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Development and Displacement in India: Reforming the Economy towards Sustainability

Kalim Siddiqui *

Abstract. Displacement of human populations from their natural habitats has various types of socio-economic impact. This study will mainly focus on mainly farmers and tribal communities in India and how the modernisation process has affected these communities especially since the adoption of neoliberal economic reforms. For the rural people the displacement is traumatic both in terms of livelihoods and from a cultural point of view. The paper will analyse the issues of displacement of the villages that have been relatively isolated from the outside world. The development induced displacement becomes important due to its impact on the rural inhabitants through land alienation in the form of protests by the affected communities. I find that not even a single study shows the socio-economic and environmental effects of these policies on the rural poor. Analysis of the reasons for these changes point in many directions. Displacement, the loss of traditional livelihoods of the rural communities and environmental destruction are the most prominent among them.

Key words: India, industrialisation, land displacement, rehabilitation and sustainable development.

1. Introduction

Displacement is seen as necessary evil in order to construct industries, infrastructure such as dams, mining, roads, and power projects, which are intended to serve some “greater good”. The study will only focus on the issue of involuntary displacement in India. I find that there is rise in violence from the state on the name of development in many parts of India.

Violence has increased over land acquisition by the government in recent years. The drive for land acquisition in the name of modernisation and development has been the reason behind the rise in protests by farmers and tribal people across the country. The focus on economic issues overlooks other no less important issues such as social and cultural, which may prove to be crucial in building links and networks in the new environment.

The protests by civil society and peoples against land acquisition have been growing in recent years. These protests and violence increasingly question the so-called “greater good”. The recent protest in Bhatta-Parsaul of Noida in Uttar Pradesh state shows us another centre of violence provoked by an attempt to displace the

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farmers. In fact, whether it is Bhatta-Parsaul in UP, Nandigram in West Bengal, Chattisgarh, Jarkhand, Andhra Pradesh, Kerala and recently in Tamil Nadu all point to the need to examine the matter immediately.

The violence witnessed in Nandigram in West Bengal state in 2007, where 14 people were killed while protesting the notification of land acquisition of 25 000 acres of land under Land Acquisition Act of 1894 for SEZ project of Indonesian Salem chemicals. (Patnaik, 2007; Chenoy, 2007) And also Bhatta-Parsaul in UP, Jagatsinghpur in Orissa, Jaitpur in Maharashtra and so on, the government has used police force to control and intimidate any genuine protest against its land grab policies. For instance, in Bhatta-Parsaul Noida UP state about 6 000 acres of land is being acquired by Jaiprakash associate company to build luxury township facilities and the 165 km Yamuna Expressway. In total the land of 1225 villages to be acquired for Expressway. The land has been taken under British colonial Land Acquisition Act of 1894 from farmers at 6 US dollars per square meter by the government, while it was sold to developers at 134.50 per square meter i.e. 200 000 % increase in prices. (Sampat, 2008; Sharma and Singh, 2009) It appears that the land dispossession contribute to poverty, landlessness and violence. This paper also discusses the Land Acquisition, Rehabilitation and Resettlement (LARR) Bill 2011 passed by the parliament recently.

I also find that in India inadequate attention has been paid to the process of resettlement. Moreover, a deeper evaluation on this issue provides us with a different picture about the disastrous impact on local communities, who have been forced to move. This article seeks to bring out a critical evaluation on this subject in the light of past experiences and outlines an approach to a more humane and equitable policy. I will also draw attention to other countries experience to develop a deeper understanding on this subject area.

Various studies have highlighted the displacementⁱ⁾ and rehabilitation problems and began to question specific projects and developmental policies which induce displacement. (Iyer, 2007; WCD, 2000) However, there is a lack of study questioning the logic of industrialisation based on 'free market'ⁱⁱ⁾ policies to benefit the few while creating losses for many. Against this background, this paper makes a critical examination of the literature in the field of development-induced displacement to provide a better understanding of the reality on the ground.

The existing literature on the issue of displacement can be broadly categorised as the following: one group saw displacement to be an inevitable outcome of development. They suggest, the only policy option is to minimise the adverse impact of displacement. (Picciotto, 2001; Cernea, 2000) For them resettlement becomes the key focus area. A second group considers displacement as a manifestation of a crisis in development itself. Here displacement is not seen as an unwanted outcome of well meaning processes of development, but as the evidence of its uneven distribution of gainers and losers. This view is most effectively articulated by the protest movements and the opposition to such projects. Parasuraman (1999) argues that the development projects as examples of structural biases favouring a minority group "while millions of people pay the price without reaping any benefits". (Parasuraman, 1999: 39) He finds unfair outcomes in relation to land acquisition, socio-economic consequences of displacement, and conditions of resettlement. According to him, displacement is inherent in the policy of development and therefore, he suggests a

reconsideration of the large projects that may lead to large-scale displacement. (Parasuraman, 1999: 265) In India recent experiences show that the neoliberal economic reforms have achieved accumulation by dispossessionⁱⁱⁱ. This could be easily seen with the land acquisition process.

The question also arises why China has succeeded, where others have failed? Picciotto et al (2001) find that China's performance is far better on the issues of resettlement than India. According to him, "China's unique performance is primarily due to 'its system of government and vision', which saw resettlement programmes 'as an opportunity and not as burden'. "In particular [Chinese experiences in the Shiukou and Yantan projects] their success with income restoration of resettlers is attributed to the skilful use of available resources: 'orchards on terraced slopes'; bamboo and tea on the steeper slopes; forestry on the steepest slopes; goats in the drier hills; integrated fish, duck and hog farms near lake; oyster beds and fish cages in the lake; and pigs and mushrooms in confined spaces next to the house". (Picciotto et al, 2001:11)

Globalisation is seen as another opportunity to dispose and displace communities. States and nations are seen as impediment towards market integration. (Siddiqui, 2008) The Indian government acquires land from the people and then hands it over to the corporate sectors and real estate developers (Siddiqui, 2010). The commodification of land is fuelling the corporate land acquisition in India, both through the creation of SEZs and through foreign direct investment. Under liberalisation the international capital finds higher profits to invest in mining and urban property development. Global finance is much larger compared to the value of real goods and services produce in the world.

With the opening of the Indian economy to foreign monopolies, the international financial institutions increasingly offered to finance such mega projects. However, with the increased protests and opposition to such projects by the local people, these international institutions began to demand adequate (market based) compensation from the government. Also agricultural labourers, artisans, fishermen, sharecroppers and other service providers with no formal title on land have been adversely affected and there is an urgent need to take into account these people as well. (Wade, 2011)

2. Development Paradigm

There are broad two types of discussions taking place on this issue namely: those who argue for faster economic growth and others consider the issue of environmental protection (Iyer, 2007). There is a need to understand the choices to be made especially with large projects that are considered crucial to economic growth but are detrimental to ecological and environment.

India's economic liberalisation also known as New Economic Policy was launched in 1991. The major policy change was the introduction of a growth centred focus. It did not make any reference to long standing problems of the Indian economy such as poverty, malnutrition, unemployment, ill health, illiteracy and environmental degradation etc.

However, the Indian economy is predominantly rural in character. This is evidenced from the fact that in 2011, about 74 % of its population lived in some half million villages. India's two-thirds workforce engaged in agricultural sector, and this sector contributed about 26 % of the GDP in 2009.

Since the adoption of neoliberal reforms, foreign investors have increased their presence in India. And various collaboration and joint ventures projects have been launched. For example, in recent years as many as 341 SEZs have been approved and set up across India.

In the name of efficiency in the agriculture sector, the World Bank and mainstream economists support increased capital intervention and commodification of land. For instance, the World Bank (2010) argues in favour of large scale land acquisition as a way to reduce poverty. The Bank suggests that large-scale land acquisition can be a vehicle for poverty reduction. The report further suggests that increased private capital investment in agriculture will create more jobs and new opportunities for contract farmers. (World Bank, 2010)

The Bank also claims that land acquisition could reduce poverty by making better use of underutilised land (World Bank, 2010:77) The study cites the examples of large scale mechanised production of soya and grains in North America and Argentina. The study notes, “near-industrial methods of quality control and production at low cost, managed by high quality agronomists using land leased by corporations that pay high rents for land, making it advantageous for landholders to cease their own production (World Bank, 2010: 33) The report does not provide any concrete evidence of job creation due to increased mechanisation in large farms. It would like to see reversal of land reforms in developing countries. It seems that the only success criteria are efficiency and profits. The study favours a laissez-faire approach in which private investors take command from small and medium farmers turning them into contract farmers arguing that, “productivity and welfare enhancing transactions can occur without the need for active intervention by the state”. (World Bank, 2010: 34)

Contrary to the Bank’s claims, Li (2011) finds in Indonesia that the influx of capital in agriculture did not result in job creation; it rather widened rural inequality and increased involvement of private capital. No jobs were created for effected people, as initially claimed. Li study in Indonesia that, “Where large scale plantation and smallholders’ contract schemes have a long history...the predicament of people who are displaced from their ‘inefficient’ farms in a context where generalised capitalist system fails to provide them with an alternative livelihood or living wage”. (Li, 2011: 281) Li further argues that “large scale farming not only fails to reduce poverty, it actually produces it”. (Li, 2011:285)

In fact, the World Bank led ‘Structural Adjustment Programmes (also known as neoliberal reforms) were launched in the developing countries during the 1980s. Thanks to these reforms subsidies to agriculture sector were withdrawn and private investment was to replace public investment, along with the removal of trade and investment in the developing countries^{iv}.

After the sharp rise in food prices in 2008, the global food companies sought to strengthen vertical integration of the global supply chains, with the aim to ensure security of supply and to take the benefits of liberalisation in trade and investment, which was aimed ultimately to raise their profits and strengthen their control over markets. Foreign direct investment (FDI) in agriculture began to rise as a result. According to UNCTAD’s (2009) report, the FDI in the agriculture sector rose from an average of 600 million US \$ annually in the 1990s to an average of 3 billion US \$ in 2008. (UNCTAD, 2009)

Researchers have predicted that investors will replace food crops by cash crops producing either non-food commodities –for instance, energy crops-or exporting all or most of the production abroad thus, worsening the situation of food availability in the host country. (De Schutter, 2011; Singh, 1999; Chopra, 1998)

It also appears that the World Bank (2010) report overlooks the governance issue in the developing countries and how effectively these countries could manage investment in agriculture, which is expected to contribute towards poverty reduction and overall improve the conditions of rural population.

For example, there is huge corruption and illegal mining has been exposed in central India. For example, the controversies about POSCO and Vedanta projects in Orissa, which acquired large tracts of land for mining purposes. Besides displacements, the projects have damaged local ecology and the local environment. The mining sector in India is increasingly seen to make quick profits from a combination of illegality and corruption. After economic liberalisation mining has given a huge opportunity for capital accumulation to those that have the money and the 'right connections'. Fortunes are being made by people with money and power, who extract mineral resources at the expense of local populations, whose traditional livelihood are destroyed. The mining and quarrying sector currently contributes only 2 % of India's GDP.

The mineral production was reported from 32 states of India, but among onshore areas and states dominated by such as Andhra Pradesh (12.3 % share in total production by value, Chattisgarh (9.2 %), Jarkhand (9 %) and Orissa (11.9 %). These regions are also home to large tribal populations and these are also the regions where violent political movements i.e. Maoists insurgency are on the rise in recent years.

Finally in the development and modernisation debate, the issues of sustainable development^v) have become an important issue in the international forum, especially the since the publication of the report of the World Commission on Environment and Development (WECD, 1987) also known as *Our Common Future*. It was seen as first major international initiative to raise the awareness of the government and public about the complexity of relationship between economic growth, needs of the people and sustainable development. (Siddiqui, 1994)

3. The Displacement Scenario

Displacement is described as dislocation of people from their native place and region. It often exacerbates rather than mitigates economic insecurity, helplessness and alienation. This could mean loss of economic livelihoods and communities. After independence, developmental projects were launched by the government, which were formulated, designed and carried out by the engineers and bureaucrats, who had no concern for environmental and rehabilitation issues.

There is a disagreement over the exact number of displaced people. It seems likely that no less than 40-50 million people have been displaced. Various studies on displacement point out that in an earlier phase where until 1980 was marked by meagre compensation towards the affected people and lack of any attempt to understand the issues of rehabilitation of the displaced people. Most of the affected people were from poor households and with the displacement they were further marginalised due to loss of their livelihoods.

The involuntary displacement^{vi} of people due to acquisition of their land for developmental activities across India is a major issue. This has resulted in widespread protests across the country. People began to protests, for example, major projects such as Sardar Sarovar, Salient Valley, the Manglore Thermal Power, the Dabhol power, Maha Mumbai Special Economic Zones, the Nandigram SEZ, the Singur Tata Motors and so on.

In India people continue to be involuntarily dislocated and the goal of resettlement remains exceedingly difficult to achieve. Moreover, the aims of sustainable development, where people are better than they were before resettlement is far from being achieved. Seeing this issue merely as financial seems to be incorrect. Compensation by itself cannot fully restore and improve levels of income of those who have been involuntary displaced.

In the 1990s, development-induced displacement emerged as a major concern and also a challenge among Indian social researchers. The concern arose because of the dramatic rise in developmental projects and urban expansion in the 1980s fuelled by construction of dams and urban development coupled with disastrous outcomes in resettlement experiences. (Siddiqui, 1993) This led to an increase in popular resentment and protest, which brought the issue to the front.

The Upper Krishna irrigation project (dams and reservoir) displaced about 300 000 peoples. Loss of livelihoods and displacement has become a recurring feature of the Singrauli region of Madhya Pradesh state mainly due to construction of dams, power and mining since 1960s. Displacement in the Singrauli region began first by the construction of *Rihand* dam and *Govind Sagar* Reservoir in the 1960s. Later on in 1980 Thermal power projects were set up, which led to expansion of coal mining in the region. All these activities have initiated a series of displacement and loss of livelihoods of the people in the region (Sharma, and Singh, 2009).

The Sardar Sarovar project has affected nearly 300 villages, with 163 000 people having been displaced and among them the tribal population has been severely affected (see Table 1). (Parasuraman, 1999: 167) In fact, it seems that the colonial Land Acquisition Act 1894 ignores that fact that in the rural economy land is the sustenance not merely of land owners but also of the landless service groups. To attract private investors, profits have become the sole criteria. Force is being used to evict the people from their homes and lands, where they may have lived for generations is unjust and inhumane and could not be justified in truly democratic sense. On this issue government seems to be bent on advocating and protecting the interest of tiny corporate sector. As Medha Pathkar, one of the leading figure in the movement against Narmada project points out: "Even with rights recognised, risks assessed and stakeholders identified, existing iniquitous power relations would too easily allow developers to dominate and distort such process... Understanding this takes us beyond a faith in negotiations". (WCD, 2000:320-21)

Table 1: The percentage of tribal population displaced due to large dams in India

Name of the Project	State	Population facing displacement	Percentage of tribal people
Karjan	Gujarat	11,600	100

Sardar Sarovar	Gujarat	200,000	57.6
Daman Ganga	Gujarat	8,700	48.70
Ukai	Gujarat	52,000	18.92
Maheshwar	Madhya Pradesh	20,000	60
Bodhghat	Madhya Pradesh	12,700	73.91
Icha	Bihar	30,800	80
Chandil	Bihar	37,600	87.92
Koel Karo	Bihar	66,000	88
Maithon and Panchet	Bihar	93,874	56.46
Masan Reservoir	Bihar	3,700	31
Mahi Bajaj Sagar	Rajasthan	38,400	76.28
Polavaram	Andhra Pradesh	150,000	52.90
Ichampalli	Andhra Pradesh & Maharashtra	38,100	76.28
Tultuli	Maharashtra	13,600	51.61
Upper Indravati	Orissa	18,500	89.20
Bhakra	Himachal Pradesh	36,000	34.76
Pong	Himachal Pradesh	80,000	56.25

Source: Satyajit Singh (1997); also see Government figures available at <http://www.dams.org>

The government of India admitted that several million people displaced by dams, mines, industries, power plants etc. and still 'awaiting rehabilitation', a figure regarded very conservative by most independent researchers. The developmental projects are always put forward as development for national interest. The communities, who lost their livelihoods for so-called 'greater good' and national interest, would be making this sacrifice to benefit the entire nation. (India Today, 2007)

Involuntary displacement occurred due to the need to build dams, transportation, power generation, urban development and so on. It is claimed that such projects creates employment and improves services. However, it also displaces people from their land, community and cultural heritage and raises major issues such as social justice and equity. In India, for example, researchers found that the country's developmental projects since independence have displaced more than 20 million people. And most of these people have not been rehabilitated. The rehabilitation programmes since independence have performed miserably. Relocation of human population from the protected areas, also known as wild life conservation, affects peoples' socio-economic conditions.

At least 50 million people have been displaced since independence under the colonial Land Acquisition Act of 1894. Most of these people are difficult to trace, who are living in urban shanty towns across the big cities in India. Despite the years of protests and demonstrations on the issue of displacement and rehabilitation little progress has been made to ameliorate the sufferings of the affected people. However, the government announced its policy on National Resettlement and Rehabilitation Policy (NRRP) in 2007 which states: "through a careful quantification

of costs and benefits that will accrue to society at large, of the desirability and justifiability of each project. The adverse impact on affected families - economic environmental, social and cultural - needs to be accessed in a participatory and transparent manner". (Sampat, 2008:25)

According to the Central Water Commission, over 3,300 dams have been built in India since independence and some 1000 more are under construction. Another study of 54 large dams carried out by the Indian Institute of Public Administration in New Delhi calculated that the average number of people displaced by a large dam is 44, 182. Over 21, 000 families were uprooted, when the Pong dam was constructed 25 years ago and they have still not received the benefit of rehabilitation measures. (cited in Singh, 1997)

The displacement caused by large scale irrigation projects and dams has drawn a lot of attention in recent years. The researchers have emphasised that project proposals have seldom included an assessment of the displacement, which such project would create or the cost of rehabilitation. (Singh, 1997) The government figures grossly underestimate the displacement caused by large projects.

It is also apparent that project authorities do not consider the problems of displacement and rehabilitation an important parts of the project. The primary concerns are electricity and irrigation benefits. In several instance, the number of people actually displaced was much higher than stated in the project documents. Calculations by the independent researcher, for example, show that how figures were under estimated by the government. In the case of Bargi dam project on Narmada River in Madhya Pradesh state, the authorities claimed that only 101 villages will be submerged. However, when reservoir was filled, the number of villages actually submerged happens to be 162 (Singh, 1997). Government estimate also fail to take into account the backwater effect i.e. the rise of water level as reservoir begin to silt up (Singh, 1997).

A recent study by Ministry of Rural Development, government of India has put the total number of persons displaced due to large dams at 40 millions. On the issue of displacement risks, Cernea (2000) has identified key vital components such as: Landlessness; joblessness; homelessness; marginalisation; food insecurity; community disarticulation; loss of access to common property resources. According to him, preventing these factors would mean reversing the risks. He emphasis that land is the basis of people's productive system in agrarian society and if it is not replaced by steady income generating employment would lead towards impoverishment. Cernea notes: "Expropriation of land removes the main foundation upon which people's productive systems, commercial activities, and livelihoods are constructed. This is the principal form of de-capitalisation and pauperisation of displaced people, as they lose both natural and man made capital" (Cernea, 2000:3663). Reddy finds that landlessness rose sharply from 20 % before displacement to 72 % after in the coal mining region of Singrauli (Cited in Cernea, 2000: 3663)^{vii}.

In recent years states like Gujarat, Haryana, Jarkhand, Madhya Pradesh and West Bengal have displaced very large number of people in order to acquire land for SEZs that was expected to attract millions of US dollars on nearly half-million acres of land. It was also claimed that these investments would create more than half million jobs, but due to high mechanised and automation the job creation was far less than

expected. The mechanisation appears to be the main reason for high job costs. For example, the average size of coal mines increased from 150 acres in 1976 to 800 acres 1995, but it created fewer jobs. (Fernandes and Asif, 1997: 74-75) Various studies have pointed out that nearly 50 million people have been displaced since independence due to developmental projects among them 40 % were tribal, 20 % *dalits* (untouchable castes) and 20 % were from backward castes.

The recent Land Acquisition, Rehabilitation and Resettlement (LARR) Bill 2011 seeks to rectify the shortcomings of the colonial Land Acquisition Act of 1894 (LAA) – the existing law on involuntary acquisition of land in India. The bill claims to facilitate transfer of land from agriculture to other developmental activities while safeguarding the interest of the affected people. Despite some positive provisions, the bill has various limitations such as it completely ignores the socio-economic reality on the issues of compensation. However, despite its claim, bill still leaves door open for government to favour private businesses. The bill is supposed to correct the shortcomings of the Land Acquisition Act (LAA) of 1894, the existing law on compulsory acquisition of land.

The LARR bill 2011 is prone to litigation over compensation it may be much more profitable for the rich than the poor. It tries to rationalise involuntary acquisition of land due to growing need for industrialisation and urbanisation. The bill is supposed to pay the owners to the “market value” of their property. However, in practice the market value is determined on the basis of “circle rates” and sale deeds of similar property. However, in the provisions due to various restrictions of land use, the price of agriculture land is actually suppressed. And also to save stamp duty charges, the price shown in a sale deed is generally lower than the actual transaction price. The “circle rates” is fixed by the government, often outdated and below the market price. This is the reason for behind inadequacy of government provided compensation and disputes.

With the compulsory acquisition, there is a strong possibility that owners lack of information about the value of their property. In the absence of the information, fairness and efficiency of the compensation cannot be guaranteed. Law requires the compensation to be paid on the basis of market value of the property. However, the determination of the market price is completed issue. This is determined by the prices of similar property that have been traded in the market. This opens room for litigation which may be time consuming and expensive. It is more profitable for the high value properties than those owning low value properties because the rich could put more efforts and resources in terms of quality of lawyers etc. It is problem for the owner to probe market value because the land records, land types etc. is solely possessed by the government.

4. Corporate Industrialisation

The government enacted the Special Economic Zones (SEZs) Act in 2005. Under this act, the government has approved formally 404 projects, involving 54 280 hectares of land, which is seen by the policy makers as new solutions leading towards growth and development, which is in the line to keep with the global neoliberal discourse. Since 1991 neoliberal reforms, the government is seen as a promoter of corporate-led growth, where the state supposes to acquire the land for SEZs and transfer the land to private developers. Here the issue of displacement is

being transferred to the private arena and compensation to be negotiated by the market, state keep itself out with the rehabilitation responsibilities.

Export-led growth has been prescribed by the international financial agencies as the only option available for developing countries in order to achieve economic growth, industrialisation and create employment opportunities since the 1980s. However, this policy was whole heartedly adopted in 1991 when the Indian government experienced acute balance of payment crisis and had to ask for IMF bailout. As a result, India was asked to open its economy for foreign capital. And in 2005 SEZ Act was approved by the Parliament, despite the opposition from the people and various organisations. It was claimed that it would attract huge amount of foreign capital and technology leading towards job creation along with efficiency and competition.

Seeing the realities in India the fact is that at present the only industrial development option possible under neoliberal policy is corporate-led industrialisation. Due to the existence of mass poverty and inequality in rural areas, such industrialisation is bound to be against the interest of majority of rural population. Moreover, according to various studies for the last nearly two decades after the adoption of neoliberal policy's impact on job creation was dismal. For example, between 1991 and 2007, the number of people employed in organised manufacturing has remained constant in absolute terms. It does not withstand of an 8 % annual growth rate in manufacturing output. Patnaik take the issues of industrialisation and job creation into wider perspective and argues that "The argument that "industrialisation" is necessary because it will take surplus labour out of agriculture is completely baseless. True, in the case of the advanced capitalist countries "industrialisation was accompanied by a shift of surplus labour out of agriculture but that is because such surplus labour simply migrated to the "new world" (where native population were forcibly driven off its land); in addition unemployment was exported to the colonies in the form of de-industrialisation". (Patnaik, 2007: 1893)

Patnaik (2007) further notes "tragedies like Nandigram are inherent in the operation of a neoliberal policy regime. These tragedies are being debated as a conflict between needs of industrialisation and the peasantry, as if the corporate nature of that industrialisation did not matter. Nandigram should make us look beyond scapegoats at the process of "accumulation through encroachment", which neoliberalism has unleashed in the country". (Patnaik, 2007: 1893)

The industries need to be promoted, but at the same time, the government must ensure that its destructive effects upon the people, who faces dispossession are minimised. But that cannot be realised if corporate industrialisation is only available option, under such regime state's leading role is being replaced by markets. On the name of "virtues of free-markets" and competition, the monopolists are given enormous power to undermine very competition they are claiming to establish.

In India what we witness at present is not capitalist competing against one another for state government projects, but state governments competing against one another for attracting investors. There is need for deeper understanding of a real process of primitive accumulation of capital, which is taking place through encroachments, which neoliberalism has enforced in India at a much faster rate than with earlier period.

The proponent of “free market” policy view land grab as economic opportunity for rural poor. (World Bank 2010) They insist on the need for land market governance. While the critique see as a major threat to the lives and livelihoods on the rural poor. According to them such grab of land would lead towards increased rural socio-economic inequalities and must be opposed.

World Bank (2010) provides suggestions ‘for responsible agriculture investment’. It supports new investment in agriculture, while acknowledging in rural areas land purchase have taken place largely where buyers could exploit corrupt or indebted governments with little ability to regulate the transactions or targeting the rural poor and expelling them from their lands.

The World Bank report does overlook the important questions of winners and losers and what would be consequences of such policies in terms of social, political and rural power configuration. The political economy of land is centred on food, minerals and ecology. The key issues are who owns the land and what is being done with the appropriated surplus.

The question arises: what changes in agrarian structures are emerging? What is rural differentiation in terms of class following changes in land ownership, organisation of production and exchange? The question is whether the safeguards have been put in place for the rural poor. It could be due to active participation of rural poor to safe guards their political and economic interests through political mobilisation.

But when the affected people were organised the outcomes had been different. For instance, the Silent Valley project in Kerala, which is one of the richest habitats of fauna and flora in South Asia, was threatened by hydroelectric power project. The movement to oppose the power project was led by radical organisation called *Kerala Sahitya Shastra Parishad*. The organisation was also involved in spread of literacy and to raise the awareness of science and healthcare among the local inhabitants. Due to protest the project was cancelled by the government and such unique biodiversity area was saved from destruction.

Another movement to oppose the privatisation of Bharat Aluminium Company (BALCO) in Chattisgarh state, which is also located in the tribal areas. The land initially taken over by the government to be used for public purposes but sold to private company, the protesters contacted the Supreme Court, but judgement came in favour of the government.

In western India, the opposition against, for example, the construction of dams and reservoirs across the Narmada River were led by *Narmada Bachao Andolan*. (Wade, 2011) However, despite the protest movement, dams were constructed and these projects have displaced thousands of tribal people. In 1993, after a long struggle and protest finally, the World Bank cancelled loan for Sardar Sarovar project on Narmada. This is the first time an international financial institution has gone back from its previous commitments due to environmental and rehabilitation reasons. However, the first criticism of World Bank funding by NGOs and by local people was on Polonroeste road project, which is located in the north-west Brazil. This road project was supposed to be 1500 km long and pass through densely populated south-central to connect with sparsely populated Amazon in 1987. The protestors demanded changes in Banks’ funding, which could damage forests and natural

environment and the Bank was forced suspend its loan until the government show some progress on its commitments.

The *Narmada* project is an inter-state development scheme, which was seen as an enormous opportunity for hydro power and irrigation. It was supposed to be one of the largest water reservoir projects in the world. There were several big and small dams to be built including big dam called Sardar Sarovar dam, which would be as high as 45 storey building and over nine km long at the crest. Its reservoir could be for more than 200 km long and it would ultimately displace 40 000 households. The proposed canals would spread for 7500 km and irrigate about 2 million hectares of land, and will displace 68 000 households. (Wade, 2011:45) Wade notes, "(the) resistant to the Narmada projects began as a "bottom up" social movement (in contrast to Polonroeste), led by Indian NGOs working in the Narmada valley. Their resistance sparked a campaign within India that drew unprecedented support from the middle-class public, among whom it signalled a profound shift away from Nehru's "hardware" notion of progress..... The translational campaign against Narmada stiffened senior management's commitment to environmental assessment procedures and the creation of a large environmental complex. But the main effect came later. In response to years of pressure the Bank cancelled its involvement with the Sardar Sarovar in 1993 – the first time the Bank has cancelled a loan anywhere in the world on environmental or social grounds". (Wade, 2011:45)

In 2006, when *Narmada Bachao Andolan* opposed to raise the Sardar Sarovar dam from 110 to 121 meters, its leader Medha Patkar sat on fast on the issue of rehabilitation brought to prominence and Indian Supreme court was approached to provide hearing on this matter.

The land Acquisition Act 1894 was used to discipline people under which private land could be acquired by the government for "public purpose". The compensation was to be paid not as negotiated sum but a figure reached by government officials. The proposed amount could be challenged to the court but objections could be procedural or about valuation and not on public purpose for which government proposed to take over private property, not open to contestation. Moreover, this was only supposed to challenge about compensation for land and property acquired and not about rehabilitation of the displaced people. (Iyer, 2007:3104) Although, the government rejected the World Commission on Dams report, but with the publication of this report in 1998 and anti dam movement had forced the government to rethink on environmental and resettlement policies.

5. Conclusion

The international financial institutions lend support to liberalise, which is seen as a means of increasing the economic efficiency, but in fact it is a policy tools to promote capital accumulation among the small minority, while landlessness and misery for the majority of the people these state. I think it is incorrect to treat land merely as productive elements as commodity. This approach could overlook its cultural heritage significance. Such approach could also neglect its social status, community and cultural aspects. As Karl Polanyi (1944) noted nearly seven decades ago, "To allow the market mechanism to be the sole director of the fate of human beings and their natural environment, indeed, even of the amount and use of purchasing power, would result in the demolition of society. For the alleged commodity 'labour power'

cannot be shoved about, used indiscriminately, or even left unused, without affecting also the human individual who happens to be the bearer of this peculiar commodity... Robbed of the protective covering of cultural institutions, human being would perish from the effects of social exposure; they would die as the victims of acute social dislocation through vice, perversion, crime and starvation". (Polanyi, 1944: 73)

It is often emphasised that Indian economy is booming for the last two decades, however, poverty and hunger is on the rise. More than 40 % of its children are malnourished. In fact, at present in India the attempts is not being made towards over all industrialisation, but to the accumulation of top elites on one side and increasing of unemployment, dispossession, the proliferation of the services and pauperisation at other pole. (Government of India, 2007; Harvey, 2005)

The study finds the current government policy to acquire land for the corporate-led industrialisation is incorrect and only benefits the tiny minority, while adversely affecting many in rural India. The land acquisition without the prior consent of its owner could not be justified on any ground. The Land Acquisition Act of 1894 does not take into account the conditions of land and the purpose of acquisition is not properly explained to the affected communities. In fact, it is not only the issue of compensation and rehabilitation but also the development strategy. The Land Acquisition Act of 1894 in principle is about the forest land not owned by individuals, are state property. But at the same time the state also has the right to define a public purpose and deprive individuals of their sustenance. (Mathur, 1999; Siddiqui, 1992) However, in recent years it is used to enhance corporate profits. State acquires land and then later on sold to private developers. (WCED, 1998; World Bank, 2008) I find that national parks, shopping malls, dams, power station, industries and infrastructure are being built in India by displacing rural communities and their livelihoods. The displaced hardly received any benefits from the so-called developmental projects.

Today in India about two-thirds of the people depends on the land. A critical issue gaining ground whether those who lose out in the process of development have been consulted at all. Or they should be entitled to be part while deciding the future management of natural resources, which are integral part of their livelihood and existence. The rural poor and tribal communities are treated as citizens without rights and deprived of their livelihood without their consent. While, on these developmental projects, most of the jobs filled with outsiders because those who lose their land and livelihoods lack the suitable skills required for the job.

In Indian economy agriculture plays an important role in shaping the socio-economic and cultural well being of people. And their involuntary displacement becomes complex issues among academic debates, and policy discussions and at times in the form of protesters by affected people. In fact, the neoliberal reforms have been shift away from land reforms to that of removal of government protection to agricultural land to be used for industrial and commercial purposes. This also coincided with drastic reduction of government subsidies for agriculture sector.

In a predominantly agriculture country like India, agriculture development should be a prerequisite for an overall balanced development. (Singh, 1999) Agriculture investment must benefit the rural poor rather than big corporate. Also investment must take place in order to reduce hunger, malnutrition in rural India rather than aggravating them. A coordinated strategy is needed to promote responsible

investment to address these above issues aiming to uplift the living conditions of majority of the rural inhabitants.

India does not need land grab policy to benefit the business corporate but land conservation policy, which conserve eco-systems and maintains biodiversity. The government should invest more in agriculture sector in order to increase production and create jobs in rural sectors, not on the basis of 'free market' policies but through empowering small and marginal farmers and agriculture labourers and thus raising their incomes and food security.

Notes

i) The displacement in India at present could be described as 'primary accumulation of capital'. However, it is very different from the classical variety of the same process that took place several centuries ago in Western Europe. The difference is that in India the disposed are separated forcibly from the means of production, can no longer find jobs in the industrial sector. (Bagchi, 2005)

ii) See Kalim Siddiqui, 1992.

iii) David Harvey (2005) explains that accumulation by dispossession includes, the commodification and privatisation of land and forceful expulsion of peasant population...; conversion of various property rights (i.e. common, collective and state) into exclusive private property rights...; commodification of labour power ...use of credit system as a radical means of accumulation by dispossession. (Harvey, 2005)

iv) The key elements of the neoliberal policy reforms include trade and investment openness, income deflating fiscal and monetary measures, resulting in cuts in public and social sector spending and privatisation of public sector undertakings (see Siddiqui, 2010; Harvey, 2005).

v) Sustainable development is supposed to improve the well being of people over time. A sustainable society a well articulated productive knowledge and the capacity for mutual self-help.

vi) The multilateral donor agency has broadly defined displacement to include not only physical eviction, but also denial of access to survival and livelihood resources (see Cernea, 2000) However, in this paper we have restricted to the term displacement to physical eviction.

vii) Mathur (1999) notes that the people in Singrauli region in India gave up their lands for the reconstruction of power plants have often no access to electricity. According to him, development projects are largely being seen as inimical to peoples' interest and they are in fact contributing towards worsening rather than improving their situation.

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