

Tata Steel's Romance with Orissa: Minerals-based Underdevelopment and Federal Politics in India

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Abstract: Historically, Tata Steel has been exploiting exhaustible mineral resources of Orissa without contributing to the local value-added activities. Other Indian states like Bihar/Jharkhand, West Bengal and Andhra Pradesh, in the name of national properties, silently encouraged Tata Steel to continue its exploitation so that they get advantage of high-value added activities that the company tends to locate into their territory. Most unfortunately, politicians and bureaucrats of these states did not allow the development of vital infrastructure of Orissa like port and railway facilities for their narrow economic gain. Orissa continued to suffer from high social costs of mining like environmental degradation, waste land, air and water pollution, damage to agriculture, etc., due to increased mining activities by Tata Steel and other corporate entities in the post-Independence period but got no benefit in terms of local value-addition. It is high time that Orissa people, intellectuals, and politicians acted to safeguard the larger interests of the state. Companies like Tata Steel that have been exploiting Orissa without contributing to the local economy must be asked to leave the exhaustible mineral resources of the state.

Orissa & Tata Steel- Courtship & Marriage is a section in the website of Tata Steel (http://www.tatasteel.com/Company/ORISSA_courtship.asp). This web-page says that Tata Steel had courted and married Orissa and has been romancing with the latter since the last part of the 19th century. So deep is the century-old romancing that the bride—Orissa has emerged as the vanguard of chronic poverty in India and the groom—Tata Steel as the world's fifth-biggest steelmaker (after the acquisition of Corus) and a major Indian multinational. Underneath this characterization of 'romance' lies an untold story of exploitation, deprivation and distress out-migration that the mineral-rich state Orissa has been undergoing at the hands of Tata's for their reckless maximization of corporate profit. Also this indicates the utter disrespect of a company that has grown by exploiting Orissa to say that it is now romancing with it.

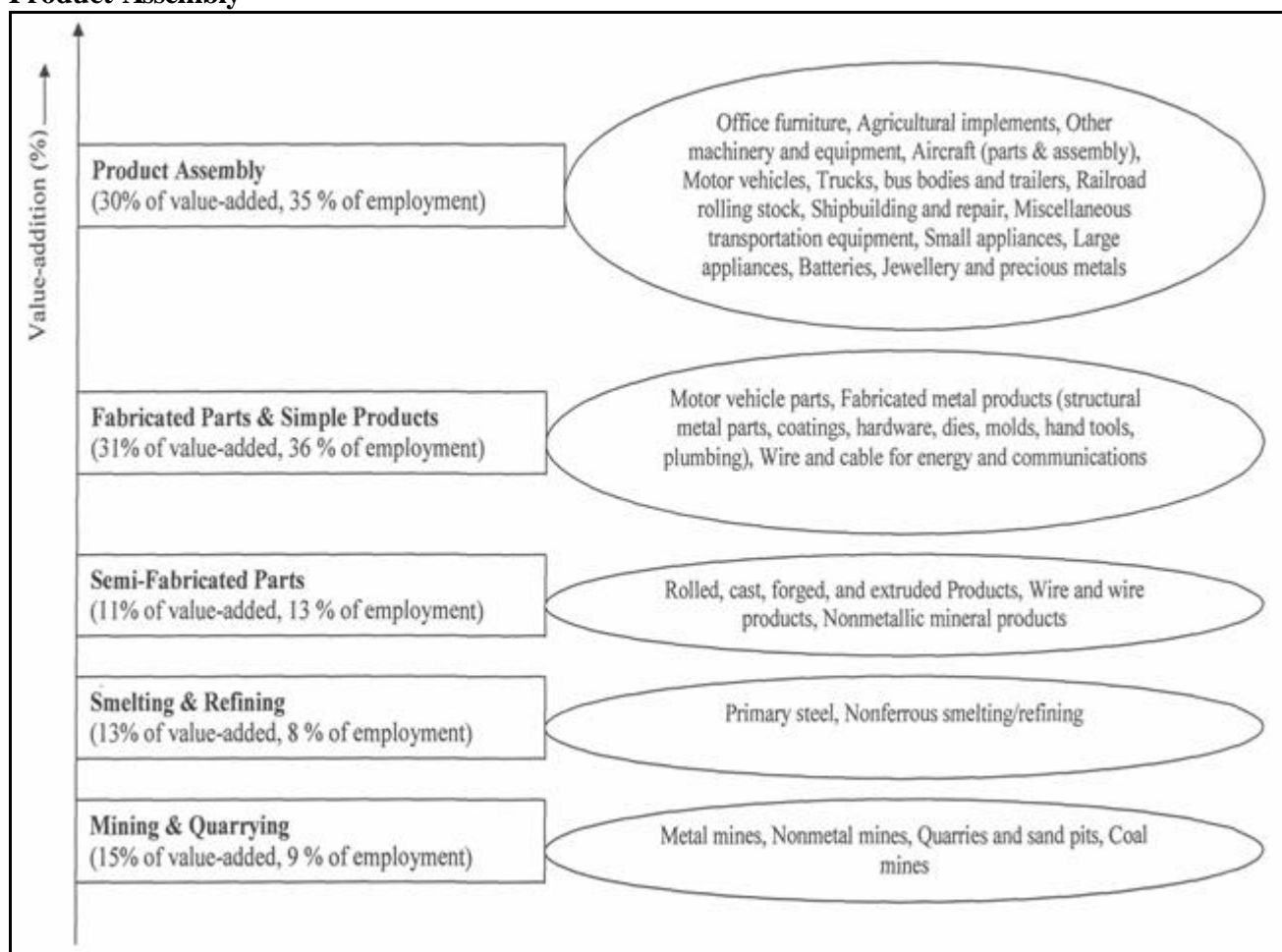
The Beginning of Exploitation

The growth of Tata Steel started with the establishment of India's first integrated steel plant at Jamshedpur in 1907. The most important factor which decided the location of this plant was the discovery of a geologist P. N. Bose (hired by Jamset Nusserwan Tata) that there was 'exceedingly rich and extensive deposit of iron ore' in the Gorumahisani, Badampahar and

Sulaipath region of Mayurbhanj in Orissa and the ores were ‘incomparably richer than those of the Barakar area’ (which is in West Bengal). Mr. Jamset Tata took advantage of the existing Princely Rules and got the mining lease at ‘very liberal terms’. The exhaustible natural resources of the state were looted at throwaway prices without any attention to local development. The exploitation of Orissa thus begun and, 1911 through 1967, the iron ores of Orissa were extracted and transported to meet the requirement of Tata Steel based in Jamshedpur. Mining was done in Orissa with low value addition and low paid manual job-creation like coolies but processing of these ores and manufacturing took place in Jamshedpur making valuable contribution to the wealth generation and large-scale high paid employment creation in Bihar/Jharkhand. Orissa, on the contrary, had to suffer large social costs inflicted by mining activities like adverse impact on environment, forests, water, health, livelihood, etc., and dislocation of a large number of tribals and the harijans.

In an economic sense, to comprehend the benefits that Tata Steel had then on the local economy, it is essential to understand the entire process of value-addition that mineral and metal processing sector makes possible from mining to product assembly. Taking the Canadian mineral sector as an ideal model of industrial process for Orissa, Figure-1 shows that mining and quarrying activities, respectively, constitute just about 15 per cent of total value-addition and 9 per cent of employment generation. So in this sense, for each of 100 rupee of value-addition generated based on Orissa’s basic raw material, Orissa has got just Rs. 15 and just 9 out of every 100 employment created. Most importantly, since the high-value-added activities like smelting, refining and semi-fabricated parts took place in Jamsedhpur, Orissa also lost opportunities to have ancillary industries and valuable linkages with the local economy. Over the years, Jams hedpur emerged as an industrial hub due to spillover effects from steel industry hosting several Indian companies like Tata Engineering Locomotive Company (motor vehicle), Tinsplate Company India Ltd (Tinsplate), Timken India (Bearing), Indian Cable, Tata Electric Power, Tata Pigment, Tata Rayson, Hindustan Copper Limited, Uranium Corporation India Limited, Tube Company, Telcon, Rakha Copper Project, etc. Other states like West Bengal prospered through expansion in port activities at Calcutta/Haldia for exports and imports based on Orissa’s exhaustible natural resources.

Figure-1 Value-addition in the Mineral and Metal Processing Sector from Mining to Product Assembly



Source: Author's construction based on Minister of Public Works and Government Services Canada (1998) *From Mineral Resources to Manufactured Products: Toward a Value-Added Mineral and Metal Strategy for Canada*, Ottawa, Ontario. The data on value-added and employment for Canada is for the year 1996.

While Jamshedpur and West Bengal were moving up the value-chain utilizing Orissa's iron ores, Mayurbhanj continued to remain as the most backward region with left-over railway link, power, and roads that Tata Steel built for transporting minerals from Orissa to Jamshedpur. With the depletion of the non-renewable iron ore reserves in 1967 Tata Steel happily left the Gorumahisani mineral belt with little contribution to the local economy. What remains now at Gorumahisani is a destroyed and barren land with extreme air pollutants all over the environment affecting health and biodiversity of that place. Other states like Bihar/Jharkhand and West Bengal reaped all the benefits of high-value added activities while

Orissa was made to suffer from environmental disaster and loss of valuable non-renewable natural resources. The Congress governments of the state and at the Centre, preoccupied with national development based on natural resources, did nothing to ensure that tribal-dominated mineral-rich states like Orissa benefit from their own natural resources and, thus, allowed companies like Tata Steel to exploit exhaustible minerals while contributing a pittance to the state in terms of ridiculous royalties determined by the Centre¹. Although the country has got Independence from colonial rule, the exploitative rule of Tata Steel still continued over the mineral resources of Orissa.

Exploitation Continued during the Post-Independence Period

One may argue that it is not the fault of Tata Steel to locate its plant at Jamshedpur during the pre-Independence era since there was no political demarcation that exists today between Orissa and Bihar/Jharkhand. However, the question is what has happened during the post-Independence era? Has Tata Steel made any efforts to benefit the local people in Orissa? The answer is a resounding 'no'. Its recent announcement of setting up of a steel plant at Gopalpur and Kalinga Nagar was more a strategic response to the entry of other Indian and foreign steel companies into Orissa rather than its benevolent approach. This point shall be clear while we progress in our journeys in understanding Tata Steel's romance with Orissa.

Tata Steel continued to romance its Bride, exploiting more than what a developed country multinational would have done given an opportunity in Orissa. Apart from Mayurbhanj, the evil effects of Tata's romance have inflicted other part of Orissa. The next victim of Tata Steel became Keonjhar district with its three mines at Noamundi, Joda and Khondbond. The company got captive mining lease at Joda in 1925 and since then Keonjhar emerged as a source of high quality iron ore to the steel plant at Jamshedpur. With the starting of mining activities the local agriculture was negatively affected due to large-scale felling of trees, increased air and water pollution, salination and desertification of agricultural lands, rise in temperature, etc² (Box-1). This has led to serious displacement of tribals and other native

¹ Keshab Das (2007) 'States are being seriously shortchanged now', Debate on Should royalties on minerals be determined by the Centre or by the states themselves?, Financial Express, Monday, January 22, 2007

² Hindu (2006) '10 mining zones need attention: SPCB', November 19.

people. These helpless tribals after losing their traditional livelihood were forced to work for manual mining in those days and latter were given iron ore crushers for mining with severe noise pollution. With this exploitation Tata Steel, Bihar/Jharkhand and West Bengal were climbing high on the path of industrial development and the tribals of Keonjhar further remained underdeveloped losing their livelihood options like agriculture and their children as ever malnourished, illiterate and without any future. As of now, the Tata Steel extracts about 5 million tonne annually of iron ore from mines at Noamundi, the largest source followed by Joda about 3 million tonne.

Box-1 Mining in Keonjhar: Doom for the Local Economy

The starting of mining activities in Keonjhar led by Tata Steel and now being joined by other steel companies has resulted in severe damage to the local economy. There are three distinct ways by which the people of the district have been were affected:

– *Agriculture*: The extraction of minerals involves large amounts of waste material and loud noises of crushers that are employed in these activities. Most often dust blown from waste rock and hazardous materials fall in the nearby agricultural land causing reduction in harvest. The cultivators of Keonjhar are now not getting buyers for their vegetables since they have been labelled as inhabitants of badly polluted areas.

– *Water*: Apart from loss to their main source of livelihood, local people are developed as their ecosystem has been destroyed due to mining activities. The resulting liquid waste from mining like acidic runoff with high levels of metal has affected local water sources. This water and air pollution has been resulting in increased cases of health problems like asthma, tuberculosis, stomach disorders, miscarriages, other respiratory diseases, skin diseases and heart related diseases.

– *Road and Traffic*: The increased number of heavy vehicles plying on the road has led to a deplorable condition of village roads connecting the National Highway, sharp rise in the number of accidents, and traffic problem.

Keonjhar's local economy is fast turning into a waste land. The corporate like Tata Steel after the mine becomes uneconomic will be happily abandoning the district with little or no attempt to rehabilitate the land or any contribution for high value-addition.

Source: Based on *The Statesman* (2007) 'Modernisation spells doom for the poor', February 05.

The geography of Tata Steel's access to Orissa's mineral resources at throw-away prices has allowed it to make expansive inroads into the largest tribal dominated Koshal region of Orissa. The company has got access to Orissa's mineral resources at very low rates of

royalty— be these deposits of flux, fireclay and refractories in Sundargarh, alumina refractory in Dhenkanal, dolomite mine in Gomardih, chromite in the Sukinda valley, ferro-alloys in Bannipal, etc. Subsidiaries of Tata Steel like Tata Refractories Limited, Tata Sponge Iron Limited and Nilachal Refractories Limited have been floated to exploit these natural resources and transferring them to other locations for high value-added activities.

It is most unfortunate that Tata Steel, which has risen by profiting from mining in Orissa with an annual turnover of \$3.8 billion, is now listing a few crore of rupees of its contribution for relief during flood, drought and other natural calamities as its contribution to the state. It would be patently incorrect to say that Tata Steel has developed some railway lines and/or Dhamara port for the development of Orissa. It was only to ensure transportation of raw materials from Orissa's mines to the locations elsewhere. Establishment of the JN Tata educational centre in Gopalpur, TCS campus at Bhubaneswar and setting up of hotels are only for its own benefits. Since Kolkata is overcrowded by now and also facing shortages of skilled manpower, Orissa is the most attractive place for many software companies to benefit from cheap skilled manpower available in the state. Tata's investment in the hotel industry is to exploit the rising tourism in the state.

The Myth of Tata's Proposed Steel Plants

With the change of power from Congress to non-Congress parties in the 1990s, there was a growing realization among the political class in Orissa that the state had suffered an immeasurable loss of development at the hands of companies like Tata Steel which had simply exploited minerals from the state and without doing any value-added activities locally. The 'lost development period' for Orissa was more than 110 years and the loss of mineral resources was a great tragedy could have been utilized properly with emphasis on value-addition and sustainable development. The 1990s also witnessed sharp rise in the metal prices across the world and Orissa emerged as an attractive place for many Indian and foreign companies for mineral-based industries. During this period the Orissa government started putting pressure on Tata Steel to start steel plants in the state. Tata Steel realized that not agreeing to the state

government proposal on steel plant would jeopardize its lifeline of iron ore in Keonjhar besides negatively affecting its opportunity to access other captive mines in the state.

As a principle Tata Steel agreed to start a steel plant at Gopalpur just to pacify the Orissa government. During 1995-2000, the company made noises about high compensation being given to the evicted tribals and latter withheld the project on the pretext of protest from environmental and tribal groups. Of course, in the protest two women were killed in August 1997, but it is not clear who instigated local people to protest since they were being accommodated by the company in 'a state-of-the-art rehabilitation colony with electricity, medical facilities and technical training facilities'. Was tribal protest the main reason for abandoning this project? The most important reason for this was 'the tardiness of the railways in laying a critical track to transport iron ore from mines in the interior and the inability of the company to obtain environmental clearance for a crucial water storage project'³, besides the lack of interest on the part of Tatas to invest in Orissa, except mining.

After Gopalpur, the flip-flop of Tata Steel was seen in the case of Kalinga Nagar where the company had proposed to start a steel plant of 5–6 million tonnes capacity in November 2004. Following the killing of 13 tribal men and women that took place on 2nd January 2006, the proposed project is now withheld. The real reason of the protest is somewhat different. After the land acquisition for the proposed steel plant, the company should have constructed a boundary wall immediately. However, the company had passively allowed the local people to cultivate the lands and when the time came for reaping the harvest the company started the boundary wall. Tata Steel could have waited a few more months for building its wall after harvesting was over; rather it did the opposite. This was the real cause of that unfortunate incident and Tata Steel has used this as an excuse to say that it is interested in the plant but because of the tribal protest.

It should be remembered that even establishing a steel plant would not maximize the share of Orissa in the total value-addition as summarized in Figure-1. If a company engages in

³ Hindu (2005) 'Can Tata Steel pull it off?: Need to overcome various infrastructural and other disabilities', Monday, December 19.

both mining and steel making, Orissa actually would get just 20 per cent of total value-addition and just 17 per cent of total employment generation.

Double Standard of Tata Group

Tata group had shown double standard in their approach towards development in Orissa vis-à-vis other states like West Bengal. This is explicit in their response to the protest and killing that took place in Kalinga Nagar and Singur. In the case of Singur an 18-year-old woman was raped and killed in a land acquired for the Tata car plant and this incident led to a series of protest in the state. On the Singur issue, Ratan Tata himself came forward to say that the incident was unfortunate but he was 'not going to pull out the small car factory project from Singur, come what may'.⁴ Whereas in the case of Kalinga Nagar, where as many as 13 people were killed for protesting the land acquisition by Tata Steel, the company kept silence on the incident and after public outcry one employee of the company came forward to refuse any responsibility in the matter. Tatas are happy to exploit minerals from Orissa over more than 110 years but now they are just showing a mirage of a steel plant to the state with little contribution to local value-addition. In spite of informal assurance of land allotment by the Orissa Chief Minister for car factory, the exploitative Tata said no to its 'married' state. On the contrary, the Tatas are highly excited to put the top value-added activities like car-making factory in West Bengal. How romantic is Tata Steel for Orissa is clearly visible. This suggests that in the romance of Tata Steel, Orissa is not more than a source of raw materials and after exhausting the minerals the company would be leaving its deep love in the form of waste lands created due to mining, water and air pollution, displacement, and other socio-environmental costs. But the unmarried state West Bengal fits well for a high value-added activity like the car factory by the Tatas.

Are Minerals National Properties?

For a very long time it has been conveyed to the mineral-rich states like Orissa that minerals are national properties. And that they should not object to mining in their region (which, of course, has led to irreparable loss to their environments and livelihood) and shifting

⁴ Times of India (2006) 'Ratan Tata stokes Singur fire', December 28.

of these resources to other non-mining states for high value-added activities. It is clearly a double standard that intellectuals from states like West Bengal have been promulgating in India since Independence. They expect that minerals should be mined in states like Orissa, even if that destroys Orissa's forests, leads to dislocation of large number of tribals and contributing a miniscule portion of value-addition. Since Bengalis are our national brothers and sisters they should get high-paid industries with high value-added activities arising out of mineral sector and that Calcutta/Haldia port should be the only medium of international trade for these mineral resources. This phenomenon has been occurring in actual practice for a long period.

It is high time that one questioned the basic premise that minerals are national properties. Who has allowed one section of Indians with rich mineral resources to get only destruction while other Indians based in non-mining states to enjoy the maximum benefits in the name of national properties and without bearing any social costs of mining. The notion of national properties as visualized in framing the Constitution was not meant to benefit one state at the cost of another. The idea was to ensure a balanced regional development in which each state in India can industrialize around its local resources and comparative advantages so that the country as a whole would benefit. Mineral rich states like Orissa, therefore, should have a significant proportion of value-chains that their minerals permit and states like West Bengal can grow around their education and other services activities. The hypocritical proposition that minerals are national properties has to be examined in this context and mineral rich states have to resist the attempt of other states to take most of the value-addition that their mineral permits. Otherwise, states like Orissa with its huge population of tribals and historical backblock of illiteracy, poverty and malnutrition are bound to push downward in the darkness if high value-addition does not take place from exploiting their exhaustible natural resources. It should be noted that in mineral-rich states like Orissa, the percentage of landless households in rural area has increased alarmingly to 38.36 per cent in 1999-2000 from just 4.53 per cent in 1953-54 (as per NSSO data), apparently one major factor being displacement due to mining activities.

It is a well known fact that in a federal form of government, states compete between themselves for getting more from the federal resources and there is no feeling of brotherhood in that. Noted Oriya economist, Keshab Das, had shown that how the federal politics and state-

centric vested interests of Indian politicians have undermined the vital infrastructure of Orissa like the development of port facilities at Paradeep and the proposed railway lines since 1960s and thus have contributed to the chronic underdevelopment of the state (Box-2). As compared to Orissa, other states like West Bengal and Bihar have seen tremendous expansion in their railway connectivity and resources that could have come to Orissa, has not been blocked/usurped by politicians and bureaucrats belonging to these states. Such was the vested interest of regional politicians in India that Orissa does not have a Central university in spite of being having one of lowest literacy rates in India thanks to the regional attitude of our national politicians who tend to concentrate national institutions and universities in their own states⁵ (Box-3). When the federal resources are not national resources based on economic rationale of balanced regional development and get mostly manipulated by dominant regional politicians, how can minerals be national properties?

Box-2 Undermining Orissa's Port and Railway Infrastructure

The mineral rich state Orissa would have been one of India's most developed states had its exhaustible mineral resources were exploited properly with emphasis on high value-addition at the local level but was not possible in the past and even now because of lack of transport infrastructure, mainly, the missing railway links and underdeveloped port facilities. The most important reason for these underdeveloped transport linkages was 'stealing of resources' that Orissa would have received based on purely economic criterion by politician of other Indian states through federal politics.

Since 1948 many technical and consultancy committees some of them being instituted by the Government of India like the Port (Technical) Committee (1948), Central Water-Power, Irrigation and Navigation Commission (CWINC), French Group of Consulting Engineers (1951), Japanese Group of Engineers (1956), etc, have invariably supported the need to develop Paradeep as a deep-sea port. Paradeep was found to be the best alternative to the Haldia port in West Bengal and Vishakhapatnam in Andhra Pradesh for developing industry and trade from Orissa and neighboring states like Bihar and to solve the growing congestion in latter two ports.

The Central government did not pay heed to these suggestions due to the pressures of politicians from Andhra Pradesh and West Bengal and the proposal by the Japanese group to build the Paradeep port was flatly rejected. The central government told Japanese to invest their resources in expanding the port facilities at Vishakhapatnam. Since the Japanese companies were interested in exploiting Orissa's iron ores, the rejection of their Paradeep proposal could also be partly prompted by the interests of companies like Tata Steel. This was a golden opportunity that was being denied to Orissa to benefit immensely from Japanese investment that was motivated to do high-value addition at the local level besides contributing to the local infrastructure. Self-satisfying Orissa politicians who were never active at the Centre could not stand for the welfare of their own state, whereas Bengali and Telugu politicians

⁵ Chitta Baral (2007) 'Central university as development pill', *Indian Express*, January 20.

understood that development of Paradeep meant loss of export and import activities based on Orissa's natural resources.

Only in 1965 that the Central government came forward and took over the port but federal politics did not allow development of Paradeep to its full potentials. Without developing Paradeep, after two years the Central government shamelessly asked the Orissa state to refund the loan of Rs. 15.69 crore that it had extended for the construction of the port. Even now Paradeep has only three general cargo berths in the place of 19 as proposed in 1960s and not a single multipurpose berth as compared to 27 of Calcutta port and 12 of Vishakhapatnam.

In spite of being kept underdeveloped Paradeep has emerged as an important port in India. It has handled traffic of about 21.95 million tones (mt) in 2004 as compared to 6.35 mt at Kolkata port, 26.44 mt at Haldia port and 36.21 mt at Visakhapatnam. The average pre-berthing detention at Paradeep is just 1.68 hours as compared to 6.05 hours at Haldia port, 0.96 hours at Visakhapatnam port. Percentage of time lost at berth at Paradeep is 3.46 days, which is not a great disadvantage when compared to 4.16 days at Kolkata port, 3.02 days at Haldia port and 3.25 days at Visakhapatnam port. The average output per ship berth day of Paradeep port is 10797 tonnes much higher than that of Haldia port at 8091 tonnes, Kolkata port at 3127 tonnes but lower in comparison to that of Visakhapatnam at 11663 tonnes. With all its infrastructural bottlenecks that Paradeep port is suffering on account of federal discrimination, it is still generating an operating surplus of Rs. 200 crore which is an impressive performance in relation to Rs. 282.89 crore of Kolkata port (including Haldia port) and Rs. 233 crore of Visakhapatnam port.

Notwithstanding its potential the Central government led by politicians of other states and bureaucracy often led by other state officials are still constantly discriminating against this port (Paradeep) so as to develop other ports like Haldia and Visakhapatnam. Since iron ores and coal constitute about 31.5 per cent of cargo traffic at Indian ports (which could be very high if one takes the share of manufactured products produced based on these raw materials), politicians from other Indian states are not allowing Paradeep to develop as a major sea port in India. This is clearly visible in the port-wise investment allocation done by the Department of Shipping under the 10th Plan, under which the Department has completed the replacement of 2 Ship Loaders at Haldia Dock Complex with an investment of Rs. 22.33 crore and the construction of a multipurpose Berth for 4A at Haldia port adding a capacity of 1.5 MTPA during 2003-04. The Department has allocated funds to complete the construction of multipurpose berth at WQ7 (capacity addition of 1 MTPA) and construction of East 175.00 quay on BOT basis (capacity addition of 2 MTPA) in Visakhapatnam Port.

However, despite its significant improvement in performance like output per day per berth and in lessening the turnaround time and pre-berthing detention of vessels, Paradeep has not attracted any major investment by the centre. It looks like the Department of Port is hell bent on making this port once again sick by increasing its infrastructural bottlenecks as compared to other ports and thus justifying not allocating any fresh investment for it and shifting resources to other competing ports.

Apart from not showing any interest in developing the Paradeep port, the politicians of other states did not allow any new railway lines to link mining areas in Orissa to Paradeep port evidently for the cause of Haldia port. In spite of economic viability and possible high returns from the proposed rail-links from Bansapani, Malangtoli, Joruri, Keonjhar and Barbli each to Paradeep, these lines were resisted by

the South Eastern Railways dominated by Bengali officials. Even in the Inter-Ministerial meeting on March 31, 1971, the representative of the railway ministry said that the railway line from Jakhapura to Bansapani was not worth investing referring to the case of the existing rail link from Jakhapura to Haldia.

The most glaring example of delaying the development of railway lines in Orissa by South Eastern Railway (SER) based in Kolkata has again come to the fore very recently. In the case of submission of survey report on the viability of the proposed Keonjhar-Badampahar railway line that the Indian Railway Minister declared on 26th February 2005, the SER tried its best to delay the report submission to the Central Railway Board (CRB). It was reported in Oriya newspapers like the *Sambad* that even after the Chandrasekharpur Division had submitted its report sometime in February 2006, the Bengali officials working at the Head Office of the SER at Kolkata did not send the report to the CRB despite repeated reminders from the Centre. This new railway line is apparently highly remunerative and that can have negative impact on the transportation of minerals from Orissa to Haldia, by its diversion to Dhamara port.

In this way states like West Bengal and Andhra Pradesh for their narrow economic gains had actively kept Orissa deprived of its development. This is how they interpret the meaning of national development and the voiceless Oriya politicians did not have any courage to fight for the cause of their own mother-land.

Source: Based on (i) Keshab Das (2006) 'Underdevelopment by Design? Undermining Vital Infrastructure in Orissa,' *Economic and Political Weekly*, 41 (7); (ii) *Sambad*, July, 2006; (iii) Department of Shipping (2005) *Annual Report 2004-05*, Government of India, New Delhi.

Box-3 Undermining Orissa's Scientific and Educational Progress

In the case of higher education and technical education Orissa has been ignored of its due during the last 60 years of Independence. Even after being predominantly tribal and having large concentration of illiterate population, Orissa has not got any substantial support from the Central government for higher technical and general education. In spite of repeated representation, Orissa has not got a Central University (CU) whereas so many other Indian states have them including smaller states like Assam (2), Nagaland, Mizoram, and Meghalaya. Neighbouring states like Andhra Pradesh have got two central universities (Hyderabad University; Maulana Azad National Urdu University) and five deemed universities, most of them being funded by the Ministry of Human Resource Development. West Bengal has got a Central University and two deemed universities along with a host of other national institutes like Indian Statistical Institute, Indian Institute of Technology (Kharagpur), Indian Institute of Management (Calcutta), etc.

How the narrow regional-minded national leaders of India have been constantly ignoring the necessity of a backward state like Orissa to have facilities for higher education can be seen from two recent incidents. The first was the announcement of the Ministry of Human Resource Development (MHRD) to set up four National Institutes of Science at Chennai, Bhubaneswar, Pune and Allahabad on 9th December 2003. The Joint Secretary of the University Grants Commission on 2nd March 2004

again reiterated to the press that the modalities were being worked out for setting up these Institutes at the said locations⁶. In September 2005, the Prime Minister Dr. Manmohan Singh, without having any regard for Orissa, had shifted the proposed IIS from Bhubaneswar to Calcutta in the form of Indian Institute of Science Education and Research (IISER), understandably due to Bengali lobbies. After vocal public reactions in Orissa, Dr. Manmohan Singh was forced to lay the foundation for the National Institute of Science Education and Research (NISER) on August 28, 2006 at Bhubaneswar. However, it is not clear as to why the NISER in Orissa was kept under the Department of Atomic Energy whereas IISER under the MHRD.

The second is the case of the proposed Indian Institute of Technology (IIT) in Orissa. Union minister of state for HRD MAA Fatmi had mentioned in August 2006 that the MHRD was planning to include one IIT for Orissa in 11th Five Year Plan whereas one IIT, one Indian Institute of Information Technology (IIIT), and one central university (up-gradation of one existing university) for Bihar⁷. However, the Central government has again shown its irresponsible behavior and the IIT originally meant for Orissa is now being considered to be shifted to Andhra Pradesh⁸. As we all know that Andhra Pradesh has been a centre of India's innovation activities with large scale funding being propelled by the Central government since Independence. It hosts the Defence Electronics Research Laboratory under Defence Research and Development Organisation, Advanced Numerical Research & Analysis Group, Centre for DNA finger printing and diagnostics, Defence Metallurgical Research Laboratory, Defence Research & Development Laboratory, Indian Institute for Chemical Technology, Bharat Heavy Electricals Limited, Central Institute of English and Foreign Languages, Bharat Dynamics Limited, Centre for Cellular and Molecular Biology, Electronics Corporation of India Limited, International Crops Research Institute for the Semi-Arid Tropics, Indian National Centre for Ocean Information Systems, National Remote Sensing Agency, India's Satellite Monitoring Station, Nuclear Fuel Complex, National Institute of Fashion Technology, National Institute of Rural Development, Sardar Vallabhbhai Patel National Police Academy, National Academy of Agricultural Research Management, National Research Centre for Oil Palm, National Institute of Nutrition, National Institute of Technology, Hindustan Shipyard Limited, etc., besides so many universities and one Central University. What is the justification that the Central government has got to locate an IIT there overriding the need of an underdeveloped state like Orissa?

These incidents vividly show how the Central government, dominated by active and aggressive politicians of other states, is not allowing the development of Orissa.

The discrimination against Orissa in India has been quite serious and other states' politicians have completely undermined Orissa's development through federal politics. It also shows that the representatives of Orissa people are failing to keep the legitimate developmental rights of the state. Taking advantage of Oriya people's soberness and in-capability, these narrow-

⁶ Hindu (2004) 'Modalities being worked out for National Institute of Science', March 03.

⁷ Times of India (2006) 'PU may finally get Central varsity status', August 29.

⁸ Telegraph (2007) 'Cry to end higher education divide', February 01; *Hindustan Times* (2007) 'IITs fuel political passions', February 9.

mind national politicians are bent on exploiting an otherwise underdeveloped state. One can recall how the Prime Minister of India Dr. Manmohan Singh has seriously advocated for the establishment of the Tata car plant as a way for industrialization of West Bengal after the Singur protest whereas he did not utter a single word after the large scale killings at Kalinga Nagar. When Orissa gets exploited for her minerals for peanut of value-addition in the name of national properties over more than 60 years during the pre-Independence period and over 50 years during the post-Independence period leading to the creation of crores of rupees of value-addition and employment elsewhere nobody has reminded that Orissa needs to industrialize. But when a group of Oriya Members of Parliament (MPs) went to ask for more funds for an Indian state, the honourable Prime Minister reminds that 'money does not grow on trees'. This clearly shows that each Indian state has to initiate its own development, especially when politicians from that state are not powerful and dominating at the Centre.

Conclusion

Oriyas worship their state as motherland in the name of 'Utkala Janani'. Should we allow a corporate entity like Tata, whose only objective is exploitation, to romance with our mother-state? How dare a company say that it has married an Indian state? It is a matter of economics that all lease granted to Tata Steel has to be reviewed and withdrawn irrespective of the financial cost they may entail. These losses can be compensated by allowing other interested players to mine and contribute meaningfully to the local value-addition. The proposal to build just a steel plant is not enough, they should also go for semi-fabrication, fabrication and product assembly. As Orissa itself now possesses two port facilities at Paradeep and Dhamara, it is in the interest of state that export and imports of mineral resources should not be allowed to go through Haldia/Vishakhapatnam port. This can informally be enforced on the companies that are enjoying mining lease in Orissa. We should not allow corporates like Tata Steel to simply exploit and loot our natural resources unless it helps in the development of the local economy and establish plant for higher value-added activities.

It is most unfortunate that Orissa is being ruined by federal politics, undermining its self-dignity and respect. In this context, all Oriya politicians should show courage and rise above all political considerations to defend the interest of the state. They should ensure that

Orissa not only gets an IIT but a Central University, development of Paradeep port, new railway lines, etc. If Oriya politicians will not do anything today then the history will remember them as the most coward race in India and that they were the main reason of Orissa's chronic underdevelopment. It is also unfortunate that Oriya intellectuals get active only when the Central government declares something for Orissa and later backtrack on that promise. This we have been witnessed with the recent raising of issues concerning setting up of the IISc and IIT. So the strategy of Orissa people has been largely defensive not proactive. It is important that Orissa should demand what it wants from the central government than depend upon the wishes of the Centre.

The role of research in identifying the deprivations and neglects of Orissa and then passing on that information to the Oriya politicians to argue at the national level is seriously warranted. States that have done good homework with academic studies to back their claims can only get more resources in a federal set-up than the other states. It is sad to note that academicians working in Utkal University or the local ICSSR institution like the Nabakrushna Chaudhury Centre for Development Studies have not been undertaking any development policy relevant research in the state; it seems that Orissa is now devoid of support from its intellectual capital.

The state of Orissa has lost its precious 50 years since Independence to properly exploit its minerals and to get its due share from the federal resources. It is important that the state should not again be made to lose its development by federal politics. In the backdrop of snatching of national institutes meant for Orissa by other states, Oriya people must forget their politeness for the larger interests of their state, no matter if that leads to strong confrontation with the Central government.

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