 million tones of steel, annually. The complex includes about 13 mineral-based industries such as iron and steel, stainless steel, sponge iron and ferrochrome etc. Iron ore and chromites are the raw materials for these industries, which are available in plenty in the region. The state government has already signed a memorandum of understanding with nearly 10 units spreading over an area of 13,000 hectares. The major corporate houses such as the Tatas, Visa, Jindal, Mesco and some others have already started their projects and a few of them are nearing completion. In pursuance of the MOU, the state government would grant mining lease to the concerned industrial units and provide them with land for setting up their industries.

Further, the state government has agreed to acquire land from the local residents as well as to look into all matters relating to displacement, rehabilitation, and resettlement. However, all the efforts for industrialization are met with violent protest movements with increasing frequency. Since the last one year, starting with the attack on the ADM of Jajpur and some policemen on, 9 May 2005 during the Bhumipuja of Maharashtra Seamless Limited (MSL), over two dozen industrial violence incidents have taken place and the MSL had to be withdraw. The tribal
people inhabiting the region have repeatedly expressed their dissatisfaction over the payment of compensation. Thus protest ultimately resulted in loss of life of 13 persons who were from among the tribal community on 2nd January 2006. In the encounter, that ensued between the police and the displaced people, one Police havildar was killed and four policemen were seriously injured while the compound wall of the 15,500 crore steel plant of the Tatas was under construction.

**Land acquisition and compensation policy guidelines at Kalinga Nagar**

Orissa acquired land in Kalinga Nagar on the basis of Land Acquisition act 1894. The Act empowered the government to acquire any land for public purpose or for company use by prior notification and paying compensation to the owner. The compensation is based on current market value of similar land in similar use. Apart from compensation for the land acquired and payment for certain types of damages associated with the acquisition of land.

The Land Acquisition Act of 1894 (Amendment 1984) refuses the owner of the land (seller) the right to deny as the land is acquired for ‘public interest’. The owner can only contest about the price fixed by the buyer (the government) and take the matter to the court of law and has to accept whatever the court of law (again, the same government) decides about the price of the land. Whereas, when dealing with a private buyer, one can negotiate the price and say ‘no’ if the price doesn’t suit him/her. The irony is that the land acquired by the government, under the LA Act, for ‘public purpose’, is actually meant for private companies.

The area came to be identified as ‘destination industry’ in 1980s. The government appears to have decided to identify and acquire land in advance, which could be developed and assigned to various industries, as the need arose from time to time. The demarcation of land for this purpose began in 1984. The people were not consulted in this process at any stage. When boring and soil-testing operations were taken up for identifying the proposed industrial region, the people were told that they were part of a routine government survey. A corporate body known as Industrial Development Corporation of Orissa (IDCO) was created. All lands were acquired in its name. An area of 10,000 acres is said to have been acquired in 1991-92 and

---

2 See the report in the Prajatantra Saptahiki,(Oriya), Cuttack 15-21,January,2006. Pp 4-8
another 15,000 in 1995. A new phase of acquisition has begun in 2005 whose area is reported to be much larger.

Till now, about 13000 acres of land have been acquired by IDCO. Of these, 6900 acres are private land and the remaining area is said to be ‘government land’. However, in reality, people are cultivating most of these ‘government land’, for generations, over which they do not have patta. In the area the land survey and settlement was not done, since 1928. It needs to be noted that after passing the Orissa Estate Abolition Act in 1951, the Estate of Sukinda King was vested with the government. But tenancy rights were not conferred upon the local people who were in possession of land. Even after the passing of the Orissa Survey and Settlement Act of 1958 (Rules framed in the year 1962), no settlement has been done in the area. The commitments/promises made by successive the governments at different times on land reforms, promising land to the landless, have never been implemented in the area\(^3\).

The net private land acquired in the complex amounted to Ac.6895.88 acres. The extent of government land alienated since 1992 in favour of IDCO, was Ac.6136.63. Originally, there was a proposal for acquiring 8296.43 acres of private land, but subsequently an area of 1400.55 acres were invalidated due to non-deposit of land acquisition cost by IDCO in time. Finally, totally 6895.68 acres of private land was acquired and handed over to IDCO. The details indicating industry wise alienation of government land, acquisition of private land, amount of land for which compensation have been paid and number of families displaced in Kalinga Nagar Integrated Industrial Complex is as follows:

\(^3\) Pucl, 2006.
Table-3.3 The break up of land allotted is as follows:

<table>
<thead>
<tr>
<th>Name of the industry</th>
<th>Name of the village</th>
<th>Govt. Land In Acres</th>
<th>Private land In Acres</th>
<th>Total in Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>M/S Jindal Stainless Steel</td>
<td>1. Khurunti</td>
<td>124.58</td>
<td>226.56</td>
<td>351.14</td>
</tr>
<tr>
<td></td>
<td>2. Mangalpur</td>
<td>21.00</td>
<td>61.77</td>
<td>82.77</td>
</tr>
<tr>
<td></td>
<td>2. Mangalpur</td>
<td>74.81</td>
<td>131.28</td>
<td>206.99</td>
</tr>
<tr>
<td>M/S VISA Industries Ltd.</td>
<td>Jakhpura</td>
<td>44.18</td>
<td>307.74</td>
<td>351.84</td>
</tr>
<tr>
<td></td>
<td>Mangalpur</td>
<td>11.47</td>
<td>26.71</td>
<td>38.18</td>
</tr>
<tr>
<td>M/S K.J.Ispat Ltd.</td>
<td>Jakhpura</td>
<td>2.73</td>
<td>1.53</td>
<td>4.26</td>
</tr>
<tr>
<td></td>
<td>Mangalpur</td>
<td>5.23</td>
<td>15.51</td>
<td>20.74</td>
</tr>
<tr>
<td>M/S Dinabandhu Steel and Power Ltd.</td>
<td>Kacherigaon</td>
<td>0.00</td>
<td>0.20</td>
<td>0.20</td>
</tr>
<tr>
<td></td>
<td>Dasamania</td>
<td>77.55</td>
<td>0.20</td>
<td>99.14</td>
</tr>
<tr>
<td></td>
<td>Chandia</td>
<td>0.66</td>
<td>0.00</td>
<td>0.66</td>
</tr>
<tr>
<td>M/S Rohit Ferro Tech. Limited</td>
<td>Kacherigaon</td>
<td>20.32</td>
<td>3.10</td>
<td>23.42</td>
</tr>
<tr>
<td></td>
<td>Chandia</td>
<td>26.58</td>
<td>0.00</td>
<td>26.58</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>409.11</td>
<td>795.89</td>
<td>1205.00</td>
</tr>
</tbody>
</table>

Source: Revenue and disaster management department, government of Orissa, [http://www.orissa.gov.in/revenue/R_R_Policies/Kalinga_Nagar/r&r.htm](http://www.orissa.gov.in/revenue/R_R_Policies/Kalinga_Nagar/r&r.htm)

(Out of 795.89 Acres of private land acquired by the company exgratia has been paid for an area of 709.12 acres and the balance area was covered under civil litigation. Ninety families that are be displaced are all residing on Government land.)

The IDCO has purchased land from people at the rate of Rs.15000/- to Rs.30000/- per acre in the initial phase of acquisition⁴. Over the years, as a ‘measure of benevolence’, an ex-gratia amount of Rs.25000/- per acre has been awarded, in different phases, probably in response to people’s demand for increased compensation from time to time.

⁴ ibid
The compensation for land was given to only those who had patta on the land. This left a huge section of people uncompensated, as they had no patta over the land they possessed. Another section of people, who cultivated land as sharecroppers, didn’t receive any compensation. After acquiring land from people, IDCO has been selling the land to different industries at a much higher price. As per the available reports, IDCO has sold land to the Tatas at the rate of Rs.3.5 lakhs per acre.

According to media reports, due to non-settlement of land, many influential people have grabbed land, by hook or crook, after the area was marked for industrial complex. According to one report, an ex-Chief Secretary of the state had grabbed 160 acres of land in the area.

**Compensation, Resettlement and Rehabilitation Policy of Kalinga Nagar Industrial Complex on Land Acquisition**

For Kalinga Nagar Industrial Complex, the Government of Orissa has issued a series of guidelines. The first guidelines for rehabilitation and resettlement of displaced persons/families was issued vide Revenue Department Letter No.3963 dated 24.01.1997. But these guidelines were found to be inadequate after a lapse of time. Hence, from 2004 onwards, a number of modifications were affected in the guidelines by enhancing the benefits to be given to the land displaced/affected persons. They are as follows.

a) The amount of ex-gratia to be paid to land affected/displaced persons was raised to Rs.15,000 from the existing rate of Rs.10,000/- per acre vide Revenue Department order No. 3963 dated 24.01.1997.

b) The amount of ex-gratia was further enhanced to Rs.25,000/- per acre.

c) Rehabilitation Advisory Committee for the project was reconstituted vide Revenue Department Letter No. 24205 dated 26.06.04 and was again reconstituted vide Revenue Department Letter No. 45919 dated 24.11.04.

d) The post of ADM and supporting staff for looking after rehabilitation and resettlement issues was revived vide Revenue Department Letter No.1188 dated 10.01.2005.

e) The details of ex-gratia payment made is enclosed.
f) Rehabilitation colonies with infrastructure have been set up at Tirijanga, Manitira and Gobarghati under the supervision of IDCO.

g) From January 2005, onwards, several steps have been taken to improve the standard of rehabilitation of the displaced/affected persons in the Industrial Complex.

h) A provision has been made for payment of Rs.5000/- per family for temporary shifting and accommodation.

In supersession to all earlier instructions issued in this regard, government, after careful consideration, have been pleased to approve the following guidelines regulating rehabilitation and resettlement of families/persons displaced/affected due to acquisition of land for Kalinga Nagar Integrated Industrial Complex at Duburi, in the district of Jajpur. These guidelines shall be named "guidelines regulating rehabilitation and resettlement of families/persons displaced/affected due to acquisition of land for Kalinga Nagar Integrated Industrial Complex at Duburi in the district of Jajpur."

1. **Defining family for the purpose of rehabilitation**: The family in relation to a displaced person would mean: (i) husband and wife, as the case may be, and their unmarried children but does not include a major son (s) who have been separated from the family on or before the date of notification under section 4(1) of the Land Acquisition Act, 1894 in respect of area/village. In such a case, the major son (s) shall be treated as a separate family. (ii) The unmarried daughter above 30 years of age will be treated as separate family for the purpose of rehabilitation benefits.

2. **Determination of number of displaced persons**: A committee consisting of the representatives of the steel plants, IDCO and state government (Collector of the District or his representative) shall conduct joint enquiry to determine the number of displaced persons following the eligibility criteria laid down in para 4 of this policy. To determine this, the cut off date shall be 1.1.2005.

3. **Eligibility criteria for determining displaced families**: A family/person shall be considered to have been displaced and will be eligible for rehabilitation benefits if: (a) All the land of the family has been acquired (b) more than one third of the land along with homestead land has been acquired (c) Only homestead land has been acquired;
and (d) homesteadless persons and landless persons residing in the village who have been/are likely to be displaced.

4. **Procedure for providing employment/ self employment:** The permanent residents of Orissa shall be given preference by the company for employment /self-employment. The companies setting up the industrial projects at Kalinga Nagar will have to give preference to the nominate one member of each displaced family in providing employment either in the industry or in its ancillary units in the following order of preference: (a) Displaced families losing all lands including homestead land (b) displaced families losing more than two third of the land and homestead land (c) displaced families losing more than one third of the land and homestead land; (d) Other displaced families. For nominated member of displaced families not provided employment in the manner indicated above, the companies will assist in their self-employment through allotment of shops, service premises and other activities in the company's township or otherwise. The company shall provide, appropriate training facilities to the nominated persons of the displaced families to acquire skill, as required for such employment.

5. **Procedure for providing cash assistance in lieu of employment/self-employment:**

The companies setting up their industrial projects at Kalinga Nagar shall provide one-time cash assistance in lieu of employment to the families who do not want to avail such employment or self-employment as mentioned in para 4. This one time cash assistance will be available in the following manner: (a) displaced families losing more than two third of their agricultural land and entire homestead land shall receive Rs.2.00 lakh per family; (b) displaced families losing more than one third but less than two third of their agricultural land and entire homestead land shall receive Rs.1.00 lakh per family (c) all other displaced families will get cash assistance of Rs.50,000/- per family. Where ever employment/self employment could not be provided to such displaced families who opted for the same, the reasons thereof should be recorded in writing and the same should be placed before the RAC whose decision in this regard shall be final and binding.
6. **Homestead land for displaced families**: Each displaced family will be given one tenth acre of land for homestead purpose, free of cost, with developed infrastructure in the rehabilitation colony.

7. **Rehabilitation Colony**: Roads, community centres, school buildings, water supply facilities, electrical facilities, dispensary and other facilities of a model colony have to be provided as a part of infrastructure development.

8. **Self-rehabilitation**: Each of the displaced family that opts to make its own rehabilitation elsewhere than in the rehabilitation colony will be given cash grant of Rs.50,000/- towards self-rehabilitation.

9. **Assistance for setting up of temporary shed**: A sum of Rs.5000/- (Rupees five thousand) only is to be paid to each displaced family setting up of temporary accommodation.

10. **House building assistance to displaced families**: All the companies which are setting up their industrial projects after NINL and MISL in Kalinga Nagar shall provide house building Assistance of Rs.50,000/- only to each of the displaced families, the number will be updated based on the enumeration made in the year 1996. Such assistance shall be over and above all other rehabilitation assistance provided to such displaced families. This grant would, however, be deposited by the companies with the Collector of the concerned district within 10 days of issue of notification of actual date of vacation by the collector. The house building assistance shall be released by the collector concerned in three instalments with first two installments each of Rs.15,000/- and the third and final installment of Rs.20,000/- depending upon the progress of the construction of the house by the beneficiary.

11. **Benefits to eligible encroachers**: It has come to the notice of government that encroachments are subsisting on lands proposed to be transferred for the Kalinga Nagar Integrated Complex and some of these encroachers have erected structures over the encroached land. According to the provisions of the O.P.L.E Act 1972, if an encroachment is un-objectionable, then an extent of one standard acre can be settled for agriculture purpose with the landless encroachers. However, the extent of such land shall be reduced in proportion to the extent of land already held by such
encroachers or by other members of his family. Besides, homesteadless encroacher is also eligible for settlement of up to one tenth of an acre for homestead purpose, if the encroachment is found un-objectionable under the provisions of O.P.L.E Act, 1972. Taking the above aspects into consideration and in order to provide relief to the encroachers who have to face displacement from government lands on account of the execution of the Kalinga Nagar Integrated Industrial Complex, government has decided to the following: (a) Encroachers who are landless (as defined in O.P.L.E Act, 1972) will get ex-gratia /one time solatium equal to compensation admissible under the Land Acquisition Act 1894, for a similar category of land for a maximum of one standard acre if the encroachment is unobjectionable, irrespective of the fact whether encroacher is pre-1980 and/or post-1980. (b) Encroachers who are homestead less (as defined in O.P.L.E Act, 1972) will get ex-gratia compensation equal to one tenth of an acre of un-objectionable encroached land as admissible under L.A Act, 1894 for a similar category of rayati land and additional payment of Rs.10,000/- or actual value of the structure which is ever more. Also, they will get one tenth of an acre per family for homestead purpose in any one rehabilitation colony. (c) The families who have put up dwelling houses on encroached government land recorded as forest, will also be paid ex-gratia amount for the land encroached by them as 'Gharabari' to the extent of maximum area of one tenth of an acre. For this purpose, the enumeration list prepared in 1996 shall be referred to. (d) Eligibility for ex-gratia payment from (a) to (c) will be determined by collector, Jajpur district under the supervision of R.D.C. (C.D), Cuttack.

12. Payment of Ex-Gratia to displaced families: As a measure of benevolence, ex-gratia payment of Rs.25,000/- only per acre will be paid over and above the compensation determined under the L.A. Act, 1894. This will be applicable to all lands acquired/to be acquired in the Kalinga Nagar Integrated Industrial Complex except for the land already acquired for Neelachal Ispat Nigam Ltd. and Mid-East industries in the first phase. The payment will be made once the land is voluntarily vacated by the oustees within 15 days of notification by the collector indicating the fact of such vacation. Provided that companies who have already paid ex-gratia amount of Rs.10,000/- in pursuance of the provisions laid down in circular No.3963 dated 24.1.1997 shall pay the differential amount of Rs.15,000/- to all those who have displaced with their land within 15 days from the date of intimation by the collector.
Also who have already paid ex-gratia amount of Rs.15,000/- in pursuance of the provisions laid down in circular No.3394 dated 24.1.2004, shall pay the differential amount of Rs.10,000/- to the land losers within 15 days from the date of intimation by the Collector.

13. Repeal and Savings: This order supersedes the Department circular No.REG-8/96 (P) 3963 dated 24.01.1997, 18214 dated 21.04.1997, 3394 dated 24.01.2004, 45595 dated 23.11.2004 and Order No.34510 dated 23.8.2005, and all other circulars/instructions/orders issued relating to guidelines regulating resettlement and rehabilitation of families/persons displaced/affected due to acquisition of land for Kalinga Nagar Integrated Industrial Complex at Duburi in the district of Jajpur. If action has been taken under the provisions laid down in the circulars/instructions/orders in force this order shall be considered to have been made under the provisions of this order and will have the same effect.

In this policy, all displaced families irrespective of their status will get Rs.50,000 of cash assistance. Homestead land of 10 decimals shall be given free of cost with developed infrastructure in rehabilitation colony. For self rehabilitation, one who opts to make own rehabilitation elsewhere, additional Rs.50,000/- per family shall be paid. There is special provision for house building assistance to displaced families. Also these provision for benefits to eligible encroachers in whose case, under the provisions of OPLE Act, 1972, the encroachment is unobjectionable. Even in case of objectionable encroachments, the displaced person will get the cost of the structure. In these guidelines, three areas have been considered for the resettlement and rehabilitation of the displaced families. These are (a) financial compensation for the loss of land (b) provision of homestead land and assistance for house building and (c) compensation for the loss of livelihood. It needs to be noted that while the price for the acquired land, provision of homestead land and assistance for housing building has been fixed by the government, the provision of jobs to the displaced families is not made obligatory for the companies, in the guidelines. But, this was promised by the government/politicians at various times before displacement. At no stage, the government has considered, ‘land for land’ as a rehabilitation measure for the affected families.
Tata Iron and Steel Company Limited (TISCO) Sets New Resettlement and Rehabilitation Policy at Kalinga Nagar

To address the corporate social responsibility, the Tata Iron and Steel Company has announced a package. The package, it seems, is an act of wisdom on the part of the concerned corporate house. According to the scheme, every displaced family would be considered as a family of the Tata Steel and the company would look into their all-round development. The company would take stock of the social and economic conditions of the displaced families every month and all the families would be provided with identity cards and their progress in matters of rehabilitation and resettlement would be monitored regularly. Further, the company would give employment benefit to all the displaced families and also revise the compensation package after proper negotiation with the people. The company has formed a task force which includes seven tribal members, to look into all matters relating to displacement and resettlement. The package, it is claimed, is the best in the country but so far there is no response to it on the part of the protesters. However, with the passage of time, there is bound to be a change in the attitude of the people, partly as a matter of necessity. The poor tribals can not resist the efforts made by the state. In fact, gradually people’s solidarity is getting diluted and a few of them are coming forward to accept the new resettlement and rehabilitation package announced by the government. Nevertheless, people’s discontentment persists and no solution has been worked out so far.

The rehabilitation and resettlement focuses on socio-economic and cultural part and gives a guarantee to each family for a period of 10 years.

Social Rehabilitation

Tata Steel’s rehabilitation Policy is for each stakeholder group and every family that has been affected. It social rehabilitation policy includes the following.

➢ Tata Steel ensures that every member of the Tata Steel Parivar (family) gets the opportunity to assume leadership in generic issues. Relocated families are encouraged to participate in improvement processes.

---

5 The Sambad (Sambalpur) Oriya daily news paper, May 17, 2006
Extensive counselling sessions are arranged for the *parivar* members to let them make informed choices in every decision making process, especially in choosing a viable economic option.

The purpose and the concept of organizing oneself for self-help are discussed in detail. Relocated people are encouraged to organize themselves into groups that are capable of building micro enterprises. For women, in particular, self-help groups are a means of beneficial involvement in economic activities that keep them away from social marginalisation.

Functional literacy is facilitated by providing the people with relevant reading and writing skills.

The *parivar* members benefit from improved housing and better facilities in their new neighbourhoods. An innovative balance of practical and emotional support enables them to comfortably adopt to their new surroundings.

Efforts have been made to preserve cultural norms and help maintain the ethnicity of the communities. The relocated communities of Kalinga Nagar are primarily a mix of Ho and Mahantas. Hence, the sacred ‘Jaherthan’ and ‘Sasan’ co-exist with the Maa Mangla temple or a ‘samshan’ in the Tata Steel Parivar colonies. Festivals like Baha, Maghe and Jomnama are celebrated with the same fervour as more common festivals of the region like Dussehra, Diwali and Rojo Sankranti.

**Economic Rehabilitation**

Facilitating economic rehabilitation of families at Kalinga Nagar is a priority for Tata Steel as it always maintains a steady focus on inclusive growth for all its stakeholders, sharing the wealth and prosperity that has been generated through collective effort. The following are some of the steps taken in the direction of achieving economic rehabilitation include:

**Employment in industry or ancillaries following technical training:** With more than 86% of people in the *parivar* community are from, the agricultural and farming background, Tata Steel ensures that an elaborate process of skills assessment for nominated members is carried out with the help of the company’s own training experts as well as other institutions. Subsequently, technical training is provided on
the basis of skill-sets, trainability parameters and academic backgrounds in order to make optimum use of employment opportunities created by industrialisation.

The Seyan Marshal Technical Training Centre has been established at Kalinga Nagar with technical support from the Nettur Technical Training Foundation, Bangalore, a leading institution in the country in the field. The training facility at the company’s mining operations at Sukinda offers advanced training programmes. Nominated trainees will be absorbed into Tata Steel’s workforce once the plant construction work commences. In the interim period, all contractors deployed to conduct work in the preparatory stage have been encouraged to employ trained parivar members and some of them have also been successfully placed in industries and plants at other locations.

Employment following training / skills upgradation in non-farm based, small & micro enterprises

It is important to provide an alternative and sustainable livelihood to people who have been farmers for generations. Tata Steel carries out regular income generation Programmes for members of relocated families to help them get an exposure to all available opportunities. Initiatives in this direction include the following.

➢ Formation of self-help groups that are initiated into thrift and credit with the help of necessary bank associations.
➢ Pilot projects on non-farm based income-generating activities. These included setting up an ethnic handicrafts unit, a stitching unit for women and a food-processing unit. These have already bagged their first orders from Tata Steel.
➢ Support processes that help families and self-help groups understand the dynamics of managing a business to achieve a positive result.

Employment using traditional skills for farm-based activities

While Tata Steel has taken all the necessary measures to ensure alternative livelihood for relocated farmers, it has also kept in mind the requirement of those who are more keen to continue farm-based activities. The following are the Initiatives taken in this direction.

➢ A project titled ‘Mission Sagen’ (Sagen being a Ho word meaning ‘birth of new life’) has been designed with 22 members of Tata Steel Parivar with the
objective of facilitating farm-based activities. Total 16 acres of agricultural land has been leased out for this purpose.

- Every family has been assisted with technical expertise for utilising the land adjoining the plots allotted to them for growing seasonal vegetables.
- As part of the infrastructure development, avenue and open area plantations have been planned for which The Sagen and Sarjam Sakam Mahila Samitee have been given the task of raising 10,000 saplings of the required species.
- Families that own cattle have been encouraged to build vermicompost units in their premises for commercial as well as household purposes.

**Greenery development in the rehabilitation colonies**

Tata Steel has always adopted effective measures in improving its processes to ensure that negative consequences in its environmental performance are minimised. To this end, Tata Steel has adopted various initiatives that have also helped in providing employment opportunities to members of the Tata Steel Parivar. The following are the initiative taken.

- Initiation of a nursery to cater to the green belt requirement of the proposed plant. It engages elderly women and widows who raise saplings of ornamental plants to be planted in the settlement colonies.
- Setting up a floriculture demonstration unit, spread over two acres in the Gobarghati Rehabilitation Colony. This includes a plant bank for future usage in conservation programmes.
- Plantation of saplings of fruit bearing trees has been undertaken at Trijanga and Sansailo resettlement colonies.
- Supply of seeds and saplings to relocated families for developing kitchen gardens on their land.

**Self-employment following skills upgradation and exposure**

Tata Steel encourages the parivar colony members, especially women and men beyond the employable age, to utilise available self-employment opportunities. A study revealed that farm-based activities were most likely to yield definite financial benefits for individuals. Poultry farming being one of the most viable options, an
interface was formed with members of the poultry co-operative at Jajpur to provide the required skills upgradation training.

**Nurturing entrepreneurial potential**

Keen on inspiring the spirit of entrepreneurship among individuals possessing leadership traits, Tata Steel takes definite steps to engage them in supply chain activities of the company. As a result many have re-invented themselves as service providers of these efforts; civil structural and electrical jobs in the infrastructure development projects as well as in the construction of *parivar* colonies have been allotted to individual entrepreneurs who have the ability to use the potential of the local workforce.

**Comparison between government and Tata steel rehabilitation and resettlement policy at Kalinga Nagar**

The Tata Steel Parivar rehabilitation scheme in Kalinga Nagar provides substantially better facilities than the government framed Resettlement and Rehabilitation policy. The government policy has made provision for employment of one member from each core household, the Tata Steel Parivar policy provides employment opportunities for each major member of the core house who are identified as extended families. It not only provides employment but also provides training facilities for up-gradation of personality and technical skill. Further, scholarships are also being provided for displaced families pursuing higher education in professional education like that in Medicine, Engineering, and Management etc. An amount of Rs 2, 21,000.00 is also being provided as one time assistance in lieu of employment. Also under the Tata Steel Parivar policy, each family is given a monthly maintenance allowance of Rs 2000 to Rs 2300 till they get an employment in the plant, whereas the policy stipulates for payment of maintenance allowance for 12 months only.

As per the R&R policy, each extended family is to be provided 4356 sqft of homestead land along with a house building assistance of Rs 1.5 lakh. Whereas, Tata Steel provides additional Rs 1 lakh ( over and above the policy value of Rs 1.5 lakh) per extended family, It has also provided for all steel temporary housing facilities and rented housing facilities to each family before they shift to their permanent housing.
Kalinga Nagar Industrial Area Vs Orissa Resettlement and Rehabilitation Policy 2006

The state government of Orissa has reportedly been preparing a master plan for Kalinga Nagar with the help of South Africa-based Lea Associates, School of Planning and Architecture, New Delhi and the Centre for Environment and Planning. As per the draft plan released in 2006, the Kalinga Nagar Industrial Area (KNIA) will be extended to 134 villages. About 10-lakh hectare land will be acquired by the government in a phased manner for the development of the area. According to the draft plan, 68 square kilometers out of the total area will be reserved for town planning. About 89 square kilometers will be earmarked for industrial units while 20 square kilometers will be reserved for development of different infrastructure including bus stand, hotels, schools and hospital. The state government decided to shift the District Industries Centre (DIC) from Jajpur to Kalinga Nagar and establish the Kalinga Nagar Development Authority.

In May 2006, the state government adopted the Orissa Rehabilitation and Resettlement Policy 2006 to address the historical injustices against the displaced persons, mainly the Adivasis. The policy has identified displacement by six types of projects: Industrial Projects; Mining Projects; Irrigation Projects, National Parks and Sanctuaries; Urban and Linear Projects; and any other projects. Employment is guaranteed to an eligible member from each displaced family in cases of displacement by the industrial and Mining projects. For industrial projects and mining projects, one time cash assistance can be up to maximum of Rs 5 lakhs for displaced families who have lost all land including homestead land. Provision for granting of free homestead land of one tenth acres in the resettlement habitat to each displaced family is “subject to availability” of land. In lieu of the homestead land, Rs 50,000 shall be given. The policy also provides for house building assistance of Rs 1.5 lakh for each displaced family. Furthermore, a monthly maintenance allowance of Rs 2,000 is to be provided to each displaced family for one year. The policy gives special benefits to the displaced tribal and indigenous families, including preferential allotment of land.

Yet, the Orissa Rehabilitation and Resettlement Policy, 2006, cannot address the root causes of the dispossession of the adivasis in the state. First, the Orissa Rehabilitation and Resettlement Policy, 2006, fails to address the fact that the state
government has been acting as a broker and profiting from the lands of the peoples by exercising its sovereign power. In 2004, a the state government had sold 2,000 acres of land to the Tatas for Rs 3.35 lakh. The state government paid only Rs 76,000 an acre to the original landowners, although given the fact that the current market rate for an acre was Rs 5 lakh. Besides, the Rs 76,000 was meant only for titleholders, who account for 20 per cent of the tribals in the area. The promise of a job for each displaced family, a home allowance of Rs 50,000 and Rs 5,000 as aid for a temporary shelter were never adequately fulfilled.

Second, the Orissa Rehabilitation and Resettlement Policy, 2006, is meant only for families who would be displaced in future it states nothing about the 1.4 million already displaced people, mostly indigenous. Clause 5(a) of the policy categorically states, “Ordinarily within two months of publication of notice for acquisition of land for the development project, a socio-economic survey would be undertaken in the manner to be decided by the government for identification of displaced families and for preparing their socio-economic baseline.”

Third, the Orissa Rehabilitation and Resettlement Policy, 2006, only continues the practice of the past, the arbitrary exercise of the state. Among others, it fails to provide for free, prior and informed consent of the affected families. The Scheduled Tribes constitute 22 per cent of Orissa’s population and are the most marginalized and poor social group in the state. Over 72 per cent live below the poverty line. In 2003, the World Bank had sanctioned Rs 430 crore to the state government to implement the tribal livelihood projects in the tribal-inhabited districts of the state. However, as on August 2005, the Orissa government had spent only Rs 2.21 crore out of a total World Bank aid of Rs 430 crore on the 10-year tribal development project in two years. Given that the state government has failed to implement livelihood project funded by the World Bank, it is unlikely that it will rehabilitate those displaced by the development projects. But, industrial houses will be quick to grab the opportunity to implement the Orissa Rehabilitation and Resettlement Policy 2006.

But today the reality is that the Orissa’s R&R policy resigned and improved after the Kalinga Nagar tragedy where 12 tribals were killed by police firing after a constable was hacked to death during a demonstration is arguably the best in the country. The key features of Orissa’s updated R&R policy, which had inputs from UNIDO and
DFID, include much larger cash compensation (far more than the pre-notification market prices), job guarantees along with skills training and even alternate land. Of course, the crux of the issue is not just good policy, but proper implementation. This is where the difference is already perceptible.

Table- 3.4 Statement indicating the difference between the R & R Policy of Government of India, Kalinga Nagar draft policy 2005 and Orissa R & R policy 2006

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>APPLICABILITY</td>
<td>If 500 or more displaced.</td>
<td>Even if one is displaced.</td>
<td>Even if one is displaced.</td>
</tr>
<tr>
<td>FAMILY</td>
<td>A person, spouse, unmarried daughters and sisters or minor brothers, father, mother and other dependent.</td>
<td>All in national policy addition, unmarried daughters above 30 years.</td>
<td>All in the draft policy. However, deserted women has been deleted. Age of unmarried daughter or sister has been raised to 30 years.</td>
</tr>
<tr>
<td>AFFECTED FAMILY &amp; DISPLACED FAMILY</td>
<td>Displaced family is one who is physically displaced. Affected family is one who has been substantially affected and residing within the affected zone for three continuous years prior to notification for acquiring land.</td>
<td>Nothing specified.</td>
<td>Displaced family is one who due to acquisition of his homestead land gets displaced. There is no specific definition of affected family.</td>
</tr>
<tr>
<td>PROJECT TYPE</td>
<td>No Classification.</td>
<td>It is project specific policy applicable to industries in Kalinga Nagar only.</td>
<td>Same as in draft policy.</td>
</tr>
<tr>
<td>R &amp; R BENEFITS</td>
<td>All BPL families will get it.</td>
<td>Non-BPL will also get R&amp;R benefits.</td>
<td>Three different packages for Industrial &amp; Mining Projects, Irrigation and Forest Projects, and Linear Projects.</td>
</tr>
<tr>
<td>No provision for employment.</td>
<td>One person from each displaced family to get employment.</td>
<td>Non-BPL will also get R&amp;R benefits.</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------------------------------</td>
<td>-----------------------------------</td>
<td></td>
</tr>
<tr>
<td>Free of cost house site</td>
<td>Provisions for self-employment at the cost of project for those who opt or not provided with employment.</td>
<td>One person from each displaced family to get employment. Moreover in mining projects, the expanded families will be entitled for separate employment benefits.</td>
<td></td>
</tr>
<tr>
<td>50 sq meters in rural and 75 sq meters in urban area.</td>
<td>Training facilities for displaced/affected families.</td>
<td>Provisions for self-employment at the cost of project for those who opt or not provided with employment.</td>
<td></td>
</tr>
<tr>
<td>One time financial assistance of Rs.25000 for BPL families only.</td>
<td>One tenth of acre homestead land.</td>
<td>Training facilities for displaced/affected families.</td>
<td></td>
</tr>
<tr>
<td>Land for land – 1 hectare irrigated or 2 hectare unirrigated if available.</td>
<td>Rs.50,000 in lieu of homestead plot.</td>
<td>House Building Assistance of Rs.1.50 lakh per family.</td>
<td></td>
</tr>
<tr>
<td>Registration cost to be borne by project authorities.</td>
<td>Rs.1.50 lakh for house building assistance.</td>
<td>One time cash assistance in lieu of employment/self employment of Rs.5.00 lakh, Rs.3.00 lakh and Rs.2.00 lakh and Rs.1.00 for different categories.</td>
<td></td>
</tr>
<tr>
<td>One time cash grant of Rs.10,000 per hectare for land development and Rs.5000 for agricultural production.</td>
<td><em>Ex-gratia</em> Rs.50,000 per displaced family.</td>
<td>50% of the cash assistance shall be in shape of onvertible preference share.</td>
<td></td>
</tr>
<tr>
<td>Transportation – one time Rs. 5000</td>
<td>Homesteadless</td>
<td>Shops and service units to be provided for self-employment.</td>
<td></td>
</tr>
<tr>
<td>750 days minimum agricultural wage where no land or employment</td>
<td>Encroachers to get the benefit and additional ex-gratia of Rs.10,000 or</td>
<td>Cash benefit of Rs.50000 and 1/10 of an acre of homestead land.</td>
<td></td>
</tr>
<tr>
<td>provided.</td>
<td>actual value of structure whichever is more.</td>
<td>Irrigated land 2.5 acres or unirrigated land 5.00 acres for ST/SC and 2 and 4 acres, respectively, for others.</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>500 days wage for person who becomes marginal farmer and 375 days wage for those who becomes small farmer.</td>
<td>Subsistence allowance to labour class in both agricultural and non-agricultural sector equal to 625 days wage.</td>
<td>Cash compensation in lieu of land Rs.1.00 lakh for irrigated and Rs.50000 for unirrigated land per acre.</td>
<td></td>
</tr>
<tr>
<td>Transit accommodation to be provided when emergency provisions under section 17(4) of LA Act is enforced.</td>
<td>In linear acquisition <em>ex-gratia</em> of Rs.10,000 over and above R&amp;R package.</td>
<td>Common assistance of Rs.2000 per month for maintenance, Rs.10000 for temporary shed and Rs.2000 for transportation per family.</td>
<td></td>
</tr>
<tr>
<td>Training to displaced and affected Persons.</td>
<td>Only Pre-80 Forest encroachers to get R&amp;R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reservation for SCs who were getting such reservation in affected zone.</td>
<td>Compensation and Rehabilitation Package offered at Kalinga Nagar on Land Acquisition</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Financial compensation for the loss of land**

Between 1992 and 1994, the Orissa government had acquired hundreds of acres of land at Duburi for the Kalinga Nagar industrial complex after Swraj Paul
wanted to set up a steel plant in Duburi. The displaced people were given Rs 37,000 per acre and then in 1995, the then government, declared an additional amount of Rs 15,000 per acre for each of the ousted families. Since Paul didn’t come, the tribals who were occupying large chunks of government land continued to till the land and stay. In the mid-nineties, the Nilachal Ispat Nigam and Mesco steel plant were started. Of the 13,000 acres in the industrial complex, in the year 2005, the Tatas were handed over 2,000 acre. A total of 760 households were to be ousted by their project. After the death of 12 tribals in 2006, following protests, the government announced an enhanced package of Rs 25,000 per acre *ex-gratia* on the original compensation, along with an assurance of one guaranteed job per family, a house-building assistance of Rs 50,000 and a temporary shelter allowance of Rs 5,000 in different phases, probably in response to people’s demand for increased compensation from time to time.

After acquiring land from people, IDCO has been selling the land to different industries at a much higher price. As per the available reports, IDCO has sold land to the Tatas at the rate of Rs.3.5 lakhs per acre (The Telegraph 2006). The tribals also felt cheated when the government sold their land to Tata Steel at a price 10 times higher than what they had been paid. If Tata can pay the government Rs 3.35 lakh per acre, why can’t it give us Rs 1 lakh for the same? asked Sudama Mohanta, an oustee of the Dholapathar village.

It is interesting to note that the compensation package for the land acquired by the government in the Kalinga Nagar area was announced in 1994. According to this announcement, people displaced from their land were to be paid at the rate of Rs 35,000 per acre by the IDCO. When it was learned that the IDCO sold the land to the industrial houses at a rate of Rs 300,000 per acre, there was hue and cry by the displaced landholders, and the compensation package was revised later to Rs 50,000 per acre. The resentment continued among the displaced landholders. They demanded a higher price for their land, since the market price of the land in the urban-industrial complex of Kalinga Nagar had gone up almost 25 times the amount of the revised compensation price. It is reported that a 0.04 acre of land in the Kalinga Nagar industrial now sells at a price of Rs 100,000. Hence, the people who had lost their
land felt not only deprived of their primary source of livelihood, they felt cheated by the state and the land mafia, who purchased land from them at a very low price.

The compensation for land was given to only those who had patta for the land. This left a huge section of people uncompensated, as they had no patta for the land they possessed. Another section of people, who cultivated land as sharecroppers, didn’t receive any compensation. That quite a sizable chunk of these tribals do not have recorded rights over their land, which means when the projects will be implemented they will not get any compensation as well as resettlement and rehabilitation packages under the existing provisions. Such a situation will adversely affect their livelihood including their shelter and is likely to push them below the threshold of poverty.

I have 1.5 acres of patta land and another three acres without patta. I had an argument with the Amin at the time of the survey and refused to bribe him, which he wanted. For this my name was not listed for the compensation. I haven’t received any compensation till now. My land will be taken away by the Tata. – Galia Munda, Village- Kalamatia

Provision of homestead land and assistance for house building and Jobs

According to official data, in Kalinga Nagar so far 814 families have been displaced. The number of families, likely to be displaced/affected in the near future is said to be about 5000. Of the 814 displaced families, 639 families have been displaced by NINL. Of these, only 182 families have been directly employed in NINL. As per the rehabilitation guidelines of the government for Kalinganagar, the company would provide monetary compensation if it fails to provide jobs to at least one member of the displaced families. A notice issued by the ADM Kalinga Nagar (dated 5.12.05) shows that the remaining 457 families, not provided with jobs, are yet to receive monetary compensation, in lieu of jobs. It needs to be noted that these families were displaced in 1997. Many of these families have already migrated to other districts in
search of a livelihood. It is doubtful, whether the government has kept a track of these families\(^6\)

**The following table shows the status of homestead land and employment provided by different companies in Kalinga Nagar state.** (Table 3.5)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Displaced so far</th>
<th>Provided 10 decimal land</th>
<th>Provided with Rs.50000/- (not Availed homestead land)</th>
<th>Direct Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>NINL</td>
<td>639</td>
<td>131</td>
<td>508</td>
<td>182</td>
</tr>
<tr>
<td>MESCO</td>
<td>53</td>
<td>33</td>
<td>--</td>
<td>48</td>
</tr>
<tr>
<td>Jindal</td>
<td>60</td>
<td>51</td>
<td>08</td>
<td>Nil</td>
</tr>
<tr>
<td>Visa</td>
<td>23</td>
<td>03</td>
<td>20</td>
<td>Nil</td>
</tr>
<tr>
<td>Rohit</td>
<td>12</td>
<td>Nil</td>
<td>12</td>
<td>Nil</td>
</tr>
<tr>
<td>Common corridor</td>
<td>28</td>
<td>Nil</td>
<td>28</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Source: *ADM office Kalinga Nagar.*

So far, 815 families have been displaced in Kalinga Nagar, and around 79 per cent of them by NINL (Tables 1). The number of families likely to be displaced/affected is around 5,000. Only 182 and 47 displaced persons are directly employed in NINL and MESCO respectively. No other companies have provided direct employment to a single displaced person. If the company fails to provide a job to at least one member of the displaced family, as per the guidelines of the government for Kalinga Nagar, it would provide monetary compensation. As per the government source, around 586 persons not provided, with jobs are still to receive monetary compensation in lieu of jobs. Meanwhile, many of them have already migrated to other districts in search of a livelihood. Though each displaced family will be given 10 decimal land for homestead purposes free of cost, with developed infrastructure in the rehabilitation colony, as per the government guidelines, only 238 families out of 815 displaced families have received homestead land. Moreover, the conditions in the so-called rehabilitation model colony at Gobarghati are far from the promises of the government.

---

\(^6\) Prafulla Das Resistance and Tragedy in Kalinga Nagar, Frontline, January 26, 2006
According to the figures, compiled for 2005-06, the eight existing steel projects in Kalinga Nagar have provided direct employment to 3,685 people across technical and non-technical categories out of which 613 are from the displaced families while 1,131 people have been drawn from the Jajpur district. However, the figures reveal that that none of the members of the displaced families benefited from indirect employment generated by any of the existing steel projects in Kalinga Nagar. Moreover, even the members of displaced families were not absorbed in the technical as well as non-technical jobs under direct employment created by the projects.

But, a substantial number of people from the Jajpur district have benefited, both in terms of direct as well as indirect employment created by the steel units in Kalinga Nagar. It may be noted that 635 out of the 690 indirect jobs generated by MISL, in the technical category were bagged by the people from Jajpur district. Similarly, NINL’s project created indirect employment for 1,306 persons of which 887 persons absorbed were from the Jajpur district. NINL which has a steel project in Kalinga Nagar spread over 2,565.42 acres, has provided direct employment to 1,059 people in the technical category out of which 53 were from displaced families, 226 from Jajpur district, 607 from Orissa other than the Jajpur district and the remaining 173 from outside the state. In the non-technical segment, the steel unit employed 686 persons in all out of which 340 were from the displaced families, 341 from Jajpur district and the remaining five from other parts of the state.

Among the 1,306 jobs created by NINL in the technical category, 887 people were from the Jajpur district and 419 from other districts of Orissa. For JSL’s Kalinga Nagar project spread over 1,240 acres in Kalinga Nagar, 471 people were given direct employment in the technical category out of which 11 were drawn from the displaced families, 33 from Jajpur district, 192 from other parts of the state and the remaining 235 were recruited from outside Orissa. In the non-technical segment, the company recruited 204 persons, out of which 93 were chosen from displaced families, eight from Jajpur district, 56 from elsewhere in Orissa and the rest 47 persons were from outside the state. JSL has provided indirect employment to 2,324 people in the technical category out of which none are from the displaced families whereas 942 are

---

1 Reported in National Daily Business Standard on October 01, 2008
from the Jajpur district, 855 from other parts of Orissa and the 527 from outside the state. Similarly, among the 2,504 non-technical indirect jobs created by the company's project in Kalinga Nagar, none are from the displaced families, while 1,097 were from Jajpur district, 947 from elsewhere in Orissa and 460 from outside the state. VISA Steel provided direct employment to 387 people in the technical category for its project out of which 29 were from the displaced families, 124 from Jajpur district, another 203 people from elsewhere in Orissa and 31 from outside the state.\textsuperscript{8}

In a significant move, the Rehabilitation and Peripheral Development Advisory Committee (RPDAC), Kalinga Nagar Industrial Complex headed by the Revenue Divisional Commissioner, Orissa government and officials from the Jajpur district administration, industries present in the Kalinga Nagar Industrial Complex and the representatives of the local people have decided to reserve 100 per cent of the vacant posts in Class-IV jobs in the existing industries in Kalinga Nagar area for locals. In a recent meeting, RPDAC hold that external candidates for the projects in Kalinga Nagar may be recruited only in case of unavailability of locals and the district administration needs to be involved in the recruitment process. Moreover, the committee decided that the recruitment of ITI personnel and engineers will be guided on a preferential basis for local people.

According to the government's own guidelines, "each displaced family will be given one-tenth acre of land for homestead purpose, free of cost, with developed infrastructure in the rehabilitation colony. Roads, community centres, dispensary and other facilities of a model colony have to be provided as part of the infrastructure development". But, the conditions in the rehabilitation colonies are far from the government's promised 'model colony'

Around 120 displaced families reside in the colony. Almost all the houses except four \textit{pucca} houses are thinly thatched and mud huts. About 70 per cent of the total displaced persons have opted for Rs 50,000 as cash compensation in lieu of 10 decimal homestead land in the rehabilitation colony, because of lack of livelihood in the vicinity of the colony. Even the compensation money was not sufficient to purchase land as the price of land suddenly increased in the surrounding area, due to

\textsuperscript{8} ibid
the industrialization. The conditions to get the cash compensation of Rs 50,000 in three stages make it extremely difficult for a poor displaced family to avail themselves of the housing assistance and to resettle. On the other hand, the displaced families who are settled since 1997 in the colony have not been provided with *patta* for their homestead land, instead, an "Intimation Slip for Settlement of Land" has been issued from the office of Tahasildar, Sukinda, with the instruction that "transfer not possible without the prior permission of the revenue officer*".

The gap between the state government’s false promises and ground realities is abysmal. The state government had said the plants would create employment opportunities for the displaced. Four of the 12 industries to be set up at Kalinga Nagar have stared operation. From 87 families evicted for setting up one of the steel plants, only five persons got jobs. In the second displacement of 634 families, only 53 people were given employment, while in the third case out of the 430 families displaced, only 42 people got jobs.

It is obvious that the Orissa government is to be blamed for the death of the tribals as it continues to sweep the important issue of resettlement and rehabilitation under the carpet. A package was drafted by the United Nations development programme last year, but it is becoming oblivious gathering dust with the chairman-cum-managing director of the Industrial Infrastructure Development Corporation, L.N. Gupta, since last July. The draft, apart from suggesting payment of full compensation for all losses to the affected people at replacement cost and their proper settlement through negotiation, seeks to elevate the position of the project-affected people by asking the industrial and mining companies to earmark 5 per cent equity for them as preferential shares. It also seeks to earmark 5 per cent of their net annual profit for local development. To become a policy it requires the final nod from the chief minister’s office, but IDCO is sitting on the file following pressures from the industry.

---

9 Ibid
10 Prafulla Das (2006), Frontline.
11 Quoted in National daily news paper The Telegraph on 12 february, 2006
Status of the Rehabilitation Colony

Those who have been displaced from by the Kalinga Nagar Industrial project were settled in a ‘rehabilitation colony’ – which I’ve visited and which on paper marks a great improvement from the mud and thatch village houses it replaced. There’s a school, electricity, a community centre, plumbed toilets and other assorted amenities. In a statement the company says that the colony has “tremendously improved their (the tribals) standard of living compared with the facilities available earlier”. Such statements look good to concerned shareholders who would like to be reassured that the company is fulfilling its corporate social responsibilities, but from my experience of visiting the site, and talking to the tribal people today, there is a gap between the paper and concrete reality.

After eight years, they remain virtually dumped on the ground without providing any basic amenities. The big entrance arch reading ‘WELCOME TO THE GOBARGHATI REHABILITATION COLONY’ (displaced from the villages, Khandiapusi, Madhapur and Sarangpur for the NINL) put up at Mirigachara gives the impression of a prosperous rehabilitation settlement. However, once you enter the colony, it presents a totally different picture. Baring three/four pucca houses, tiny thatch and mud huts strike one’s eyes. Till now, only 120 families out of total 639 families are residing in the colony. Rest of the families (about 70 per cent of the total displaced) who have not come to settle in the colony have opted for Rs. 50,000/- as cash compensation in lieu of 10 decimal homestead land at the rehabilitation colony. A large section of the displaced families chose not to come to the resettled colony because of lack of livelihood in the vicinity. Even people who had received compensation money for their land couldn’t buy land as land price suddenly increased many times in the surrounding area, due to the prospects of industrialisation. Of the people staying in the colony, only 25 families have got employment in NINL. The remaining families go to work in the stone crushers, earning Rs. 60-70/- per day. For that they have to go daily 14 to 15 kilometres.

There is no other work opportunity available in the nearby area. These displaced families, although living as daily wage earners, have not been considered as BPL families. For 120 families six tube wells have been installed and two of them not working. The two walls provided for them serve little purpose as both get dried up
from February every year. Electricity connection has been provided in the colony but power is occasionally supplied but bills are collected forcibly and some people are not in a position to afford connection. Inside the colony, roads are also of murrum and get washed away in the rainy season. One primary school has started recently in the colony, but the required teachers are not available. The next higher school is at a distance of 5-6 km. There is no primary health centre (PHC) in the colony. The nearest PHC is at about 10 km from the colony. The displaced families, although resettled since 1997, have not been provided with patta for their homestead land. Instead, an ‘Intimation Slip for Settlement of Land’ has been issued from the office of Tehsildar, Sukinda with the instruction that ‘transfer not possible without the prior permission of the Revenue Officer’. As per the rehabilitation guidelines, the companies will provide house building assistance of Rs.50000/-, to each of the displaced family. However, the company will deposit this amount with the district collector, which will be released to the family only after they vacate the house, move to a temporary shelter, and begin construction of the house. After seeing the progress of construction, the Collector will release the money in three installments Rs.15000/-, Rs.15000/- and Rs.20000/-. These conditionalities, obviously make it extremely difficult for a poor displaced family to avail of the housing assistance and resettle in a new area.

At the Trijanga Rehabilitation Colony, where families displaced from Siari and Bansipur by Mesco Steel and Jindal now reside, it’s the same story. “We never knew that the government would leave us in the lurch,” says Andi Sai who’s worried about her three grown-up daughters. At Anji Rehabilitation Colony of 400 families, displaced by Visa Steel, migration has just picked up momentum. In the last eight months, over 80 people have moved to Andhra Pradesh in search of jobs. “My husband left for Andhra Pradesh to try his luck there. He promised he would come back after finding a shelter and a job. We don’t know his whereabouts. I am working at crusher units (at Rs 40 a day) to look after my three sons,” said Bhimsan Mahato. They have been ignored both by the state government and industrial house “rehabilitated people suffer most due to the willful neglect of IDCO in providing infrastructure,”
Adivasi Reaction towards Compensation policy

The villagers who were I met during my field work at Kalinga Nagar were angry and resolute. They said they would not give up their land. When asked if they would agree to a higher compensation, they simply said no. "We are poor, but our land gives enough for us to survive. If we do not have this, what will we do?" When I asked if they would agree if the company provided jobs, their answer was equally straightforward. "We have seen the factories that have come up around us, we have seen that they had promised our people jobs when they took away our land. But our people have no jobs and no land. The factories say they cannot employ us because we are not educated, they say they do not need so many people. Why should we believe them now?"

A 73-year-old local tribal lady Sukul Bankira said, "I am not fighting for money, but for land. How do you expect us to give up the land for money? I have seven acres of land and four sons. One son will get a job in the so called company, what the other three will do? Do you know how much is the compensation money available? It is not even equal of the price of our one year's rice production, forget about other crops production.

The government officials said that it is a third grade land and the compensation price is enough. 19-year-old Ranjit swore revenge for his mother's death, "We did not join the agitation to desert it midway. We are facing a lot of hardships. We will continue to fight for our land. It is next to impossible to purchase a land in this area with the compensation money. Because the land cost is very high now and the compensation money is very less as per the market price?"

I then visited the rehabilitation colony set up to relocate villagers whose land had been acquired. Company officials said they were planning to give employment to a nominated family member. This would need skill development or education. They were beginning to train villagers in welding and other trades. In addition, the government had also agreed to raise cash compensation from Rs 14,000 per hectare (ha) to Rs 40,000 per ha; a 400 sq-m plot and Rs 1.5 lakh as aid to build a house. Within the family, each adult son would be considered separate, which would mean benefits would multiply. A good deal is how company officials saw it.
I asked the young men in the colony, why they had moved. "Because we had no land and we were given jobs." But they also said, with obvious pain in their eyes, that since then they could not enter their village. They had been ostracized. Clearly, there was anger at the same time there was resistance.

The question was why? Was it just the cussedness of few individuals or the vested interests of competitors fuelling the unrest or were the simple villagers we met Naxalites fighting an ideological war against the state and industry? The "why" question was even more incomprehensible if you thought that the people fighting change were poor than they lived in mud and thatched huts, which would be exchanged for brick houses; they were subject to the vagaries of rainfall, and crop failure, which they would give up for cash compensation. The agricultural fields for us, from the outside, certainly looked impoverished. In our eyes, the future looked only brighter.

The displaced people named Sanju Mahanta and Mahendra Mahant (65)said, "We want peace, we are poor people and are interested to earn our livelihood, not fighting with any body. Although, we know the rehabilitation colonies are not satisfactory and the company is not implementing the minimum rehabilitation package, but what difference does it make to us? We would have died there or here." When asked on why did they accept the compensation money from the government Sukumari said, "I am alone, I have no one in my family to earn one rupees per day. I am alone, for whom will I fight? His land, he died, then who will enjoy the land? How will I mange my daily life? After my husband, Rama Gagarai's death, the last four months have been miserable for me, who was there to support me? Every body was busy with their own activities, nobody was bothered about me. I spent three nights with fever without medicine and food, God saved me.

But this is where we must introspect differently and deeply. In Gobarghati, I could not see Naxalites or misguided people. I could see were people fighting for all they have in full knowledge that their poverty is only going to be exchanged for greater deprivation and marginalization. They know they do not have the skills to succeed in the new world. They also know, after bitter experience, that the industrial world does not need many people to work its enterprises. It needs their land, water, minerals, but not their labour. Even if they get the promised homes, compensation for
land, they won’t have work. Their land is marginal, they are poor but they would survive.

Not far away, villagers who face displacement by the Korean giant Posco's steel plant have also set new terms. They want higher compensation for agricultural and homestead land; employment for every adult in this and future generations; houses and amenities; Rs 1,000 as monthly allowance for people too old to get a job and a share of profits. This, we must understand, is not greed, but the value the poor put to their land. We must also understand that modern industry cannot compete with agriculture in terms of livelihood security.

If we accept this, may be we will look for answers in a different manner. It is clear that industry will need land, the question is at what cost and how much. Industry is greedy for land. Tata will get 1,000 ha for their steel plant. Their neighbour, Neelanchal Steel, has got a slice, too, where it has planted trees—a ‘green’ steel mill built on poor people's land.

Thus, to conclude this chapter, the question arise why Indian industry cannot be far more frugal in its demand for land as indeed it must be with its need for water? Why should industry not negotiate and pay the price people want for their land. In this case, it can look for less valuable, less cultivable land. Most importantly, how can market-believers justify the use of the land acquisition act, which allows government to takeover any land, without questions asked, for so-called “public purpose”. This is cheap and dirty industrialization. It will not work. These are some moral question of the moral question which is often generalised, unanswered and unevoked in a so called modern industrial society.