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

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

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

The project of national ‘development’ is not limited to the Indian state alone, but is embedded in contemporary global structure such as the arrangement of the world into nation states, and expanding systems of international capitalism. The model of development as modern industrial growth was derived from the historical trajectory of former colonial powers such as Britain, France and Germany—a model that newly independent states sought
to emulate. The pursuit of growth necessitated large injections of capital into the national economy for developing industrial infrastructure—an investment that has often been financed by foreign funds. After sixty years of independence, many of the foundational principles of the Indian nation-state have been called into question. Among the goals of social transformation prioritized on the state’s agenda at independence, at least three—development, displacement, and reconstruction—remains issues of central importance today, and inform what the most significant contemporary debates in the country are arguably. In this chapter, an attempt has been made to understand different dimensions of the development, displacement and reconstruction process in India. In doing so, this chapter has highlighted the major implications of development activities in India and how the development activities carried out at the macro level have failed to address larger issues of democratic society such as rights, justice, equality and then the chapter gives an overview of the ongoing resettlement and reconstruction process in India for the displaced people.

2. Development, Displacement and Reconstruction in India

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

2.1. The Notion of Development

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

2.2. State-Directed Development

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

The term ’development’ has been subject to change in its meaning and content in the light of experience of dealing with and implementing development projects. The qualitative aspects of development have also been continuously revisited and reinterpreted in India (Sheth, 1997). After independence, Indian leadership continued the pursuit of economic development based on modern industry and agriculture. India was the first country in the
non-Communist world to begin its post independence development strategy with comprehensive centralized planning. Instead of following the Gandhian philosophy based on a decentralized village society and rejection of modern technology, independent India dedicated itself to heavy industry, the public sector, and national planning. Believing that industrialization would promote economic interdependence that in turn would tie the country together as a nation, Nehru adopted a central planning approach to distribute economic growth among the regions (Gadgil and Guha, 1994).

In the initial phase of India’s independence and of development efforts, our ruling elites adopted a mix of both blue model and red model of development.\textsuperscript{11} However, the state and technology, the two wheels of the development chariot energized by materialism could not carry India beyond a point. Rather such a chariot of development damaged or destroyed the natural resources underlying its path and along its sides and marginalizing the large mass of the people. In its First Five-Year Plan (1951-55) emphasized increasing agricultural production and allocated huge budget to irrigation. India adopted Professor P.C.Mahalanobis’s development blueprint\textsuperscript{12} for establishing a “mixed” economy structure in the Second Five Year Plan (Chakravarty, 1987). This strategy produced a dominant public sector that directly controlled and laid ultimate emphasis on heavy industrial infrastructure. Initially, until 1960s, such as development was measured by the GNP\textsuperscript{13} of a country. However, development, on the whole, was still identified with physical and economic growth. The increase in the production process, increase in industrial growth rate, and a series of big projects and large dams were planned and implemented by the bureaucrats and technocrats. Indian planning was meant to benefit the industrial capitalists and rich farmers (Jayal, 2001).

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

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

\textsuperscript{13} The per capita was inserted, as a result of experience of observing decades of development under the aegis of the UN, its critical reviews led to emphasis on setting the target of and funding for social indicators like education, health, etc., for the masses of the Third World. The target of 5 per cent annual increase in GNP was fixed as a development indicator.
Not surprisingly, the policies of the Indian state have been basically in favour of the propertied classes, especially the capitalist class, as seen in its current neo-liberal policy. The state has also promoted capitalism in rural areas in several ways. Land reforms measures simply created a suitable institutional framework for the growth of capitalist production (Fernandes, 1999). The Indian State and the governments in the states have also framed their environmental policy and shown an attitude to those of its allies like industrialists, well-off farmers, forest Contactors and developers (Varsheny, 1998). These interests have manipulated the state in such a way that these interests have got free access to such invaluable resources like land, forests and water. And the state has been willing to subsidies the industrial infrastructure comprising power, metals and minerals. These industrial and agricultural interests have been favoured by convenient policies and flexible procedures framed by the nexus of politicians and bureaucrats.

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

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

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14 Project authorities have to do a Cost and Benefit Analysis and get clearance from the Planning Commission to go ahead with a project. The Planning Commission gives a clearance only if the cost-benefit ratio (CBR) is at least 1:1.5. The experience in development projects has been that this analysis is done by ‘experts’ in a non-transparent manner. The benefits of the projects are generally exaggerated, and the costs are generally underestimated, in order to get project approval. In the case of the Sardar Sarovar Dam, the NBA has repeatedly demanded a fresh CBA, which unfortunately the Supreme Court of India has disallowed.
who gave up their lands for the erection of power plants have no access to it (Mathur, 1999). Other studies also confirm that those who receive the benefits, usually urban dwellers, commercial farmers and industries, are typically different groups that bear the social costs. In order to support the big projects, people are asked to sacrifice in the name of national interests who, in reality, are equated with interests of the rich peasantry, the industry, and the ruling elite.

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

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

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

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

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15 L.K. Mahapatra (1999) wrote: ‘There is hardly any writing by Indian economists on the impoverishment caused by or through the displacement or expropriation for development projects. As the economist occupies the highest positions as planners and decision-makers in the government and corporate sectors, which determine the fate of millions in India, their awareness of, and sensitization to, the impoverishment of the project-affected persons are curial’.
only to tribal and rural areas, as was previously the case when displacement resulted from dams. Displacement on a large scale is now increasingly occurring by other projects as well-thermal power station, mining, industries, highways, airports, ports and urban development (Sharma, 2003). The following section explores how displacement has become a major phenomenon of development activities in India. In doing so, the following section has given an overview of displacement due to development activities across the world in general and in India in particular and explained its major implications.

2.3. Understanding Displacement

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

The Collions Cobuild Dictionary (1988) enunciates displacement as: “the forcing of people away from the area or country where they live”. According to the same dictionary Eviction is the “act or process of officially forcing someone to leave a house or a piece of land”. The distinction between the two definitions is of some significance when one realizes that after all displacements in India under the Land Acquisition Act amount to “officially forcing someone to leave a house or a piece of land” that is required for a public purpose. Most displacement in India has been involuntary. Displacement is a multidimensional
phenomenon of which physical relocation is only one of the most significant outcomes. This understanding of displacement highlights, (1) the alienation of the individual and community legal and customary rights and dislocation of the social and economic organization and (2) the politics of legal and policy instruments that sanctions such as disenfranchisement.

2.3.1. Perspectives on Displacement

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

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

The People’s perspective contends that those who is not a part or choose not to be a part of the course of development, fall victims to the same. For example, the tribal’s or the dalits or the economically marginalized are dependent on nature for subsistence. Their proximity to nature could either be traditional or ideological. The course of modern development systematically alienates them from nature and its products, as these need to be harnessed to meet the gigantic requirements of the ‘energy regime’. Though the act is justified by the developmentalist’s as “sacrifice for the larger good” and “survival of the fittest”, the people’s representatives bring out the other dimension of development (Mathur, 2008).
Another view is that of the environmentalists who contend that the protection, conservation\textsuperscript{16} and preservation of the environment are the top priority. They are more concerned with the restoration of the ozone layer, forests, preventing the extinction of species, etc.; and sometimes their stand opposed to the people-centered approach. They would be in favour of displacement due to wildlife sanctuaries and retrenchment of labour due to closing down of factories, etc.; since these acts preserve the environment. Though this approach too is people-centered, it is more concerned about the long-term effects of development.

2.3.2. Forms of Displacement

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

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

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

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

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

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flee their homes suddenly or unexpectedly in large numbers, as a result of armed conflict, internal strife, systematic violations of human rights or natural or man-made disasters, and who are within the territory of their own country”. Internally displaced persons need not and cannot be granted a special legal status comparable to refugee status. In international law, refugees are granted a special legal status because they have lost the protection of their own country and, therefore, are in need of international protection not necessary for those who do not cross international borders. Internally displaced persons do not need such a substitute protection. Rather as human beings which are in a situation of vulnerability, they are entitled to the enjoyment of all relevant guarantees of human rights\textsuperscript{18} and humanitarian law, including those that are of special importance to them. The US Committee for Refugees estimated that more than 20 million IDPs worldwide had been displaced in 2002 by armed conflict, generalized violence, and human rights abuse (Robinson, 2003).

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

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

\textsuperscript{18} Articles 12 (3) of the International Covenant on Civil and Political Rights (ICCPR) states that the rights to liberty of movement and freedom to choose one’s residence “shall not be subject to any restrictions except those which are provided by law, are necessary to protect national security, public order, public health or morals or the rights and freedom of others”.
living patterns and social continuity. It dismantles existing modes of production, disrupts social networks, causes the impoverishment of many of those uprooted, threatens their cultural identity, and increases the risks of epidemics and health problems (Robinson, 2003).

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

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

2.4. Issues in Displacement: A Global Overview

Displacement has become a sine-qua-non of the modern developmental process worldwide. Every year about 10 million people globally are displaced by dams, highways, ports, urban improvements, mines, pipelines and petrochemical plants industrial and other such as development projects (Cernea, 20005). The World Bank’s world-wide review projects involving involuntary resettlement “between 1986 to 1993” shows that 146 active projects with resettlement are spread among 39 countries (Table. 2). About 60 percent of the Bank
Resettlement projects are in the East Asian and South Asian regions. Due to the scarcity of land and high density of population, India and China together account for 74 percent of the people to be displaced under the current active portfolio.

Table 2. Review of Projects Involving Resettlement World-Wide

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Bank Project</th>
<th>Projects with Resettlement</th>
<th>People %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>656</td>
<td>34</td>
<td>113,000</td>
</tr>
<tr>
<td>South Asia</td>
<td>277</td>
<td>29</td>
<td>1,024,000</td>
</tr>
<tr>
<td>East Asia</td>
<td>326</td>
<td>58</td>
<td>5,88,000</td>
</tr>
<tr>
<td>Europe/ Central Asia</td>
<td>120</td>
<td>5</td>
<td>27,000</td>
</tr>
<tr>
<td>Middle East/ Africa</td>
<td>178</td>
<td>7</td>
<td>32,000</td>
</tr>
<tr>
<td>Latin America</td>
<td>340</td>
<td>13</td>
<td>180,000</td>
</tr>
<tr>
<td>Total</td>
<td>1897</td>
<td>146</td>
<td>1,963,000</td>
</tr>
</tbody>
</table>


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

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

<table>
<thead>
<tr>
<th>Case of Displacement</th>
<th>Projects with Resettlement</th>
<th>People Displaced</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Dams</td>
<td>39</td>
<td>26.6</td>
</tr>
<tr>
<td>Transportation</td>
<td>36</td>
<td>22</td>
</tr>
<tr>
<td>Water supply, Sewerage</td>
<td>18</td>
<td>12.3</td>
</tr>
<tr>
<td>Thermal (Including mining)</td>
<td>15</td>
<td>10.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>Urban infrastructure</td>
<td>12</td>
<td>6.2</td>
</tr>
<tr>
<td>Irrigation</td>
<td>7</td>
<td>4.8</td>
</tr>
<tr>
<td>Environmental Protection</td>
<td>5</td>
<td>3.4</td>
</tr>
<tr>
<td>Industry</td>
<td>4</td>
<td>2.7</td>
</tr>
<tr>
<td>Forestry</td>
<td>2</td>
<td>1.5</td>
</tr>
<tr>
<td>Others</td>
<td>8</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>146</td>
<td>100</td>
</tr>
</tbody>
</table>


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

2.5. Displacement in India: Issues and Concerns

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

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19 The generic concept ‘resettlement’ often camouflages the complex and painful content of this exclusionary and impoverishing process, as it unfolds through several stages. Michael M.Cernea has deconstructed the process, more transparently, into its three main phases: first, the ‘compulsory expropriation and displacement phase’; second, the ‘population transfer’ phase; and third, the phase of ‘resettlement’ proper, that is of adaptation, coping, and reconstruction at the new site, where economic and social reestablishment have to take place, confronting complex difficulties (see Cernea, 2004)
themselves not far from their original habitat. Displacement became a serious issue in the colonial age, intensified after independence, and causes a bigger problem in the context of globalization.

2.5.1. Displacement in the Pre-Independent Period

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

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

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

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

21 State of AP vs Goverdhanlal Pithi (2003)4 SCC 739 at 746, para. 21: ‘This power of eminent domain of the state is sovereign power over power and rights of private persons to properties.’ There is yet no acknowledgement of the change effected in the notion of sovereignty when the Constitution, following independence from an alien power, attempted to repose sovereignty, in ‘We, the people.’
expressed their anger against the onslaught on their sustenance. Because of the disruption to life it caused, one hears of revolts by the Naga, Boro and other tribes (Mackenzie, 1995). Furthermore, non-tribal struggles were witnessed against direct displacement by development projects, the best known among them being the one of Mulshi-Peta near Pune in the 1920s (Bhuskute, 1997).

2.5.2. Displacement in Post-Independent Period

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

These projects brought about irreversible changes in land use and in the lives of millions of its dependants. As a result, the number of DP/PAPs\footnote{The term ‘project affected person’ (PAP) includes any people, households, firms, or private institutions who, on account of changes that result from the project will have their (I) standard of living adversely affected, (ii) rights, title, or interest in any house, land, commercial, agricultural, forest or grazing land, water resources or habitat adversely affected, with or without displacement. Also, define here what do displaced people mean?} has risen enormously, and there have been many more struggles than in the past. However, no official database exists on the total and type of DP/PAPs, possibly because most of them are SCs and STs.\footnote{SCs were essentially earlier referred to as dalit castes that were historically discriminated against. STs were the nearest Indian equivalent of indigenous people, mostly forest dwellers. Both have special constitutional protection.} Besides, India did not have a rehabilitation policy for six decades (Velath, 2009).
Displacement in India is mediated by the Land Acquisition Act of 1994, which provides the legal framework for the State to take over land for public purposes. The state, largely viewing displacement from the standpoint of its causes, has consistently maintained that displacement is justified in national interest. It is argued that displacement is inevitable in large development projects but the long term well these projects will bring may well merit the sacrifice of a few in favour of the large good (Fernandes and Asif, 1997). The position essentially maintains that public interest in the displaced people results in them being ‘adequately’ compensated to regain their former levels of livelihood.

2.5.3. Magnitude of Displacement

Though millions of people have been displaced by various planned development schemes since independence, one has to realize the enormous magnitudes of forced displacements in India, as well as the likelihood that further major development-entailed displacements are to be expected. State governments, however, do not maintain any official statistics or database on the total number of displaced persons (DPs), and project affected persons (PAPs). In the absence of the firm project wise official database, researchers carried out their own studies on development-induced displacement and deprivation for the period 1951-95 in Orissa (Fernandes and Asif, 1997), Jharkhand (Ekka and Asif, 2000), Kerala (Murickean et al. 2001), 1965-95 in Goa (Fernandes and Naik, 2001), 1947-2000 in West Bengal (Fernandes et al. 2006) and Assam (Fernandes and Bharali, 2006), and 1947-2004 in Gujarat (Lobo and Kumar, 2007). In Orissa, Kerala, and Jharkhand only 60 per cent of the projects between 1951 and 1995 were studied, and in Andhra Pradesh around 80 per cent. When their figures were updated to 2004, the total of DP/PAPs in Jharkhand and Orissa went up to 3 million each, 5 million in Andhra Pradesh, 1 million in Kerala, 100,000 in Goa, 2 million in Assam, and 7.5 million in West Bengal. Even excluding the high displacement states like Chhattisgarh and Madhya Pradesh, they account for 27 million DP/PAPs. These together with the ongoing studies in three more states, point to an all India figures of 60 million DP/PAPs between 1947 and 2004 from 25 million ha, including 7 million ha of forests and 6 million ha of other CPRs (Fernandes, 2007a).
## Table 2.2. State Wise Distribution of Projects by the Case of Displacement

<table>
<thead>
<tr>
<th>Type/Year</th>
<th>1951-95</th>
<th>1947-2000</th>
<th>1947-2004</th>
<th>1965-95</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
<td>Andhra</td>
<td>Jharkhand</td>
<td>Kerala</td>
<td>Orissa</td>
<td>Assam</td>
</tr>
<tr>
<td>Water</td>
<td>1,865,471</td>
<td>232,968</td>
<td>133,846</td>
<td>800,000</td>
<td>448,812</td>
</tr>
<tr>
<td>Industry</td>
<td>539,877</td>
<td>87,896</td>
<td>222,814</td>
<td>158,069</td>
<td>57,732</td>
</tr>
<tr>
<td>Mines</td>
<td>100,541</td>
<td>402,882</td>
<td>78</td>
<td>300,000</td>
<td>41,200</td>
</tr>
<tr>
<td>Power</td>
<td>87,387</td>
<td>NA</td>
<td>2,556</td>
<td>NA</td>
<td>7,400</td>
</tr>
<tr>
<td>Defense</td>
<td>33,512</td>
<td>264,353</td>
<td>1,800</td>
<td>NA</td>
<td>50,420</td>
</tr>
<tr>
<td>Environment</td>
<td>135,754</td>
<td>509,918</td>
<td>14,888</td>
<td>107,840</td>
<td>265,409</td>
</tr>
<tr>
<td>Transport</td>
<td>46,671</td>
<td>0</td>
<td>151,623</td>
<td>NA</td>
<td>168,805</td>
</tr>
<tr>
<td>Refugees</td>
<td>NA</td>
<td>NA</td>
<td>0</td>
<td>NA</td>
<td>283,500</td>
</tr>
<tr>
<td>Farms</td>
<td>NA</td>
<td>NA</td>
<td>6,161</td>
<td>NA</td>
<td>113,889</td>
</tr>
<tr>
<td>Hum Res.</td>
<td>NA</td>
<td>NA</td>
<td>14,649</td>
<td>NA</td>
<td>90,970</td>
</tr>
<tr>
<td>Health</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>23,292</td>
<td>84,000</td>
</tr>
<tr>
<td>Admin</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>322,906</td>
<td>150,000</td>
</tr>
<tr>
<td>Welfare</td>
<td>37,560</td>
<td>0</td>
<td>2,472</td>
<td>NA</td>
<td>25,253</td>
</tr>
<tr>
<td>Tourism</td>
<td>0</td>
<td>0</td>
<td>343</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Urban</td>
<td>103,310</td>
<td>0</td>
<td>1,003</td>
<td>NA</td>
<td>1,241</td>
</tr>
<tr>
<td>Others</td>
<td>265,537</td>
<td>50,000</td>
<td>0</td>
<td>100,000</td>
<td>18,045</td>
</tr>
<tr>
<td>Total</td>
<td>3,215,620</td>
<td>1,548,017</td>
<td>552,233</td>
<td>1,46,909</td>
<td>1,918,874</td>
</tr>
</tbody>
</table>
To this number should be added indirect DPs caused by environmental degradation and other consequences of the project such as fly ash generated by thermal, cement, and aluminum plants, and dust pollution and blasts in the coal mines. Many such project-related processes render the land around the plant unusable and force its dependants to move out (Thukral, 1999), but they are considered voluntary DPs since they leave the area without physical coercion. This number is enormous, but no method has been developed to make an estimate.

2.5.4. Displacement and Powerless

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

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

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

2.5.5. Displacement and Resettlement

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

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

<table>
<thead>
<tr>
<th>State</th>
<th>DPs</th>
<th>Resettled</th>
<th>% Resettled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra</td>
<td>1,526,813</td>
<td>440,090</td>
<td>28.82</td>
</tr>
<tr>
<td>Assam</td>
<td>307,024</td>
<td>11,000</td>
<td>03.59</td>
</tr>
<tr>
<td>Goa</td>
<td>15,950</td>
<td>5,375</td>
<td>33.63</td>
</tr>
<tr>
<td>Gujarat</td>
<td>690,322</td>
<td>164,498</td>
<td>23.82</td>
</tr>
</tbody>
</table>

Resettlement is considered significant when 200 or more people will experience major impacts that are defined as: (I) when AP is physical displaced from housing; or (II) 10 per cent or more of their productive assets (income generating) are lost.
Despite intense domestic and international efforts to promote the crafting of national frameworks and laws to regulate development forced displacement and resettlement (DFDR) processes, the vast majority of developing countries have not adopted yet formal policies and laws on involuntary resettlement (IR). The Centre does not have a law on rehabilitation. However, some states like Karnataka and Madhya Pradesh have laws, and Rajasthan, and Andhra Pradesh have policies for those affected by water resource development projects. Maharashtra has an Act and Orissa has policies that apply to all. The National Thermal Power Corporation and Coal India have promulgated their own policies in the 1990s. The NTPC revised it in 2005 and the National Hydro-Power Corporation is finalizing its policy.

At the Centre as early as 1967 a committee of the Ministry of Rural Development had suggested changes in the LAA. A committee of Ministry of Welfare had made some suggestions for a rehabilitation policy in 1985 (GOI, 1985). Finally, the Ministry of Rural Development drafted a R&R policy only in 1993 and revised it in 1994 (MRD, 1994). However, under pressure from civil society movements, decades of militant NGOs and researchers have demanded to formulate a new policy and also draft a law based on it, in dialogue with all the stakeholders, yet only in 2004; the Ministry of Rural Development (MRD) published the first national resettlement and rehabilitation (R&R) policy. The policy, however, was found by many in India as inadequate, was publicly criticized, and in two years was set aside by the same Ministry, which published a new draft policy and submitted to the Government by the National Advisory Council (NAC, 2006). The new MRD draft of 2006\(^\text{25}\) has been again widely criticized and little defended outside official government circles. The absence of policy norms allows financial anomie and favours lower

\(^{25}\) See for more details, a copy of the full document, as approved by the NAC is available at http://nac.nic.in/communication/draft_national_rehab_policy.pdf.
standard economic analysis of resettlement at the project level. Common to these laws and policies is the fact that they take the displacement for granted and only provide relief in the form of resettlement.26

2.6. Displacement and Impoverishment

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

26 The definition of resettlement objectives as simple restoration to the pre-project level (for example, in the policies of the WB, ADB, AFDB, GOI NRRP, and others) is criticized widely by scholars and civil society organization as unacceptably minimal and thus counter-productive, because restoring people to a previous poverty level is not development by any measure. The minimal objective, in the appropriate wording suggested by N.C. Saxena, should be to bring DP to a level of income above their pre-project level, or above the poverty line, whichever is higher (Saxena, 2006)
27 The general issues regarding compensation theory, adequacy, insufficiency, valuation, patterns of distortions, etc. are common to all or most sectors, but compensation sizes normally vary.
Fig. 1: Displacement and related Impoverishment Risks

These risks threaten not only the people displaced, they are risks incurred by the local (regional) economy as well, to which they may inflict major loss and disruption. Depending on local conditions, the intensity of individual risk varies. The risk impoverishment and reconstruction model provides the much-needed conceptual framework to understand the problems of displaced population. A concise description of each fundamental risk follows:
I. Landlessness: Expropriation of land removes the main foundation upon which people productive systems, commercial activities and livelihood are constructed. Once people lose their land for project purposes, it becomes extremely difficult for them to own land again, for the reasons that include scarcity of agricultural land for resettlement and inadequate compensation to replace the land loss. For those few who succeed in getting ‘land for land’, the average size of landholding decreases and land quality changes for the worse. Unless the land basis of people’s productive systems is reconstructed elsewhere or replaced with steady income-generating employment, landlessness sets in and the affected families become impoverished. From India’s Rengali irrigation project, Ota (1998) reports that the percentage of landless families after relocation more than doubled from 4.6 percent to 10.9 percent; while Reddy (1989) documents that in the coal mining displacements around Singrauli, the proportion of landless people skyrocketed from 20 percent before displacement to 72 percent after. It shows that loss of land generally has been far more severe consequences for farm families than the loss of the house.

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

III. Homelessness: Loss of housing and shelter is proving to be a major risk, particularly in urban development projects. Cities are rapidly growing, pushing out people with their small shelters and the sense of the place. The risk of homelessness may be of a temporary kind, but for many people living again in a proper house of their own remains a mere dream. In
the Kukadi Krishna irrigation sub projects in Maharashtra, 59 percent of the displaced families were found living in temporary/semi-permanent houses 10 to 15 years after their relocation (Joseph, 1998). Yet resettler’s risk of homelessness-related closely to joblessness, marginalization, and morbidity-can certainly is avoided by adequate project financing and timely preparation.

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

V. Food Insecurity: People involuntarily moved to a different location often face an imminent risk of food insecurity. Food insecurity and undernourishment are both symptoms and results of inadequate resettlement. During physical relocation, sudden drops in food crop availability and incomes are predictable. Subsequently, as rebuilding regular food production capacity at the relocation site may take years, hunger or undernourishment tends to become a lingering long-term effect. Nutrition-related risks reinforce morbidity and mortality risks and largely depend on whether the primary risks of landlessness and joblessness are effectively counteracted (Garg, 1998).
VI. Increased Morbidity and Mortality: Social stress, insecurity, and psychological trauma associated with displacement lead to immediate deterioration in health standards. There is an empirical evidence of an increase in morbidity as well as mortality. Unhygienic living conditions in relocation centers, such as unsafe drinking water and poor sewerage, give rise to chronic diarrhea, cholera, and even epidemics. When people are put up for a long time in camps that have poor and unhygienic conditions, diseases spread very rapidly. The weakest segments of the demographic spectrum—women, infants, children, and the elderly are affected most strongly. Exposure to the ‘social stress’ inherent in forced relocation was highlighted as having differential consequences on mental health across age, gender, and marital and occupational status. A study in Pong dam of India found the increase in the prevalence of malaria in areas closer to the large reservoir (Scudder and Colson, 1982).

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

VIII. Social Disarticulation: Displacement destabilizes the existing social organization. A household is a basic social unit, but households do not live in a vacuum. They live in a communal structure related to one another, and that is one of the fragile things that are rent asunder with involuntary resettlement. The capacity for collective action, referred to as social capital, is lost when due to relocation informal social networks, local voluntary associations, and mutual help groups are dispersed and rendered dormant. Apart from the
loss of social capital, such dismantling of social fabric directly undermines livelihoods, yet these remain uncounted. Dismantled social networks that once mobilized people to act around common interests and to meet their most pressing needs are difficult to rebuild. A sociological study by Behura and Nayak (1993) on the Rengali dam project in India found various manifestations of social disarticulation within the kinship system, such as the loosening of intimate bonds, growing alienation and anomie, the weakening of control on interpersonal behavior, and lower cohesion in family structures. A monograph on the Hirakud dam in India found that displaced households whose “economic status had been completely shattered as a result of displacement” did not become “properly integrated” in host villages for many years after relocation, because its spatial, temporal and cultural determinants are gone (Baboo, 2006).

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

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

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

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

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

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

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

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

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

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

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

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

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

The mere acquisition of a piece of land in a new place does not. However, mean that resettlers get any closer to their recovery. Most of the displaced people’s common complaint regarding the new land is that it is not of the same quality that they parted with. The
The government of Gujarat resettlement policy provides for allotment of land to anyone affected by the Narmada dam opting to resettle in that state. However, good policy intentions alone are not enough. Caufield (1997) narrates a case where resettlers from Madhya Pradesh were asked to accept land in Gujarat that lacked any resemblance to the land that they are promised. In such circumstances, many prefer not to stay on allotted land and move elsewhere. Despite the difficulties of developing a viable production system in a different setting, the land as compensation remains the first preference of most resettlers. ‘Alternative land is seen as the means of ensuring that resettlement is sustainable, given the unique characteristic of land as an asset, as a factor of production, as a commodity, and as a basis for community living’ (Goyal, 1996).

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

III. Employment: The effectiveness of employment as a quick and reliable solution to the resettlement problem is well known. Often, people who get jobs are, in fact, able to re-establish themselves in less time than those who get land. This explains the never ending clamour for jobs, especially jobs in government and public sector companies. These jobs are permanent, well paid and provide many other benefits, such as free housing, medical care, cost of living allowance for children, travel concession, leave and pension on retirement. Until recently, Coal India Limited (CIL), the National Thermal Power Corporation (NTPC),
and other public sector undertakings followed the practice of providing employment to at least one person from each family to compensate for the loss of land. The number of jobs available has now rapidly fallen short of the growing demand for them. However, the displaced people also lose in the race for a few skilled jobs that are still available, because they usually lack education and training (Basu, 1997).

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

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

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

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

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

VII. Sharing Project Benefits: Projects that cause displacement also generates many new income-earning opportunities, and there is growing realizations that ways can be devised that target such as benefits, specifically at the displaced people. Although a full-fledged benefit-sharing approach to reconstructing resettlers livelihoods does not seem to have been formally adopted yet, projects in India are increasingly seeing benefits in it for themselves as well. Sharing benefits reduce unproductive conflicts with resettlers and their leaders and helps move resettlement more smoothly. Wicklin (1999) has documented several cases where people displaced by dam projects have been allocated newly irrigated lands downstream. Benefit sharing is not limited to dam projects alone. It is possible in projects of all kinds that cause displacement such as irrigation, thermal power, coal mining, highways, and others.
VIII. Capacity Building for Recovery Management: Project authorities are now strengthening their resettlement units with the induction of experts in income generation. This has increased the demand for experts who can work with the affected people and assist them in initiating small scale, income-generating enterprises. Project authorities are also becoming more aware of the need to plan for recovery right from the beginning stages of the project. The capacity building efforts received much support from five-year training programmers in resettlement introduced in 1993 by the World Bank Institute. Generating income opportunities for project-affected people was an important module of this training programme (Kanbur, 2002).

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

X. Resettlement Budget: There is nothing unusual about underestimation of resettlement costs. This goes on routinely in most projects. The under-budgeting of resettlement cost, however, makes it impossible to provide assistance that resettlers require to get back that they lose in situations of involuntary resettlement. The cost most familiar to budget planners seems to be that related to the acquisition of land, but budget provisions in this regard also often run out before resettlers receive their compensation, leaving no provision for
resettlement assistance. Adequate resettlement does not cost much: it is a fraction of the total budget cost. However, the planners do not seem to have learned this lesson.

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

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

A good example of what people themselves can accomplish comes from the Dhoom dam project in Maharashtra. Even the most un-favourable circumstances could not deter these displaced people from moving forward to re-establish themselves in a new setting. Despite the unhelpful state resettlement policy, these people managed to reconstruct their social and
economic life by resorting to migration, initiate self-employment ventures, using development assistance available from the government and in other ways (Parasuraman, 1994). This case shows that people with a positive frame of mind who believe in their capacity to deal with problems can overcome any form of dislocation.

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

2.8. Conclusion

This chapter has highlighted different issues and concerns revolving around the development and displacement scenario in India during the last 60 years and also has presented an overview of existing reconstruction measures. It shows that dislocation of people’s lives by displacement became a problem in the colonial age. It was intensified after 1947 in the name of the national development, and has got further intensified because of globalization. Displacement is not on the wane. In fact, the planning process presumes that displacement is inevitable. There is an attempt to justify it as a cost of development, and to project it as an opportunity to improve the living conditions of the displaced. The oustees who bear the brunt hardly share the gains of development. Displacement caused by large development projects has actually resulted in a transfer of resources from weaker sections of society to
more privileged ones. This has generally been the case with India’s development model. The large development projects, particularly mega dams, create victims of development-mainly tribal’s and other weaker section of society. It can be said that the bigger the development project, the greater the centralization has a bias in favour of large landholders, rich farmers, engineers, bureaucrats and politicians. For a long time, it has been clear that those displaced by development initiatives have usually not benefited from them. Instead, they are more often impoverished, as they lose economic, social and cultural resources while the new benefits go to others. National governments typically have justified these projects by invoking larger goals of national growth and development. They appear to have believed that the greater good could justify losses among a small segment of the population. The approach to development has been called into question by many development practioners, human rights advocates and community at the micro level.

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