ABSTRACT

Involuntary displacement for the sake of national development, without proper rehabilitation, gives rise to severe social, economic, political, psychological, ecological and cultural problems leading to impoverishment. The present study is conceived with a view to understanding the socio-economic impact of NTPC, Kayamkulam. It is an analysis of the impact of the project on the displaced in the framework of Risk Model as developed by Michael Cernea.

For the study data is collected from both primary and secondary sources. The primary data has been collected with the help of structured interview schedule. Systematic proportionate random sampling technique has been applied to select the sample of PAPs.

The major findings:

The study has shown that the project has led to both positive and negative outcomes but the latter outnumber the former. This analysis gives a strong picture of the disapproval of the people towards the project. Not only that the project failed to create additional job opportunities for the local people as expected by them but also reduced the inherent job potential of the area. Negative spread effect is also seen, as 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.

The only external economy that has been created is the hike in the price of land (increase of 500 %). But 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 study on productive activities revealed that the income from wet land and overall value of output from the dry land declined. The project area which had market surplus once now depends on the market for agricultural produce. It can be inferred that the project has a negative impact on the production system of the area. The study revealed that group of farm labourers from the marginalised communities were omitted from the PAPs list. The socio-economic study of the DPs shows that the income from CPRs also declined for at least a small group. However, socio-cultural disintegration is not found to be serious, since the majority had resettled in and around the project affected villages. 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. Though their educational attainment was not poor, they did not get deserved employment.

A study of R&R shows that the promises of the resettlement colony and jobs were not kept. Assessing the result of Income Generating Schemes, it is seen that these measures did not benefit the project affected as the SES were inappropriate and unscientific for the changed land pattern. Hence the amount received for job creation was spent unfruitfully. The data collected on economic profile of the PAPs shows that their condition is not seriously affected in monetary terms. This shows that the project has reduced the earning capacity of the PAPs. There is no apparent link between the levels of income and employment of the displaced.

When 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 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.