

Involuntary Displacement and Dispossession: Could The Key Social Actors Do Things Differently?

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Forced and involuntary displacement of population has widely been attributed to infrastructural developmental programmes. As one of the disruptive by-products of economic growth, such development induced dispossession causes adverse and far reaching consequences that have long been begging structured policy responses, continuous assessment and focused attention from the key social actors, ranging from the government to the researchers. In the light of the socio-economic content and the magnitude of the adverse effects and at the backdrop of Cernea's (1996) 'social actors' model, here is an attempt to understand the role of the key social actors in the context of India's (not-to-be) biggest Foreign Direct Investment by POSCO in Odisha.

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Development Beyond Economic Growth

Development is essentially about change: not just any change, but a definite improvement - a change for the better (Slim 1995). As well all know development projects, if properly executed have the potential to facilitate generations of employment opportunities, formation of new skills, increased income, increased consumption levels and improvement of infrastructural facilities. Such projects bring along disruptive byproducts, such as modification of cultural patterns, changes old/traditional social values, loss of traditional occupations, dispossession of land, dispossession of ancestral habitats, drastic change in land use pattern and other impact of socio-cultural patterns (Parasuraman 1996; Fernades et al. 1992). Considering the agonies inflicted by developmental projects, UNDP's Human Development Index (HDI) in 1990 attempted to prioritize human development over economics. It laid emphasis on

maintaining quality of human life while ensuring the quantity of economic growth (The Human Development Report 1993). Hence genuine development is much more than a matter of economics and economic growth (Slim 1995).

To facilitate the states for moving towards the desired sustained growth, the Government of India (GoI) has announced number of reforms designed to promote business friendly environment for the domestic as well as overseas investors. Besides above, the government has also recognized the importance of facilitating international trade for sustained growth of economy & increased contribution to the Gross Domestic Product (GDP) of the nation through its novel initiative declaring certain areas as Special Economic Zones (SEZ) and encouraging for Foreign Direct Investment (FDI) on specified trade & business. Under similar schemes, Pohang Iron and Steel Company (POSCO), a South Korean company tried hard to establish a setup in the state of Odisha. Despite a decade of attempts the project couldn't materialize due to various oppositions and POSCO had to withdraw. This article attempts to discuss the roles enacted by key social actors in creating POSCO's present narrative and offers insights to the Rehabilitation & Resettlement framework.

Odisha: A Paradise for Investors

Occupying an important position on the country's map, Odisha's rich mineral reserves constitute 28% Iron ore, 24% coal, 59% Bauxite and 98% Chromite of India's total deposits (Government of Odisha 2017). The state's comparative advantage on this account has attracted the attention of many mining and metallurgical companies. The industrial growth has mostly taken place in the areas where raw materials, water and power are available. After nationalization of coal in 1975 and the national policy on energy sector, many power plants came up.

In Odisha, industrialization started shortly after independence. Some of the major industries in Odisha include, among others, an integrated steel plants at Rourkela, Kalinga Nagar, Jharsuguda and Angul; National Aluminum Company Ltd. (NALCO) with its Alumina Plant at Damajodi & Aluminum smelting complex at Angul; Thermal power plants Talcher & Ib valley area, and Fertilizer plants, Pulp and paper industries, Ferro alloys plants, cement plants etc. elsewhere in the state.

Iron ore is abundantly available in the districts of Mayurbhanj, Sundargarh, Keonjhar and Jajpur; Chromite in Jajpur, Dhenkanal and Keonjhar districts; Manganese deposits are available in Sundargarh, Keonjhar, Rayagada and Balangir districts and Dolomite is available plentifully only in the district of Sundargarh. There are two major coal bearing area in the state which are currently being exploited namely Talcher and the IB valley (<http://www.orissaminerals.gov.in>). The changing policies and initiatives of the State Government have been aimed at leveraging these abundant minerals and other natural resources and promoting maximum value addition to create employment opportunities within the state which would continue to be an important growth driver.

National Council of Applied Economic Research (NCAER) in its 2007 report did a SWOT analysis of the India's Steel Industry as depicted in the following table and emphasized on the high potential of the steel industry in India to be realised.

STRENGTH 1-Availability of Iron Ore and Coal 2- Low Labour wage rates 3- Abundance of quality manpower 4- Mature production base	WEAKNESSES 1- Unscientific Mining 2- Low Productivity 3- Coking coal import dependence 4- Low R&D investments 5- High cost of debt 6- Inadequate infrastructure
OPPORTUNITIES 1- Unexplored rural market 2- growing domestic demand 3- exports 4- Consolidation	THREATS 1- China becoming net exporter 2- Protectionism in the West 3- Dumping by Competitors

The National Steel Policy (NSP-2005) also lays emphasis on accelerating growth in domestic production and consumption of steel to achieve global competitiveness not only in terms of cost quality and product mix, but also to match global benchmarks of efficiency and productivity. It is committed to raise indigenous production to over 100 million tonnes by 2019–20 from the 2004–05 level of 38 million tonnes, including the export component of 26 million tonnes.

Highlights of POSCO-India Project

Pohang Iron and Steel Company- POSCO, the world's third largest steel company with over 30 million tonnes per annum (mtpa) capacity and diversified operations in 16 countries, entered India in 2005. POSCO-India was registered with Registrar of Companies, Odisha, under India's Companies Act 1956 to construct a \$12 billion steel plant. It intended to set up a Special Economic Zone (SEZ) in Odisha to manufacture superior steel and export 6.3 million tonnes of its production. This would help in achieving the target for exports set by NSP-2005 annually 26 million tonnes by 2019. POSCO had two alternatives. It could either stop the project at the iron ore mining stage, or, it may go on to use the mined ore for making steel. As per the Memorandum of Understanding (MoU) signed between POSCO India and the Government of Odisha (GOO), the company would also develop and operate: mining facilities in the areas allocated by the government of Odisha / Government of India; road, rail and port infrastructure including dedicated railway line from the mines belt to Paradeep; an integrated township; and water supply infrastructure. The company announced a compensation package for the land austeers [whether title holders or illegal occupant of government land] over & above the relief provided in Odisha Resettlement and Rehabilitation Policy, 2006 along with

assurance to provide alternative source of livelihood to the land austeas /displaced people who would lose their ancestral occupation.

This project has three components: Captive iron ore mines in three areas of Keonjhar District and Sundargarh District. Mining lease on 6204 hectares in Sundargarh District recommended to be approved by the Supreme Court. Steel plant: in Jagatsinghpur District, coastal area. Private port: at the mouth of the river Jatadhari, close to steel plant area; the MoU only makes reference to the possibility of a “minor port” being created. The proposed project required a total of 4004 acres of land of which 437.68 acres [about 10%] is private land, and 3566.32 acres is government land out of which 2958.79 acres forest land and the rest 607.53 acres non-forest government land. The land demarcated for the proposed project lie in eight villages of three Gram Panchayats, i.e., Dhinkia and Govindpur villages in Dhinkia G.P, Nokasahi, Bhuyanpal, Polanga and Bayanalakanda in Gadakujang G.P, and Nuagaon and Jatadhar villages [the later, an uninhabited villages] in Nuagaon G.P. Out of the eight project affected villages, two viz, Nokasahi and Patna fall fully within the project area and the families in these villages would needed resettlement and rehabilitation. Four thousand acres of land was earmarked for the POSCO project. Appropriation of this land would involve the eviction, according to 2001 census of India, of 22000 people and indirectly disrupt the livelihoods of further 30000 people in Jagatsinghpur district of the State. The state government assured to make land acquisition for the company & facilitate statutory clearances and approvals of the central government as and when required to smoothen the process of obtaining other state clearances. It promised to ensure that the project proceeded accordingly to plan schedule.

People began to agitate soon after the MoU was signed between POSCO India and Government of Odisha. The upheaval and people’s uprisings in the region was for displacement of local population, involuntary resettlement, land acquisition, damage to aquatic life and livelihood around the private port to be developed and such other issues that the project brought in. While, the local population and civil society strongly campaigned for the project to be dropped on grounds of innumerable law violations, manipulation of data and considerable threats to local communities and the environment, the Government lobbied relentlessly on behalf of POSCO to attract the FDI. But, the local people of proposed project location were found divided in to two conflicting groups. While a large number of people under the banner of POSCO Pratirodh Sangram Samiti, Nava Nirmana Samiti and Bhitamati Bachao Andolana protested against POSCO project and obstructed the Government officers and employees of POSCO India Company for land acquisition as well as other processes for project implementation. The other group of local people put their points in support of speedy project implementation. This conflicting stands between two groups of people many times turned violent clashes resulting law & order situation in the region. Ultimately, due to the said outraged protest movement the land acquisition & other process of the project implementation

got abnormal delays despite state government's sincere effort & repressive action against the movement's leaders.

Government Committees rejected the project on grounds of gross regulatory violations and procedures and deliberate misuse of information. Two Committees appointed by the Ministry of Environment and Forests (MoEF) of the Government of India assessed the project : both N.C. Saxena Committee and the Meena Gupta Committee majority recommended the withdrawal of the Forest clearance and stopping of the illegal land acquisition in this area, cancellation of the Coastal Regulation Zone (CRZ) clearance and Environment clearance for this project.

For numerous reasons both social and environmental pushed the proposed project to the edge. POSCO's ordeal brings to notice a deeper malaise dogging the implementation of mega projects in Odisha and rest of the county (Satpathy 2015). Anti-POSCO protest movement has not only created national awareness of the problem but also has raised question of equity, fairness, justice and equality before law in the matter of distribution of benefits and burdens.

Perceived Benefits of the POSCO Project

National Council of Applied Economic Research (NCAER) in 2007 did a social cost benefit analysis of the POSCO steel project and calculated the output and employment multipliers taking into account backward linkages of the iron ore and steel sectors. The Output Multiplier for iron ore is 1.40 while that for steel is 2.36. In other words, every Rs 1 lakh worth of output in the iron ore sector would result in Rs 1.4 lakh of output (including the Rs 1 lakh output of iron ore) in the economy. Similarly for each Rs 1 lakh output in the iron and steel sector, the economy would derive an output of Rs 2.36 lakh. The Employment Multiplier for iron ore is 0.35 and for steel it is 0.69. In other words, for every Rs 1 lakh of output, 0.35 man-year of employment is created in the case of iron ore while it is 0.69 man-year for every Rs1 lakh output of crude steel. Therefore, in terms of both output and employment, steel has a larger impact.

These multipliers implied that POSCO's iron ore project would create an additional employment of 50,000 person years annually for the next 30 years from the year of commissioning. This could translate into Rs 20 billion of additional output for Odisha. In terms of value addition, the iron ore project would have contributed 1.3 per cent to Odisha's State Gross Domestic Product (SGDP) by 2016-17.

On the other hand, if POSCO puts up the steel project to utilise the entire iron ore mined in the State, the impact on the economy would be much greater: 8,70,000 person years of additional employment each year over the next 30 years. This could translate into Rs 298 billion of additional output for Odisha. In terms of value addition, the steel project would have contributed 11.5 per cent to Odisha's SDP by 2016-17.

Externalities associated with the POSCO project were to be in the infrastructure development area. POSCO-India worked on securing safe

transportation route for iron ore by participating in a public – private joint venture rail-link project for the Haridaspur – Paradip section.

There was also a proposal for the construction of 6.7- km coastal road from Paradip to POSCO-India's SEZ site. POSCO-India also planned to construct 11- km access roads from the SEZ to NH-5A and SH-12. This connectivity would reduce the distance from NH-5A and SH-12 to the SEZ. It would make power receiving equipment like towers, cables and transmission hardware in the DTA.

POSCO-India would build an “Indian township” and a “Korean township” with modern amenities to house all employees in the SEZ and the DTA. POSCO-India's project if set up in an SEZ area would contribute a cumulative tax revenue (indirect taxes on domestic sales and capital goods, corporate tax etc.) of Rs 174,970 crore, in nominal terms, to the state Government of Odisha (GoO) and the Government of India (GoI) over the useful life of thirty-five operating years per report of the Economic Law Practice firm Das and Associates prepared for NCAER. The GoO's cumulative share would be Rs 77,870 crore on account of VAT inflow on domestic sales and the share accruing to the state government from the GoI on the tax revenue collected from the project.

In June, 2005, POSCO India and the State of Odisha signed a Memorandum of Understanding (MOU) for setting up an integrated steel plant with a total capacity of 12 million tonnes per annum in the Jagatsinghpur district of Odisha, located along the coast of Odisha. An Indian company, known as POSCO- India was to be established which would develop and operate the steel plant to produce a total of 12 MT of steel per annum. Initially the steel plant would produce 4 MT of steel per year and this would be increased in phases to 8 MT and thereafter to 12 MT. The proposed investment was Rs. 51,000 crores or 12 billion US\$.

Policy Dimensions and Legal Framework

The Draft National Policy for Rehabilitation of persons displaced as a consequence of acquisition of land, prepared by the Ministry of Rural Development of Government of India clearly states the following.

When a project is set up in any area, not only those who hold land in their possession and have dwelling houses, etc, are displaced as a consequence of the acquisition of their lands, but the displacement extends equally to the co-dependents of the system including the tenants, share-croppers, landless labourers, and also carrying on any trade, occupation, calling or working for any gain within such areas. All such persons are affected and deprived of their livelihood. Thus, the extent of displacement covers an entire system which is much wider than the loss of land reflected through the process of acquisition... As people or communities are involuntarily displaced under the projects, their right to reside and settle in any part of the territory of India under Art 19(1) (e) of the Constitution, is compromised... The displaced community individually and collectively must be fully compensated for all losses. This includes lands,

trees, houses, wages, livelihood, community properties, community amenities and services, access to natural resources, etc. Loss of customary rights/usages of the tribals into common property resources should be compensated by paying 10 times the minimum wages which the tribals would have earned at the rates fixed by the respective state governments during a single working season... Before any kind of rehabilitation formulation is done it shall be necessary to assess the impact of the project upon the number of persons to be displaced, the kind of displacement, its impact upon eco-environment, the number of jobs being generated, the relation of the product to the local area, boost to economy. The World Bank's policy guide- lines in resettlement, adopted first in 1980 (and formally strengthened in 1986, 1990, and 1994) have been gradually adopted, in essence, by other organisations, such as the aid agencies of the Organisation for Economic Cooperation and Development (OECD) countries [OECD 1992], the Asian Development Bank (ADB) [ADB 1995], and others. For instance, the economic analytical methodology employed in the preparation of projects under these guidelines is often operationally inconsistent with the guidelines themselves leaving ample room for cost externalisations and very incomplete risk analysis. The impoverishment risks analysis methodology is still to be generalised in such projects, including many co- financed by the World Bank, ADB, or OECD donor agencies. For the vast majority of developing countries, and some developed countries, which do not have any explicit policy for involuntary resettlement, the IRR model can serve as one of the building blocks for formulating such overdue policy guidelines (Cenrea 2000)

Lessons Not Learnt

Parasuraman's case studies (1996) of Upper Krishna Irrigation Project (UKP) and Jawaharal Nehru Port (JNP) suggest that displacement due to UKP hastened the process of migration of agricultural workers to the already swollened construction labour force in Mumbai. Such migration of families seeking work as construction labour in places like Mumbai under hard living conditions had a negative impact on women and children. Similarly the impact of JNP due to land acquisition and subsequent offers of permanent employment was not uniform across all the families. While 25% of the families experienced significant increase in their income, for 32% there was no change in income and for about 40% of the families most of which were fishermen and small and marginal farmers, the situation worsened. These families could not find industry employment either because of the job provision method adopted or because they were not literate or skilled enough to work at the port.

The most widespread effect of involuntary displacement is the impoverishment of considerable numbers of people. In India, for instance, researchers found that the country's development programmes have caused an aggregate displacement of more than 20 million people during roughly four decades, but that 75 per cent of these people have not been 'rehabilitated' (Fernandes 1991; Fernandes et al 1989). Their livelihoods have not been restored; in fact, the vast majority of development resettlers in India have

become impoverished (Mahapatra 1999).

Evidences from other countries also confirm that homelessness is not an unavoidable risk of impoverishment. Research and studies of Kali Gandaki Project in Nepal (Sapkota 1999), the Water Engineering Project in Lesotho (Hitchcock, Scudder and et al. 1999), Togo's Nangbeto Dam project (Michard, Adam and Aziabile 1992), the Dam reservoir on the lower Mekong basin involving Thailand, Vietnam, Laos and Cambodia (International Rivers 2013), Shuikou dam in China (World Bank 1998), Export Development project of Kenya (World Bank 1995), Mahaweli resettlement programme in Sri Lanka (Rodrigo 1991), Cirata reservoir area in Indonesia (Costa Pierce 1996), Yacyretá Project of Argentina (Mejia 1999, 2000) and many such projects reinforce that land and employment are the two economic variables while assessing and/or addressing the risks. Settling displaced people back on cultivatable land or in income-generating employment is the heart of the matter in reconstructing livelihoods. These cases also confirm the centrality of land for productive re-establishment. Training re-settlers in new skills is an effective strategy only if accompanied by actual employment resulting from the project. An alternative for avoiding eviction is to combine recognition of land rights with employment creation in conservation works (Raval 1991). Throughout the developing world empirical evidence confirms that replacing land with land or in Cernea's words (2000) 'land-based resettlement', is by far a more successful strategy than compensation in cash, which most often fails to lead to income restoration, let alone betterment.

Settling displaced people back on cultivatable land or in income-generating employment is the heart of the matter in reconstructing livelihoods. Success tends to be correlated with several options, such as identifying equivalent lands; bringing new lands into production through land recovery; crop intensification or a shift to more valuable crops; diversification of on-farm/off-farm activities; and use of project-created productive resources

The displacement process often poses problems that make it difficult for the affected persons to continue their earlier livelihood activities after resettlement. This requires a careful assessment of the economic disadvantages and social impact of displacement. There must also be a holistic effort aimed at improving the all-round living standards of the affected people (MoRD, GOI 2007).

Dimensions Of Impoverishment Risks (Cernea, 1990)

Cernea (1990) has identified seven dimensions of impoverishment risk induced by displacement. They are landlessness, joblessness, homelessness, marginalization, food insecurity, morbidity and social disarticulation. In many cases of land acquisitions the displaced families receive cash compensation. Empirical evidences from many countries indicate that compensation in cash usually does not ensure the replacement of the lost land and the livelihood as many of the dispossessed family remain landless for all the time to come. The loss of the land is the single most cause of post-displacement impoverishment

(Parasuraman 1996). Forced displacement is caused due to the need for new industries, irrigation, transportation highways, power generation, or urban developments such as hospitals, schools, and airports. Such programmes are indisputably needed. They improve many people’s lives, provide employment, and supply better services. But the involuntary displacements caused by such programmes also create major impositions on some population segments. They restrict that population’s rights by state-power intervention and are often carried out in ways that cause the affected populations to end up worse off. This raises major issues of social justice and equity. The principle of the “greater good for the larger numbers”, routinely invoked to rationalise forced displacements is, in fact, often abused and turned into an unwarranted justification for tolerating ills that are avoidable (Cernea 2000).

Key Social Actors (Cernea, 1996)

Cernea (1996) suggests that a practical way of organizing the sociological discussion around this topic, then, can be to consider the key 'social actors' that participate in this process, identify their positions, roles, and actual responses. In any process of development-induced population displacement and resettlement the key social actors are:

- (a) Government that initiates, supports, and conducts public sector development programmes that cause displacement; alternatively, the private sector enterprises are the social actors in programmes that they initiate and finance
- (b) Population affected by displacement, that must resettle;
- (c) Population that benefits from the same development programmes;
- (d) Agencies that actually plan and/or execute the development programmes;
- (e) Public groups (NGOs, advocacy groups, etc) that take an interest in the social and environmental implications of public programmes;
- (f) Researchers who are studying such processes and provide systematic knowledge on the adverse effects of displacement.

The way the social actors have been defined may vary depending on the nature and complexities of population displacement. However, for our purpose we are leveraging Cernea’s classification.

POSCO Project Timeline (Satpathy, 2015)

2005	Jun 22	POSCO signs MoU with Odisha govt to set up a 12 million tonne green-field steel plant near Paradip at \$12 billion
	August	POSCOPratirodhSangramSamiti (PPSS) formed
2008	Aug 8	SC upholds "in principle" clearance for use of forestland for the project
2009	Dec 29	The environment ministry grants final clearance for diversion of forest land
2010	Jul 14:	Odisha HC cancels grant of prospecting license to POSCO for Khadadhar iron ore mines
	Oct 29	Odisha govt moves the Supreme Court against the HC order

2011	Jan 31	MoEF gives conditional environment clearance to the POSCO project
2012	Mar 30	NGT suspends the environment clearance granted to POSCO
2013	May:	Odisha announces acquisition of 2,700 acres to enable the company start work
	May 10:	SC strikes down the HC order
2014	Nov:	Odisha govt. sends proposal for notified area of the proposed mining lease after the Centre asks it to clearly demarcate the notified and non-notified areas in the lease
2015	Jan 12:	Centre promulgates Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015, which prescribes allotment of mining lease on auction basis
2016		<u>POSCO</u> tells court it will not pursue the project anymore

Role of Social Actors

State

In 2005 POSCO signed the MoU with Odisha Govt, pertaining to an integrated iron ore mine, steel plant and private port project. Land acquisition process for 4000 acres starts. In 2007 Odisha Govt uses forces to evacuate people and also seeks approval from the environment ministry for diversion of 1,253 hectares of forest land to POSCO. In January 2010, environment ministry informs the Odisha government that the final approval for the diversion of forest land is conditional and depends on the settlement of the rights of forest dwellers. In turn, the state government tells the ministry that there aren't any traditional forest dwellers. In July 2010 Odisha high court cancels mining lease for an iron ore mine to POSCO and the state government decides to challenge it in the Supreme Court of India. In March 2012: India's NGT suspends the environment clearance even when then PM Manmohan Singh had assured South Korean govt of the project. India's top court strikes down the Odisha high court order and asks the central government to decide on granting the mine to POSCO in May 2013. Jan 2014: The environment ministry once again gives the final green clearance for the plant, with specific conditions. June 2014: The Odisha government asks the new government at the centre to fasten the approvals for granting mining licences to POSCO (Balachandran 2015).

Two committees were setup to look into the matter. One was Meena Gupta Committee (2010) examines various social, ecological and environmental issues. POSCO site on a coastal zone was not a scheduled area and had hardly few tribals who were protected under FRA 2006. The forested land which was

another issue was dismissed by the committee with arguments like it was a sandy waste side with only scrubs and few cassurina plantations. But the committee suggests, POSCO should make comprehensive environment impact analysis. In July 2010, a nineteen-member N.C. Saxena committee visited Odisha and made a very public denouncement about the non-recognition of forest rights by the Government of Odisha and violation of the Forest Rights Act, in the forest areas proposed to be diverted for the POSCO India project. The committee urged the Ministry of Environment and Forests of Government of India to withdraw the clearance given to the State Government for diversion of the forest land. In August 2010, the Ministry of Environment and Forests of the Government of India, in response to the claims of NC Saxena committee, issued a stop work order. In August 2010, the Ministry of Environment and Forests of the Government of India, in response to the claims of NC Saxena committee, issued a stop work order.

Population Affected By Displacement

Both displacement and rehabilitation amounts to its own demands, risks, costs, logistics, and socio-cultural and economic effects. Displacement concerns how land and other major assets are expropriated and people are removed, to allow a project intended for the overall social good to proceed (Cernea 1996).

MoU allocated an area of 4,004 acres, spread across four villages Dhinkia, Nuagaon, Govindpur and Nuagaon in Jagatsingpur district for the steel plant in Jagatsinghpur District. Of this, 1,253 hectares (approximately 3,000 acres) are officially classified as forest land. However, this “forest land” is largely under cultivation by various betel vine, cashew nut and other cash crop cultivators as well as people engaged in aquaculture. The main actual forests of the area are mangroves, which occupy only a small part of the “forest” land. On July 28 2010, Odisha government began to take over forest lands being cultivated by some people and paying them “compensation cheques.” The government claims are all “willing sellers”, but at least one person returns the cheque and another attempted suicide after his betel vines are destroyed. In any case, the takeover of the land was illegal. Due to absence of title, out of an estimated 4,000 families that will be physically displaced by the steel plant, only 270 odd are officially entitled to compensation. Appropriation of this land would involve the eviction, according to the 2001 census, of 22,000 people and indirectly disrupt the livelihoods of a further 30,000 people, just in Jagatsinghpur District alone. (Lok Shakti Abiyan, 2012). Children and women led the protest against eviction.

Population That Benefits

Those who were to be indirectly employed played a ‘wait and watch’. Assuming POSCO employs 10,000 people (a large number given modern automation) at Rs. 10,000 per month (a high number since most of the employees will be at lower pay scales), this accounts for Rs 3,600 crores for the 30 years of life of this project (Dasverma et al. 2008). Employment to 10000

was way too large a number given the modern industrial automation systems. News reports too suggest that the number of potential employees as projected by POSCO and GoO were grossly exaggerated. Other economic efforts to sustain schools, services, small businesses etc are other benefits. Some of the investment will also help build infrastructure for mining which may affect local communities – roads, schools, electricity – and that will be 5% if one is magnanimous about ones numbers. The rest of the investment is mostly on equipment and services to support production – investment that does not necessarily trickle into the local economy. Even accounting for such indirect benefits, the state of Odisha gets less than 5% of the price of iron ore that it would get in the global market.

Agency That Implements

POSCO rode on the unprecedentedly huge FDI and relied heavily on the State Govt. In September, 2006, it had applied for an environmental clearance for a captive port. It received nod for captive power-cum-steel plant a year later. Cost Benefit analysis lacked rigour; Local context was vaguely factored in.

POSCO brought in several changes in its project scope over the past ten years facing persistent opposition from various sections and changes in laws. A year after the 2005 MoU was signed; India's parliament passed a new law, which directly affected POSCO-India. This law, The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, is also commonly called as the Forests Rights Act. The law granted certain rights to forest-dwelling communities in India, including the use of forest land and other resources. This law was retroactively applied to the POSCO-India project. POSCO agreed to drop the iron-ore swapping clause in the MoU after deciding to adopt its patented Finex technology, which can use low-grade iron ore and common coal for manufacturing steel. Similarly, after stiff resistance from the local people to land acquisition, the company desisted from private land acquisition and lowered its demand for land from 4,004 acres in one go to 2,700 acres, for starting work on the first phase, comprising eight million tonnes of steel capacity, through suitable changes in the project plan.

In October 2010, POSCO India issued a press release in response to media coverage of Meena Gupta Committee report. The company categorically stated that it never violated any law or procedure for obtaining any governmental clearance whatsoever required for the project. POSCO India further stated it has experienced an unexpected delay in initiating project work because certain circumstances, laws and legal procedures within India have been changing between 2005 and 2010. The company claimed that since the time of signing of the memorandum of understanding in 2005, it has set and followed high standards of environment protection and corporate governance, while involving all stakeholders. However POSCO-India agreed to conduct a rapid Environment Impact Assessment (EIA) and prepare a detailed EIA Report and an Environment Management Plan (EMP) for the Project. But the follow up

is not known. The first set of environment clearances granted in 2007 have also expired in May and July 2012. Despite all this, POSCO-India continued to initiate entry into the project area and carry out felling of trees as part of continuing the project construction in the absence of requisite legal approvals, which are mandatory prior to initiating any construction activity.

POSCO compensation facts (Dividends of Resistance, 2012): Average annual income of betel farmer is Rs.40,000 per decimal of land. An average farmer's total loss over 30 years of project span would be Rs. 12, 00,000. But POSCO's one time compensation offer was Rs.11,500. In other words POSCO offered less than 1% of a farmer's earning potential. Projected/promised invested in local infra was way too less (reportedly 5% of the total value of the iron ore to have been extracted).

By March 2015, there were Bloomberg reports that the company finally had decided to walk away from the India chapter and six of its thirteen top executives had quit the project.

NGOs/Civil Society

Many CBOs/NGOs led the people's movement. Prominent among them was POSCO Pratirodh Sangram Samiti that was born two months (August 2005) after the signing of the MoU. The stood for foreseeable threats to environmental sustainability, denial of basic human rights of the concerned villages, Land alienation, Change in Land holding, Loss of agrarian/self-sustained sources of livelihood. They held rallies and dharnas at the site - sometimes used school children - to oppose acquisition of land for the plant. On one of the incidences on November 29, 2007, Police and hired goondas attacked PPSS dharna at one entry point with bombs – more than 50 people injured – dharna tent demolished. The protesters are driven back into one grampanchayat (Dhinkia). Police set up camps in the schools of the other two villages, deployed in heavy force.

P. Sainath (2011) writes, "People here are among Odisha's better off agrarian communities. The betel vine (Paan Leaf) economy is central to their well-being. There are 1,800 vineyards in the project zone in official count. Betel farmers here put the number at 2,500 and about a thousand of them in Dhinkia and Govindpur. The daily wage rate is Rs.200 or more plus a good meal. That's the highest in the State's agrarian sector, higher than what construction workers in Bhubaneswar get and close to twice Odisha's Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) rate. It can go up to Rs.450 plus a meal for specific tasks in the vineyards. A tiny vineyard on a tenth of an acre can produce 540 labour days or more in a year. That's apart from 600 days of family labour. Some landless workers earn even more by being fishermen as well. That source of income collapses if POSCO's captive port comes up at Jatadhari. The claim of project bringing jobs, pointing to labour shortages and no major demand for employment is mocked. In all classes, even amongst traders, most are unwilling to lose their livelihoods for a project they find destructive and a compensation they see as meaningless."

Although the company was able to divide the local people for some time, but they also started to demand before the company to clarify a few points before starting to construct the boundary wall. They demanded that the company should declare in categorical terms how many people would work in the steel plant, in what designations, whether all employment would be in permanent category, what would be the reservation for local people in the company, and what would the reservation for employment to land losers?(Das,2014). Later critics also saw no linkages with local or national economy. The operation consisted of extracting iron ore while paying extremely low rates of royalty, processing into steel without paying full land, electricity, and water or tax costs for it was to be a SEZ, and export all the produce.

Researchers

For social scientists, this means specifically to assist in: (a) identifying specific disruptions caused by displacement; and (b) recommending policies and practical approaches to prevent avoidable displacements from happening and to mitigate the harmful effects of the unavoidable ones (Cernea 1996).

Discussion and Conclusion

Like in the case of JNP, the land acquired may prove to be far in excess of that required for POSCO's present and future needs. It could have functioned efficiently with less land. Modern technology adopted in the steel plant could absorb very few workers and possibly only those with require technical qualification only. In this scenario it could be extremely unlikely that POSCO could have provided employment to at least one member from each family that would lose land, as per the directive of the Government of India.

As mandated by the National Rehabilitation and Resettlement Policy, 2007 there was an imperative need to recognize rehabilitation and resettlement issues as intrinsic to the process of setting up of the steel plant formulated with the active participation of the affected persons, rather than as externally-imposed requirements. Additional benefits beyond monetary compensation must have been considered to be provided to the families affected adversely by involuntary displacement. The plight of those who did not have legal or recognized rights over the land on which they were critically dependent for their subsistence was even worse as widely reported. This called for a broader concerted effort on the part of the planners to include in the displacement, rehabilitation and resettlement process framework not only those who were to directly lose land and other assets but also those who were to be affected by such acquisition of assets. The displacement process often posed problems that made it difficult for the affected persons to continue their earlier livelihood activities after resettlement. This required a careful assessment of the economic disadvantages and social impact of displacement. There must have also been holistic effort aimed at improving the all-round living standards of the affected people. Whether all these were carried out judiciously and independently is something that was never out there to win the confidence of the larger community, let alone the people that were to be affected.

Formal 'risk analysis' is a subset of project economic and financial preparation methodology, and is carried out routinely. Yet the risk that displacement inflicts upon affected people is not part of the routine risk and sensitivity analyses carried out by planners during project economic and financial analysis (Cernea, 2000). Hence in this case a comprehensive risk analysis must have been substantially reformulated and broadened, to cover risks to affected people, who are stakeholders in these projects. The project risk analysis must have been explicitly included the risks of impoverishment. Conventional project risk analysis evaluates the sources and magnitude of risks that may adversely influence the rate of return to project investments. It estimates the switching values of key variables (such as duration of project implementation, cost overruns, availability of local co-financing) and the sensitivity of the project's net present value to possible changes in these variables. A sensitivity analysis is usually carried out for each one of these variables because they can threaten project outputs and the returns to investors.

Lack of Innovative Approaches

Best practices are available in abundance to take a leaf from or be replicated. For instance, in very densely populated areas, land scarcity requires creative approaches. To overcome land scarcity around the Shuikou Dam (China) project officials made a bold effort to convert unproductive hillsides and steep uplands around the reservoir into flat terraces for horticulture or into forested areas. Project-paid mechanical equipment was used for land recovery on a vast scale. Orchards were planted several years in advance of resettlers' relocation, so that trees were close to fruit bearing at re- location time. The approach resulted in some 53,000 mu of fruit trees, 10,000 mu of tea plantations, 26,000 mu of bamboo trees, and more than 2,00,000 forest trees. This intensified agriculture and changes in cropping patterns provided new land, work, and livelihood for about 20,000 resettlers. Their average income from the new crops is actually higher than the level anticipated in the project's original re- settlement plan (World Bank OED 1998)

Non Contextualization of the IRR

The IRR model is to be used in conjunction with other analytical project tools, and it can help correct and improve some of them. We emphasize primarily the need to correct three entrenched flaws in the routine methodology of planning for such projects, flaws that account for the recurrent under-treatment of impoverishment risks. These include: (a) The flaws and incompleteness of the conventional methods for project risk analysis; (b) The over- reliance of project justification on the cost- benefit analysis (CBA) despite its glaring insufficiencies; and (c) The absence of genuine consultation and involvement of the affected populations.

Because the CBA method cannot predict and channel the allocation of a programme's future benefits with reasonable certainty, the wholesale accounting of costs and benefits covers up a morally fallacious and haphazard distribution of these benefits.

Inadequate or Improper information and communication

Information and communication between planners and resettlers is instrumental, in this respect, for early warnings and for making possible joint preventive activities. However, transparent information is still a rare occurrence. Dysfunctional communication between decision-makers and groups affected by displacement are one of the roots of resettlement failure. As Mairal and Bergua (1996) have convincingly demonstrated, the risk-perception of would-be resettlers differs considerably from what technical experts and agencies tend to think about risks resulting from displacement. Their research has confirmed the hypothesis that agencies' failure to grasp what is socially perceived as risks has "played an essential role in the escalation of conflict in the Zaragoza dam area" in Spain.

Social scientists, policy analysts, rehabilitation and resettlement specialists, the World Bank and similar other organizations, various state machineries, etc have acknowledged and emphasized enough the difficulties involved in preventing and mitigating the risks associated with involuntary displacement and dispossession. As underlined by Cernea (2000), this is why forecasting impoverishment trends is crucial for adopting and implementing policies that avoid displacement and counteract undesirable outcomes when resettlement is unavoidable. Conversely, equitable policy, plus planning, financing, and implementing resettlement with the participation of those affected, can create the premises for the improvement of resettlers' livelihoods Robert K Merton (1979) has convincingly demonstrated that the prediction of an undesirable outcome may act as a 'self-destroying prophecy'. It follows that a risk prediction model becomes maximally useful not when it is confirmed by adverse events, but, rather, when, as a result of its warnings being taken seriously and acted upon, the risks are prevented from becoming reality, or are minimised, and the consequences predicted by the model do not occur. The predictive-cum-planning capacity of the impoverishment risks, reconstruction model results from the forewarning virtue of the knowledge 'pack-aged' in it. This is how the IRR model 'contributes' towards destroying its own prophecy. Development must therefore be culturally, socially, economically, technologically, and environmentally appropriate. Recognition of these various development ingredients has made it increasingly clear that there is more to human development than economic development. (Slim 1995).

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