CHAPTER – 7

CONCLUSION

Large scale development programmes involves forced relocation of victims without any prior agreement or approval; it is usually the poor who are adversely affected by land acquisition for a ‘public purpose’. Displacement without proper rehabilitation leads to a process of impoverishment and marginalization of the lower strata of society in the form of severe social, economic, political, psychological, ecological and cultural problems. The trauma faced by the displaced is almost similar in international, national and regional contexts. The setting up of NTPC’s Kayamkulam Combined Cycle Power Plant in Kerala was viewed as a great relief in the context of the severe power crisis in the state; but at the same time displaced, consisting of poor people of the local region, have been adversely hit by the project.

7.1 Justification of the study

Large power projects have always inflicted a number of socio-economic impacts on the project area and the people of that area. The present study is conceived with a view to understanding the socio-economic impact of NTPC, Kayamkulam, particularly with respect to the DPs and the PAPs. The specific objectives of the study are to examine the resettlement and the rehabilitation of the PAPs, to assess the role of people’s organizations and NGOs in the R & R process and to analyse the socio-economic status of the PAPs before and after displacement in terms of occupation,
income and economic activities. It is an analysis of the impact of the project on the displaced in the framework of Risk Model as developed by Michael Cernea.

The project area is a coastal belt, which covers five villages namely Arattupuzha, Muthukulam, Cheppad, Chingoli and Pallippad of Karthikapally taluk in Alappuzha district of Kerala. The study has been conducted using secondary and primary data. Three hundred households have been selected through systematic proportionate random sampling technique. The primary data has been collected with the help of structured interview schedule. Data were collected from different categories of PAPs. Focus group discussion has also been held among Panchayat authorities, social activists, and experts.

7.2 Major findings

The major findings that evolved from the study are summarised below.

7.2.1 Socio-economic Impact on Local Community

The study on the impact of the NTPC project at Kayamkulam has shown that the project has led to both positive and negative outcomes but the latter outnumber the former. The only external economy that has been created is the hike in the price of land (increase of 500 %). Employment generation is a positive outcome of the power project in Kayamkulam, but it is limited to a few persons. The only agro-based productive activity, viz. manufacturing of coir became a distant dream to those who were engaged in that sector.

There are certain other externalities like linkage effect and other spread effects. Negative spread effect is seen, as 30.67 per cent of the respondents remarked that
unhealthy social practices are common after the setting-up of the project. Certain areas of the project-affected villages are experiencing serious problems related to anti-social and illegal activities like illicit liquor brewing and gambling. This has its social implications leading to crimes and theft. This analysis gives a strong picture of the disapproval of the people towards the project. Analysis regarding the response of the PAPs towards the project shows that 98.7 per cent do not like the coming of the project.

A major complaint raised by the PAPs is that land acquisition always is in excess of what is actually required. This has resulted in non-utilisation of productive resources and at times gives opportunity and space for antisocial activities. The escalated price of land in the project area, the nominal compensation and the delay in disbursing the compensation made land inaccessible to the DPs.

The topography of the village under study shows that the rich soil of the dry land of the area is immensely suited for cultivation of a multitude of agricultural products. The study on productive activities revealed that the overall value of output from the dry land declined by 24.18 per cent. Great changes are seen in the case of vegetables, for which the value decreased by 30.76 per cent. The project area which had market surplus once now depends on the market for vegetables. It can be inferred that the project has a negative impact on the production system of the area.
The study on the project area revealed that group of farm labourers were omitted from the PAPs list. They are the victims of development projects. The socio-economic study of the DPs shows that socio-cultural disintegration is not found to be serious, since the majority had resettled in and around the project affected villages. According to 31 per cent of the PAPs only, the project has negative impact on the social values of life.

7.2.2 Socio-economic Impact on the Displaced Persons

To asses the impact of land acquisition and the efficacy of the R&R, a socio-economic overview of the PAPs is done at the outset.

7.2.2.1 Socio-economic Background of the Displaced

- Religion-wise distribution of PAPs reveals that the study area is dominated by Hindus with 80.33 per cent, followed by Christians (15.67%) and Muslims (4%).
- Sex ratio shows dominance by females (53%).
- The demographic analysis showed that 90 per cent of the households have nuclear families.
- Age-wise analysis reveals that 63.6 per cent of PAPs belongs to the age group of 60 plus. This shows that they were in the productive age group at the time of displacement in 1989.
- Analysis of education level shows that 64 per cent of the PAPs have the educational background of matriculation and above. The area is inhabited by an educated group. This acted as a constraint in accepting the low-paid unskilled jobs offered by NTPC.
• Considering the state of poverty, though 92 per cent of the respondents possess APL cards, the field data shows that 31 per cent of them have an annual income below Rs. 50,000.

• In short, the socio-economic background reveals a mixed picture as the most of the PAPs were in the productive age group at the time of displacement but their educational attainment was not poor. However, they did not get a deserved employment.

7.2.2.2 Resettlement and Rehabilitation Programmes

A study of R&R shows that the promises of the resettlement colony and jobs were not kept. As per the RAP, a resettlement colony with all facilities for a comfortable living was guaranteed, and PAPs were assured Income Generating Schemes (IGS/SES) that could enhance their living standards or at least maintain their status before displacement. Assessing the result of R & R, it is seen that through land acquisition NTPC deprived the PAPs of their age-old productive land which was their only means of subsistence. Data collected from the 48 per cent homestead oustees shows that none of them resides in a resettlement colony of the NTPC. In fact no such colony exists in the case of the Kayamkulam Thermal Project. The analysis reveals the callous manner in which the project authorities are treating the issues of displacement, ignoring the fundamental rights of the displaced.

Compensation fixed on the basis of golden value was least agreeable to the PAPs. The study revealed that wet land was priced at less than one-third of the actual price and
dry land at half of the actual price. The compensation was paid five years after the land acquisition notification. This was another major injustice done to the land oustees. Low compensation forced 96.33% of the PAPs to approach the court for enhanced compensation. This is another form of suffering and injustice faced by the DPs. As per the resettlement agreement with NTPC, a few PAPs (11) got a compensation which was two times that of the golden value fixed by the State government. However, those who approached the court got compensation which was three times more than the golden value. It throws light on the fact that not only was the compensation paid to them very low, but they had to spent additional money to approach various courts for enhanced compensation in the context of failure on the part of NTPC to set up resettlement colony.

The SES planned for the area was unscientific and inappropriate for a land-ousted community. The amount fixed for different schemes varied between Rs.15000-Rs.30000. The majority opted for the scheme for which the allotment was high. This was dairy farming, which lost its economic viability in the changed land pattern. The amounts fixed for land development and pension scheme were nominal. The promise of jobs was not kept. The study of the present status of self-employment shows that 85 per cent had to completely give up the project undertaken and 15 per cent are struggling with it. An assessment of the SES shows that instead of restoring the previous level of living or improving it, it turned out to be a complete failure for the NTPC project at Kayamkulam. The analysis gives the conclusion that the SES of the NTPC did not serve the purpose of improving or at least maintaining the lost economic status due to
displacement. The IGS turned to be unsuitable to the area. It can be inferred that the SES was implemented without any sincerity towards the PAPs, and only for satisfying the financing agency—the World Bank. The Action Council did not help much in solving the problems.

7.2.3 PAPs: before and after Displacement

The analysis shows the present socio-economic condition of the displaced in comparison to the pre-displaced condition. The study of the project-affected area shows that after acquisition, land became a scarce resource. This created almost a 500 per cent hike in the price of land. The development project has adversely affected the livelihoods of those who were engaged in the primary sector, as in other parts of the country. Even though it is an externality to the unaffected villagers, this only enhanced the sufferings of the land oustees.

The study on occupation pattern of the PAPs before and after displacement reveals that agriculture was a source of employment for 79.2 per cent before displacement, but for only four per cent after displacement. Out of the rest (96 %), 73 per cent have no job and 23 per cent are engaged in construction and private sector enterprises; out of the latter group two per cent work in Gulf Countries. However, if the case of 60+ PAPs (48.67%) is discounted, the real percentage of the oustees in search of jobs is 24.33. At present only four per cent depends on agriculture as against 57.5 per cent before land acquisition. There exists high level of unemployment, even when 94 percent opted for SES. This is clear evidence of the inappropriateness of the SES of
NTPC for the locality. The amount received for job creation was spent unfruitfully, mainly due to the inappropriate and unscientific design of the employment scheme.

The data collected on economic profile of the PAPs shows that income after displacement declined as 73.33 per cent reported unemployment. Even though the range of income of the NRI and high-earning groups has increased, the average income is only Rs. 84666.67. This shows that the project has reduced the earning capacity of the PAPs as 31 percent is classified as lower income with an annual income ranging between 0 – 50,000.

Economic status measured on the basis of productive activities in wet land and dry land reveals that if cultivation had continued they would have received at least the same level of output. Even when production cost escalation is considered, the income earned from land would have been four times more than what they had earned before displacement. While considering the productive activities, production decreased in dry land while there is no cultivation in wet land. Hence the income resulting from this also decreased considerably.

Considering the utilization of compensation money, it is assessed that the major portion was used for house construction. Studies about the farm labourers who are omitted from the list of PAPs show that majority affected are females. At present, land which was their only source of income is destroyed completely. This group is
seriously affected by the project, as alternate job opportunities are absent. They are facing all the possible risks associated with any involuntary displacement.

### 7.2.4 Impoverishment and PAPs

Since the study revealed that the economic condition of the DPs and PAPs of NTPC project has not been reestablished to the previous standard as per the R&R conditions, the problems and possible risks of displacement resulting in impoverishment is tested with the help of a theoretical model known as IRR model of Cernea. Here the qualitative aspects are converted to quantitative by assigning scores for the variables considered. Each possible risk is calculated separately.

Landlessness, the first possible risk of land acquisition, shows a clear indication of a decrease in the possession of land. The second risk, joblessness, is also a reality for majority of the PAPs. But the third major risk, homelessness, presents a different result as compared to many other situations, as the majority have utilized the compensation for building houses better than the ones they had before displacement. In respect of loss of common property, the study reveals that the users of CPRs in the project area were affected adversely but not as seriously as in the case of joblessness and landlessness. Marginalization was also tested and found to have increased nominally. Cernea’s sixth risk factor is morbidity that leads to mortality. It is found that the health status components have remained the same as before displacement. While conducting the survey among people living in the adjacent areas of the NTPC, it is found that while the health status ‘remains the same’ for the area as a whole, the risk of
morbidity and mortality is seen as ‘increased very much’ among them. Reduction in land availability and shift in occupation pattern leads to food insecurity, which is prominent among PAPs after displacement. When the risk of social disarticulation is tested it is found that it has affected the displaced population marginally. When all the risks are evaluated together, the average score value is 2.49, which shows that the project has marginally impoverished the DPs and the PAPs.

Testing of the socio-economic impact with the help of the Impoverishment Risk and Reconstruction Model of Michael Cernea confirms the earlier findings that the PAPs are not able to reconstruct their previous living standards. So they are impoverished. The project has a negative impact on the PAPs. When the economic status is expected to be retained or improved due to R&R, the findings from the present study reveal that what is expected through the R&R is not realized. This proves the ineffectiveness of the R&R with respect to this project.

7.4 Evaluation of Hypotheses

It is found that displaced persons, as a consequence of the development project, are adversely affected in terms of utilisation of compensation, nature of employment, income generation etc. Hence the first hypothesis proposed in the study is accepted.
Using the Impoverishment Risk and Reconstruction Model of Michael Cernea for the possible risks of displacement, the earlier findings that the PAPs are not able to sustain their previous living standards in the context of NTPC Kayamkulam are confirmed.

The second hypothesis, that the displaced are impoverished in terms of eight risks like joblessness, landlessness, homelessness, marginalization etc. as per the Risk Model developed by Cernea, is confirmed by the findings of the study. The project has marginally impoverished the DPs and the PAPs. So the second hypothesis is also accepted.

7.5 Contribution of the Study

The present study has explored the socio-economic impact of the NTPC, Kayamkulam on the displaced people. The study has supported the findings made by earlier studies relating to displacement due to development projects in India with certain exceptions in the context of Kerala. By using the IRR Model the study has proved the applicability of this theoretical framework for analysing the issues associated with displacement and resettlement. This theory can be used as a planning technique for displacement as it suggests measures for solving impoverishment.

The present study can be used for formulating adequate policies for a successful resettlement whenever there is involuntary displacement. Another implication is that while assessing the affected people, the project authorities can make serious mistakes. The attention of social activists, politicians and NGOs is required here.
7.6 Implications

The present study can be used for formulating adequate policies for a successful resettlement whenever there is involuntary displacement. With the help of the IRR Model, the study has proved the applicability of this theoretical framework for analyzing the issues associated with displacement and resettlement. Another implication is that, while assessing who all are the affected categories, the project authority may make serious mistake of making omissions. This fact should be taken care of by social activists, politicians and NGOs.

7.7 Suggestions

In the light of the major findings the following suggestions can be given for improvement of the condition of the PAPs.

1. Land acquisition, as far as possible, should avoid densely populated and highly productive agricultural land. This is very important in the present situation of food insecurity facing the world.

2. Resettlement and Rehabilitation should be planned in advance with the help and consent of the people to be rehabilitated.

3. Job opportunities should be given priority in resettlement.

4. Land for land is more agreeable as a method for reconstruction.
5. Frequent evaluation of the condition of the PAPs by the project authorities should be made a necessary condition for sanctioning a project.

6. There should be concrete R & R policy on the part of the State and the project authority concerned.

7.8 Future Research Gap

The study has identified two major issues for future research. Firstly, a category of marginalised farm and other land-based labourers was identified as seriously affected by the project, but has been omitted in the list of PAPs by the project officials. A detailed study of this group can be done in future. Secondly, the R & R policy formulated in general may not be suitable for particular situations and hence there should be attempts on the part of researchers to develop an R&R policy so as to benefit all.

7.9 Conclusion

The State of Kerala being densely populated with small land holdings, development-induced displacement has serious repercussions on employment, production and income. What is immediately needed is the formulation of a comprehensive policy which gives prominence to human beings who are sacrificed at the altar of development. Even when the developmental projects are for a national cause, there should be scientific attempts on the part of authorities to minimize the evils of displacement. For this, resettlement should be made mandatory and sustainable development should be given a thrust in the development agenda.