

The Great Indian Land Grab

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June 2011

Acknowledgement

Nizni Hans, Manu Shanker & Mukesh Ray
Research Assistance, previous edition (Corporate Hijack of Land 2007)

Jens (Cover Image)
Urban Narratives for maps based on government data.

Published by:

NAVDANYA

A-60, Hauz Khas, New Delhi-110016, INDIA

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Printed by:

Systems Vision

A-199, Okhla Industrial Area-I, New Delhi-110020

E-mail: systemsvision@gmail.com

Dedicated to the peasants of
India who led the first movement
of freedom 150 years ago and
are rising once again to defend
their land and freedom.

Charter for Land Sovereignty*

(Bhu Swaraj)

1. Land is the basis of our sustenance. It is a sacred trust for human sustenance and long-term survival.
2. Land is not a commodity, which can be bought and sold at will in a market driven by speculative finance, which allows corporate capital to dispossess small peasants of their land and become the new zamindars (landlords)
3. Land must belong to those who till it, tend it and nurse it and for whom it is a source of sustenance. And not to those for whom it is a means of accumulating wealth and speculative gain or object of luxury resort and idle pastime.
4. Ensuring Livelihood Security and Food Security must receive over-riding priority in determining land use pattern. Diversion and destruction of fertile agricultural land for industry, housing or entertainment of the affluent must be banned.
5. Legal Ceilings on ownership and holding of agricultural land, urban land, land for mining must be restored to the original levels and enforced strictly so as to prevent the land grab by corporate capital and dispossession of peasantry in rural areas and displacement of the poor in urban areas.
6. Where private companies are allowed, in exceptional circumstances, to have access to land beyond prescribed ceiling, farmers must retain the ownership of the land and projects must be evolved in full transparency, with full democratic participation at the level of the Gram Sabha and with informed consent of the affected people in regard to the terms of such arrangement including compensation and benefit sharing.
7. The Land Acquisition Act of 1894 has become the instrument of corporate land-grab and commodification of land. The Land Acquisition Act must be amended to ensure that:
 - Government does not acquire land for private companies;
 - Land Acquisition serves the public purpose which should be defined to mean those purposes by which government will bring into effect the Directive Principles of State Policy under the Constitution;
 - Land acquisition
 - ◆ is based on transparent, informed, democratic process ;
 - ◆ is carried out with the consent of the representative bodies such as Gram Sabha;
 - ◆ is preceded by a statutorily established procedure which will ensure open and thorough examination by independent experts and peoples' representatives of all aspects including:

*Adopted at the National Conference on Land Sovereignty on August 18, 2007 organised by Bhu Swaraj Movement, chaired by late V.P. Singh, former Prime Minister of India and co-convened by S.P. Shukla, former Ambassador to GATT and Dr. Vandana Shiva, Founder Director, Navdanya.

- a. the availability of least displacing alternatives;
 - b. the minimal area requirement for a given purpose;
 - c. the assessment of the economic and social impact on all the affected categories of persons including landless labourers and cattle grazers besides the owners of the land; and
 - d. the environmental impact.
- Where land is acquired through public consent for public purpose, the precondition of such acquisition should be that dispossessed must be given land for land or failing that a compensatory package which should fully take into account the replacement value of land acquired, the compensation for the loss of livelihood and economic security, and the trauma of displacement.
 - Where forest or government land is acquired for industrial or mining purposes, all those traditionally dependent on such lands including especially the adivasis and dalits must be compensated for their loss of livelihood, economic security and habitat and the trauma of displacement. Determination and implementation of such compensation must be a precondition of such displacement.
8. There is no justification for the SEZ Act. Western European countries, USA, Japan and many other developing countries achieved growth without such a draconian, thoughtless and pro-corporate capital legislation. In China where it is considered to have unleashed growth, the land is not transferred to the corporates and continues to vest in the state and the total number of such SEZs is only six. India has reached the present stage of development without it. The SEZ Act is anti-peasantry, anti-rural poor, anti-labour and anti-environment. It will also be a huge drain on the public exchequer.

It is pro-big companies, pro-rich and pro-speculative finance capital. At best, it is intended to create islands of affluence for the benefit of a handful of rich, with no social, financial and legal accountability. At worst, it would end up in unprecedented speculation in land and real estate, only benefiting indigenous and foreign speculative finance capital. The SEZ Act must be scrapped lock, stock and barrel.

9. The use of violence by the state to forcefully appropriate the land of farmers has no place in a democracy and is violative of the fundamental rights of citizens guaranteed in the Constitution.



Land Wars and the Great Land Grab

“The Earth upon which the sea, and the rivers and waters, upon which food and the tribes of man have arisen, upon which this breathing, moving life exists”

– Prithvi Sukta, Atharva Veda.

Land is life. It is the basis of livelihoods for peasants & indigenous people across the Third World and is also becoming the most vital asset in the global economy. As the resource demands of globalization increase, land has emerged as a key site of conflict. In India, 65 percent of the people are dependent on land. At the same time a global economy, driven by speculative finance and limitless consumerism, needs the land for mining and industry, for towns, highways, and biofuel plantations. The speculative economy of global finance is hundreds of times larger than the value of real goods and services produced in the world. Financial capital is hungry for investments and returns on investments. It must commodify everything on the planet – land and water, plants and genes, microbes and mammals. The commodification of land is fueling the corporate land grab in India, both through the creation of Special Economic Zones and through foreign direct investment in real estate.

Land, for most people in the world, is Terra Madre, Mother Earth, Bhoomi, Dharti Ma. The land is people’s identity; it is the ground of culture and economy. The bond with the land is a bond with Bhoomi, our Earth. 75% of the people in the Third World live on the land and are supported by the land. The Earth is the biggest employer on the planet. 75% of the wealth of the people of the south is in land.

Colonization was based on the violent take over of land. And now, globalization as recolonisation is leading to a massive land grab in India, in Africa, in Latin America. Land is being grabbed for speculative investment, for speculative urban sprawl, for mines and factories, for highways and expressways. Land is being grabbed from farmers after trapping them in debt and pushing them to suicide.

In India, land grab is facilitated by the toxic mixture of a colonial Land Acquisition Act of 1894, the deregulation of investments, and commerce through neo-liberal policies, and with it the emergence of the rule of uncontrolled greed and exploitation. It is facilitated by the creation of a police state and the use of colonial sedition laws which define defense of the public interest and national interest as anti-national.

The World Bank has worked for many years to commodify land. The 1991 World Bank structural adjustment reversed land reform, deregulated mining, roads, ports. While the laws of independent India to keep land in the hands of the tiller were reversed, the 1894 Land Acquisition Act was untouched.

Thus the state could forcibly acquire the land from the peasants and tribals and hand it over to private speculators, real estate corporations, mining companies and industry.

Across the length and breadth of India, from Bhatta in Uttar Pradesh to Jagatsinghpur in Orissa to Jaitapur in Maharashtra, the government has declared war on our farmers, our annadatas, in order to grab their fertile farmland.

Their instrument is the colonial Land Acquisition Act of 1984 used by foreign rulers against Indian citizens. The government is behaving as the foreign rulers did, appropriating land through violence for the profits of corporations- JP in UP for the Yamuna expressway, POSCO for Orissa and AREVA French company in Jaitapur, land grab for private profits and not for public purpose by any stretch of imagination is rampant in the country today.

These land wars have serious consequences for our democracy, our peace and our ecology, our food security and the rural livelihoods. The land wars must stop if India is to survive ecologically, democratically and as a civilisation.

While the Orissa government prepares to take over land of people in Jagatsinghpur, who have been involved in a democratic struggle against land acquisition since 2005, Rahul Gandhi makes it known that in a similar case in Bhatta UP he stands against forceful land acquisition. The Minister of Environment Mr. Jairam Ramesh admitted that he gave the green signal to pass the POSCO project under great pressure. One may ask pressure from whom? This visible double standards when it comes to the land question in the country must stop.

In Bhatta Parsual Greater Noida (UP) about 6000 acres land is being acquired by infrastructure company Jaiprakash Associates to build luxury townships and sports cities, including a Formula 1 race track, in the garb of building the Yamuna Expressway. In total the land of 1225 villages is to be acquired for the Express Way. The farmers have been protesting this unjust land acquisition and last week 4 people have died and many have been injured during a clash between the protestors and the police on May 7, 2011. If the government continues its land wars in the heart of India's bread basket their will be no chance for peace.

In any case, money cannot compensate for the alienation of land. As 80 year Parshuram who lost his land for the Yamuna Expressway said "you will never understand how it feels to become landless" (quoted in Road to Disaster, Down to Earth, June 1 – 15, 2011, p.39).

While land has been taken from farmers at Rs. 300/sq.meter by Government using the Land Acquisition Act, it is sold by developers at Rs. 600,000/sq.metre – a 200,000% increase in price and hence profits. This land grab and the profits contribute to poverty, dispossession and conflicts.

Similarly in Jaitapur, Maharashtra police opened fire on peaceful protestors demonstrating against the proposed Nuclear Power Park at Jaitapur, Ratnagiri, Maharashtra. One person died and about 8 were seriously injured on 18th of April 2011 when this incidence took place. The Jaitapur nuclear plant will be the biggest in the world and is being built by the French company AREVA. After the Fukushima disaster the protest has intensified as has the governments stubbornness.

Today a similar situation is brewing in Jagatsinghpur Orissa where 20 battalions have been deployed to assist in the anti-constitutional land acquisition to protect the stake of India's largest FDI – the POSCO Steel project. The government has set the target of destroying 40 betel farms a day to facilitate the land grab. The betel farms bring the farmers an earning of rupees 4 lacs an acre. The Anti POSCO movement in its 5 years of peaceful protest has faced state violence numerous time and now is gearing up for another perhaps final non-violent and democratic resistance against a state using violence for its undemocratic land grab for corporate profits, overlooking due-process and constitutional rights of the people.

The largest democracy of the world is destroying its democratic fabric through the land wars. While the constitution recognizes the rights of the people and the panchayts to democratically decided the issues of land and development the government is giving a goby to these democratic decision as is evident from the POSCO project where three panchayts have refused to give up their land. The use of violence and destruction of livelihoods that the current trend is reflecting is not only dangerous for the future of Indian democracy but the survival of the Indian nation state itself. Considering that today India may claim to be a growing or booming economy but yet is unable feed more that 40% of its children is matter of national shame. Land is not about building concrete jungles as proof of your growth and development but is the progenitor of food and water, a basic for human survival. It is thus clear what India needs today is not a land grab policy through an amended colonial land acquisition act but a land conservation policy which conserves our vital eco-systems such as the fertile Gangetic plan and coastal regions for their ecological functions and contribution to food security.

Handing over fertile land to private corporations who are becoming the new zamindars cannot be defined as public purpose. Creating multiple privatized super highways and expressways does not qualify as necessary infrastructure. The real infrastructure India needs is the ecological infrastructure for food security and water security. Burying our fertile food producing soils under concrete and factories is burying the country's future.

Dr Vandana Shiva

June 2011

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Land Grab through SEZs in India

INTRODUCTION

As the modern day parable goes, Special Economic Zones or SEZ were initiated in India in 2000 A.D when Murasoli Maran the then Union Minister for Commerce made a visit to China. Impressed by the performance of Guangdong Special Economic Zones, (SEZ) he made the concept a central part of the 2000 Exim Policy. Thus India initiated its SEZ policy and there has been no looking back ever since. This economic fairytale claims to have a happy ending with India slaying the dragon of “economic slump” and emerging as a country heading towards double digit growth. However the moot question remains, is this really a happily ever after for India and its people?

It is important to note at this point that India’s SEZs regime which claims to be inspired by the Chinese experience, has a very different story of origin. In China even though its leadership wanted to attract foreign direct investment the Communist Party could not agree on suspending labour laws and offering other concessions to foreign capital on its own “normal” sovereign territory. SEZs were seen as the way out of this contradiction. In India, SEZs are being established despite the fact that the Indian economy is greatly liberalized. Thus to give China the credit for such policy a would not be entirely accurate.

This so called China inspired revolutionary idea for economic growth which was touted as the panacea for the economic problems of India, is but an old scheme in a new guise.

On closer examination of the history and logic behind SEZs, one will realize that the seeds of such an instrument of land grab and acquisition by the Government for private benefits was sowed as far back as 1894, when the British colonial power felt the need to codify the forcible seizure of land through the notion of eminent domain and public purpose.

In independent India too the notion of SEZ as a tool of land acquisition for industry and capital in its current form is not a new one. Its earlier predecessors are better known to us as Export Processing Zone (EPZ), Free Trade Zone (FTZ) etc. The design of creating dedicated enclaves geared to the production of export oriented products enjoying attractive special incentives, thus is common both to the EPZ to the SEZ regime In India the first EPZ of Asia was set up in Kandla Gujarat as early as 1965. Thus in February 2006 the EPZ regime was merely replaced by the SEZ regime; the basic difference between a Special Economic Zone and Export Processing Zone is that while the former is an integrated and fully equipped township the later is a dedicated

area for intensive industrial activity. According to historian Sumit Sarkar¹ “this (SEZ) is liable to create one of the greatest land grabs in modern Indian history....India has never before witnessed the transfer of hundreds of thousands of hectares of agricultural land to private industry. Nor probably has any other developing country.”

It is clear today as we look at the land being appropriated to form these SEZs that it is the prime agricultural land, not wasteland, which is being acquired to make these SEZ. As pointed out by political analyst Praful Bidwai (2006), “India’s state governments are procuring farmland in coercive ways, at prices well below the prevailing market rates, and handing it over to promoters - including big business groups such as the Ambani brothers, the South Korean steel giant POSCO, the Tatas, Mahindras, Unitech and Sahara. They stand to make huge super-profits.” It then becomes imperative for us to understand the nuances of SEZ regime and its politics in a country which is suffering from massive food insecurity and where a large portion of the population is dependent on agriculture for its livelihood. The contradiction and contours that this economic policy draw on our country’s future and the magnitude of land grab that we are witnessing today needs to be brought to light if the future of the majority of India’s population has to be secured.

WHAT IS AN SEZ?

On April 1, 2000 when Murasoli Maran returned from China, existing Economic Processing Zones (EPZs) were converted into SEZs. Despite the elections in 2004 and a change in Government from the National Democratic Alliance to the UPA, supported by CPI (M) and left parties, the bill on SEZs got proposed and steered in the Parliament. On May 10, 2005 the bill was tabled in the parliament and was passed by both the houses, within 2 days, on May 12, 2005. No real discussions and debate took place in the parliament on such an important bill which would change the future of agriculture and its dependent population, the rural sector, the nature of land use, employment, urbanization and the entire social fabric of the country. The question then arises what did the parliament pass without debate? What is an SEZ?

A. SEZ Definition

According to the Government of India, Special Economic Zone (SEZ) is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs. Thus one can say that a SEZ is like a foreign territory within a country. The country is divided into two territories one of which is SEZ, earlier EPZ, and the other is ‘Domestic Tariff Areas (DTAs). The area outside of the SEZs is DTAs where the laws of the country will be applicable. On the other hand, in the SEZs the laws & courts of the country may be applicable only partially.

As described by the Government, “the Special Economic Zone Policy was intended to make SEZs an engine for economic growth, supported by quality infrastructure, complemented by an attractive fiscal package, both at the Centre and the State level, with the minimum possible regulations” (Government of India, 2009).

According to the website of the Government of India on SEZ (www.sezindia.nic.in) The SEZ Rules provide for:

“Simplified procedures for development, operation, and maintenance of the Special Economic Zones and for setting up units and conducting business in SEZs;

Single window clearance for setting up of an SEZ;

¹Praful Bidwai (2006), Special Economic Zone, Path to Massive Land, South Asian Citizen’s Web <http://www.sacw.net/article1045.html>

Single window clearance for setting up a unit in a Special Economic Zone;
 Single Window clearance on matters relating to Central as well as State Governments;
 Simplified compliance procedures and documentation with an emphasis on self certification”

The same website lists the incentives and facilities offered to the SEZs for attracting investments into the SEZs, including foreign investment include:

- “Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
- 100% Income Tax exemption on export income for SEZ units under Section 10AA of the Income Tax Act for first 5 years, 50% for next 5 years thereafter and 50% of the ploughed back export profit for next 5 years.
- Exemption from minimum alternate tax under section 115JB of the Income Tax Act.
- External commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.
- Exemption from Central Sales Tax.
- Exemption from Service Tax.
- Single window clearance for Central and State level approvals.
- Exemption from State sales tax and other levies as extended by the respective State Governments.

It also lists the major incentives and facilities available to SEZ developers include:

- Exemption from customs/excise duties for development of SEZs for authorized operations approved by the Board of Approval (BOA).
- Income Tax exemption on income derived from the business of development of the SEZ in a block of 10 years in 15 years under Section 80-IAB of the Income Tax Act.
- Exemption from minimum alternate tax under Section 115 JB of the Income Tax Act.
- Exemption from dividend distribution tax under Section 115O of the Income Tax Act.
- Exemption from Central Sales Tax (CST).
- Exemption from Service Tax (Section 7, 26 and Second Schedule of the SEZ Act).”

Even though Government Refers to Chinese Sezs, as the Model for India, there is a Lot of Differences Between Both of Them:

China	India
1. China’s SEZ initiative is government driven.	1. In India the private sector will develop most of them.
2. China has only 5 SEZ	2. The total number of SEZ in India is 580 and out of which 130 are operational.
3. They are strategically located in the southeast coastal area; three of them in Guangdong province, making them export friendly.	3. India is developing SEZ across the length and breath of the country. Land lock states like Haryana and Uttar Pradesh are also Developing SEZ
4. Chinese incentives differ from zone to zone and are based on the number of years of operation, use of advanced technologies, extent of exports and the type of activities indulged in.	4. India offers incentives across the board to all SEZs in every region of the country.
5. China’s SEZ initiative is linked to the opening up of its economy. It goes back to the 1980s when China was looking for a way to invite private and foreign investment.	5. India liberalized its market in 1990 thus the SEZ policy is just an aggressive manifestation of the private profit run economy.

B. Amendments in the SEZ Rules, 2006

The following important amendments have been made to the SEZ Rules, 2006:

- Prescribing minimum built up area for Bio-technology & Gem & Jewellery Sectors;
- Prescribing minimum processing area for Free Trade Warehousing Zone (FTWZ);
- Inclusion of specific provisions regarding grant of in-principle approval and its extension;
- Providing for a lease period of not less than five years as against the earlier provision of lease period being co-terminus with the validity of Letter of Approval;
- Stipulating the Upper limit of the area required for multi product SEZs at 5000 hectares, with the State Governments having the option to prescribe a lower limit;
- Revising the minimum processing area uniformly at 50% for multi-product SEZs as well as sector specific SEZs;
- Housing facilities to be provided to the SEZ employees by the developer;
- Type of land to be mentioned in the application form of SEZ;
- Reimbursement of duty in lieu of drawback for supply of goods to SEZ developers against Indian rupees;
- Term “vacant land” defined for the purpose of SEZs;
- Clubbing of contiguous existing notified Special Economic Zones notwithstanding that the total area of resultant Special Economic Zones exceeds 5000 hectares
- A number of other amendments to delegate powers and to simplify the procedure;
- SEZ Authority Rules, 2009 have been made for the smooth functioning of zones and SEZ Authority has been set up accordingly.
- Routing proposal for setting up of SEZ through DC, to facilitate developers and for better administrative efficiency.
- Including all the existing legislation/rules for generation, transmission and distribution of power. Prescribing a time limit of 10 years for constructing the minimum built up area prescribed under Rule 5.
- Adding a new provision that once SEZ is notified and becomes operational, the validity of Letter of Approval will continue as long as the SEZ remains notified.
- Prescribing various forms and procedure for smooth functioning.
- Making it mandatory to all the developers and units to use the online system for better monitoring as also better facilitation in respect of the users.
- Classifying Cities of the country
- Promoting IT/ITES SEZs in smaller cities of the country
- Allowing setting up of FTWZs without any minimum area requirement in the existing SEZs.
- Paving way for import of prohibited items by a unit in a Special Economic Zone or Developer of the Special Economic Zone from a place outside India to the Special Economic Zone with prior approval of the Board of Approval.
- Amending Annexure-II of Special Economic Zone Rules, 2006 to substitute the term “Apparel” mentioned in column (3) against Serial Number 3 of the Annexure by the words “Textiles and Articles of Textiles”.
- Enabling Board of Approval to extend validity of LoP of unit beyond 4th year
- Making validity of LoA of a co-developer of SEZ co-terminus with that of the developer.

Source: Ministry of Commerce Website

C. TYPES OF SEZ IN INDIA

There are two types of approvals of SEZs in India i.e., Formal approvals and In-principle approvals. Formal approvals are given only when the promoter has already acquired land to set up SEZ and an In-principle approval is given by Board of Approvals (BOA) when the promoter has given an assurance that he would acquire the necessary extent of land to set up the SEZ.

SEZs are generally classified based on the following:-

1. Multi-product SEZ: Here units may be set up for manufacture of goods/services falling in two or more different sectors, for trading and warehousing.
2. Sector specific SEZ: This zone would be exclusively for one or more products/services in a particular sector.
3. Port/Airport SEZ
4. Free Trading & Warehousing SEZ: This SEZ focuses on trading and warehousing. The objective of such a zone is to create trade related infrastructure to facilitate import & export and facilitate trade transactions in free currency. In a stand alone Free Trading and Warehousing Zone at least 50% of the area should be earmarked for developing processing area, free trading and warehousing for multi products.

Type of SEZ	Minimum area for states other than special category states		Minimum areas for special category states	
	Total area	Processing area	Total area	Processing area
Multi- product	1000 Hectares	35%	200 hectares	35%
One/more services	100 hectares	50 %	100 hectares	35 %
Sector specific/port/ airport	100 hectares	50 %	50 hectares	50 %
Electronic hardware & software or information technology enabled services	10 hectares with minimum built up area of one lakh sq.metre	50%	10 hectares with minimum built up area of one lakh sq.metre	50%
Gems & jewellery	10 hectares with minimum built up area of 50 thousand sq.metre	50%	10 hectares with minimum built up area of 50 thousand sq.metre	50%
Bio-tech/non-conventional energy including solar energy equipments/cells	10 hectares (and minimum built up area of 1 lakh sq.mts for IT)	50%	10 hectares (and minimum built up area of 1 lakh sq.mts for IT)	50%
Free trade warehousing zone	40 hectares (min. built up area of 1 lakh sq. metres)	50%	40 hectares (min. built up area of 1 lakh sq. metres)	50%

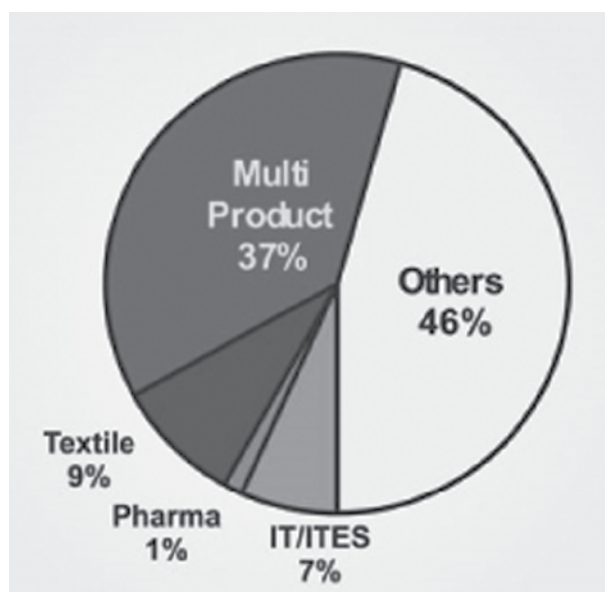
According to Ministry of Commerce, as of February 2010, formal approval has been accorded by states to 571 proposals out of which 348 SEZs have been notified. A total of 105 SEZs are already exporting. These 571 SEZs represent a total of 67680 hectares of land. The number has only risen since then.

State-wise Distribution of Approved Special Economic Zone

(As on 31.12.2010)

State	Formal Approvals	In-principle approvals	Notified SEZ	Operational SEZ
Andhra Pradesh	109	5	74	32
Chandigarh	2	0	2	1
Chattisgarh	2	2	0	0
Delhi	3	0	0	0
Dadra & Nagar Haveli	4	0	2	0
Goa	7	0	3	0
Gujarat	46	13	29	13
Haryana	45	17	34	3
Himachal Pradesh	0	3	0	0
Jharkhand	1	0	1	0
Karnataka	56	10	36	20
Kerala	28	0	17	7
Madhya Pradesh	14	7	6	1
Maharashtra	105	38	63	16
Nagaland	2	0	1	0
Orissa	11	3	6	1
Pondicherry	1	1	0	0
Punjab	8	7	2	0
Rajasthan	8	11	8	3
Tamil Nadu	70	19	57	22
Uttar Pradesh	33	5	20	6
Uttarankhand	3	0	2	0
West Bengal	22	14	11	5
Total	580	155	374	130

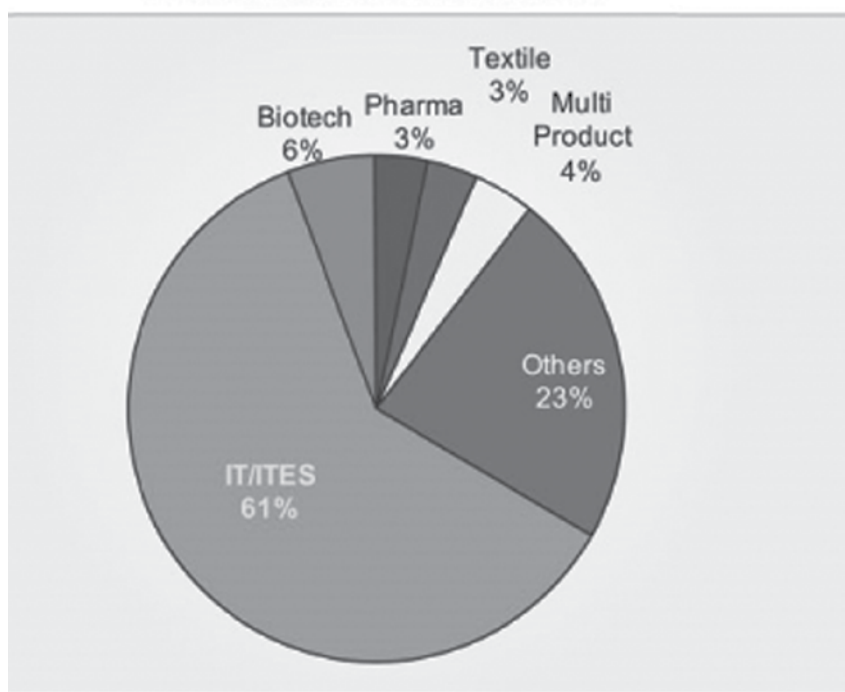
Source: Department of Commerce



Source: Department of Commerce

Website: http://commerce.nic.in/publications/annualreport_chapter5-2010-11.htm

Sector wise distribution of formal approvals



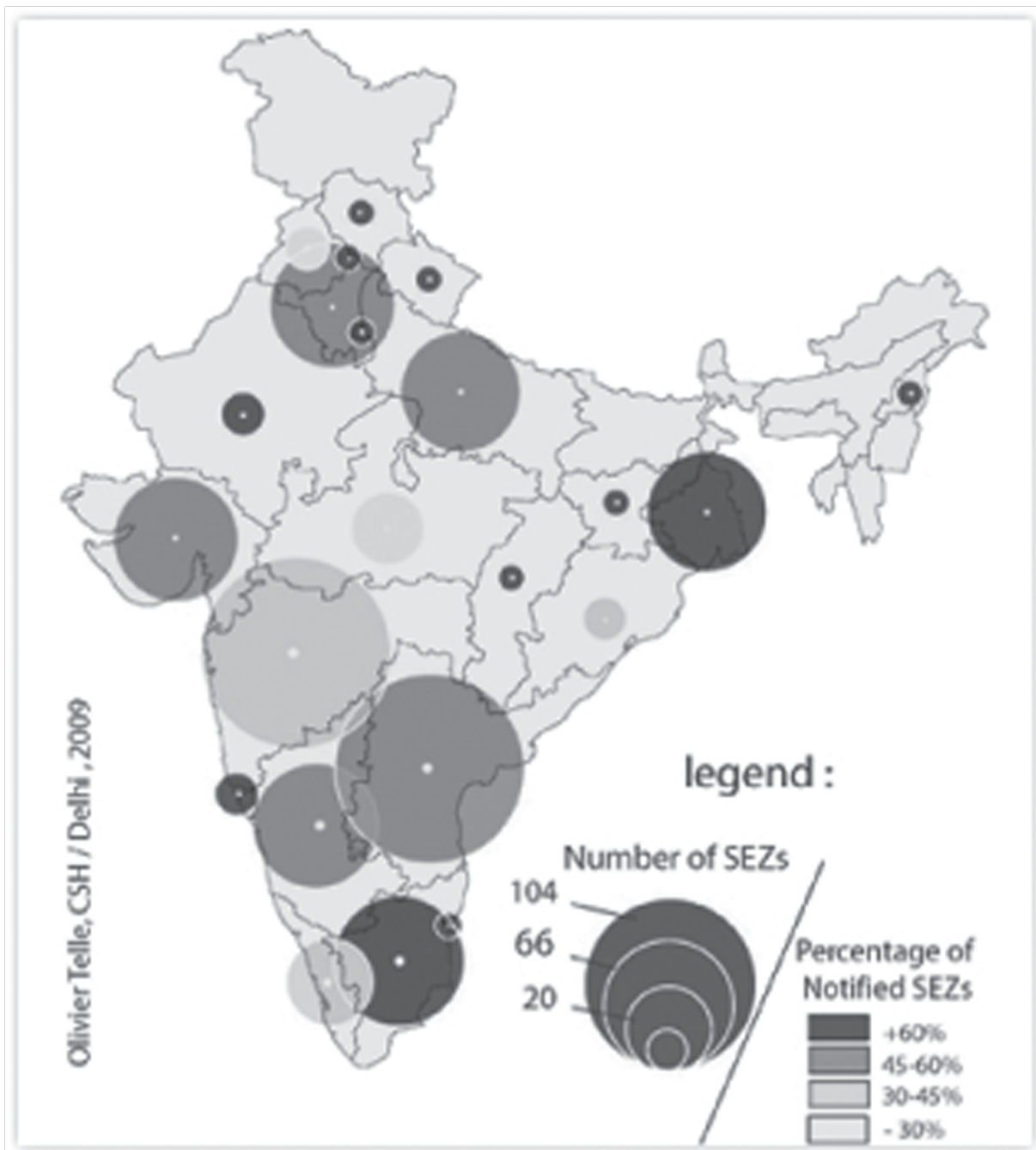
Source: Department of Commerce

(As on 31.12.2010)

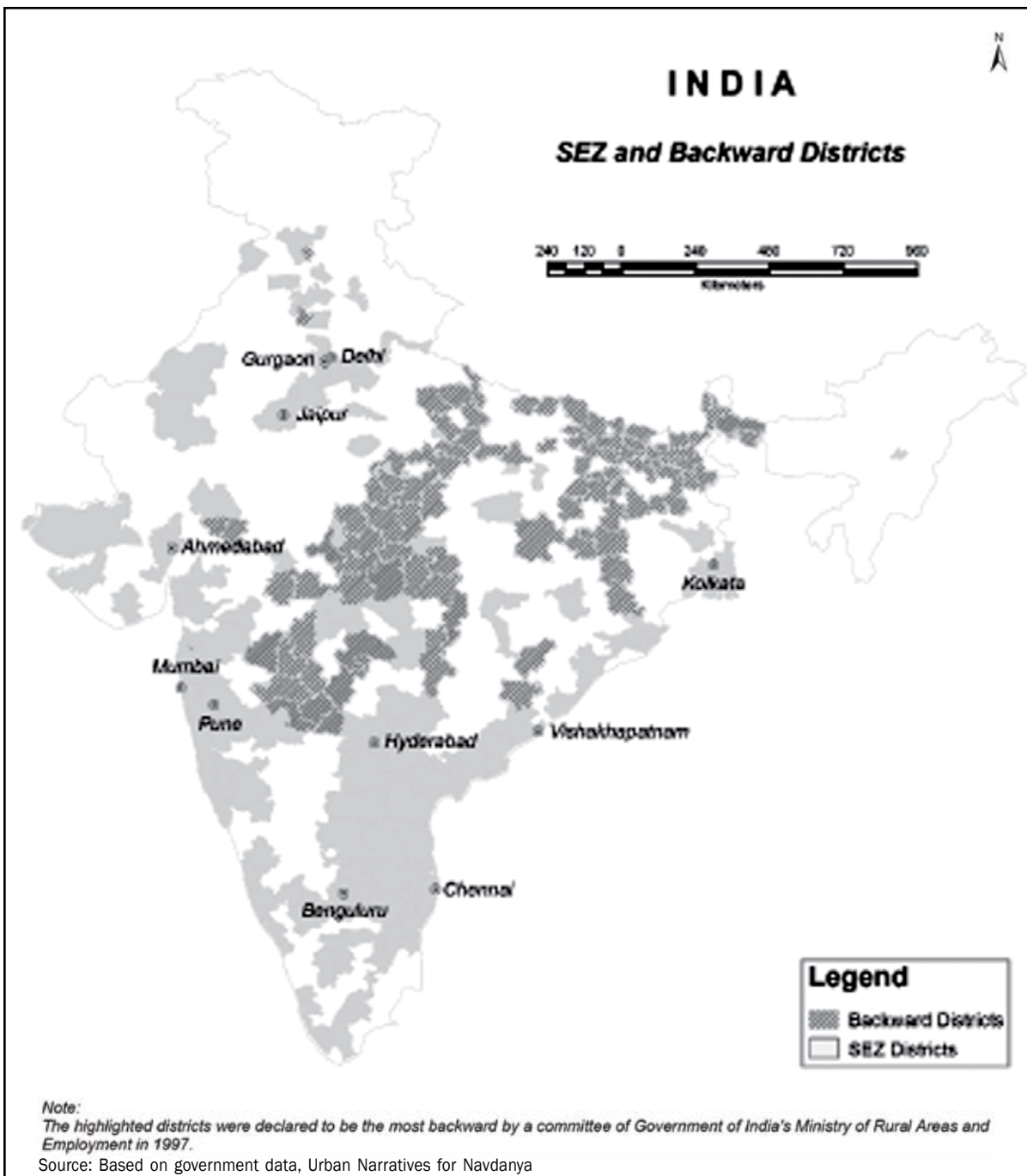
Sectors	Formal approvals	In-principle approvals	Notified SEZs
Agro	6	4	4
Airport based multiproduct	3	2	0
Auto and related	3	5	1
Aviation/ Aerospace	2	2	2
Beach & mineral/metals	2	0	2
Bio-tech	33	0	18
Building product/material	1	2	1
Electronic prod/ind	3	4	3
Engineering	22	10	16
Food Processing	5	2	4
Footwear/ Leather	7	2	5
FTWZ	11	10	6
Gems and Jewellery	12	4	6
Granite processing	1	0	1
Industries and other allied machinery/manufacturing			
Handicrafts	4	1	2

Sectors	Formal approvals	In-principle approvals	Notified SEZs
IT/ITES/ Electronic Hardware/ Semiconductor	353	11	233
Metal/Stain. Steel/Alum/ Foundary	11	6	5
Metallurgical Engineering	1	0	0
Multi-Product	23	55	15
Multi-Services/ Services	16	13	8
Non-Conventional Energy	5	0	4
Petrochemicals & petro.	4	0	2
Pharma/ chemicals	20	4	20
Plastic processing	0	2	0
Port-based multi-product	8	0	2
Power/ alternate energy/solar	3	2	1
Strategic Manufacturing	0	1	0
Textiles/ Apparel/Wool	19	13	12
Writing and printing paper mills	2	0	1
GRAND TOTAL	580	155	374

Source: Department of Commerce



A look at the map of the SEZ in India will make it clear that this vehicle of economic growth, touted as an economic panacea, is only booming in areas of India which are already economically thriving, that is the major cities of the country. The stated goal that they would bring “infrastructure and development” to “backward” areas is clearly not met and prime agriculture land rather than wasteland is being usurped by these SEZs. It then becomes important to examine the sub-text of SEZ policy and what it really aspires to do for the Indian economy and its people.



1.2 SEZs MYTHS AND REALITY

The year 2006 will go down in history as one in which India witnessed the launching of the Great Land Grab, involving the transfer of mind-boggling quantities of both agricultural and urban land to giant corporations. The year opened ominously - with the Kalinganagar firing in Orissa, killing 12 Adivasis protesting against the acquisition of their land at throwaway prices for the construction of a steel mill. It thus becomes important to understand the claims that this policy makes and how true are these claims. Let us look at the myths and realities of this policy which has been hailed as a panacea for India's economic development:

Myth One: SEZs Generates Employment

The Government of India has claimed 5 lakhs to 15 lakh jobs would be created in the next 4 years in various documents. In the case of Mumbai SEZ they have made absurd claims going as high as 25 lakh jobs, which is more than the total number of organized sector jobs created in the entire country in the 15 years of liberalization.

Reality: In April 2005, all the SEZs in the country combined were providing employment to a little over 1 lakh people. Even if the spurious claim of 25 lakh jobs cropping up in the years to come is taken to be true, that amounts to barely 0.5% of India's workforce, which is negligible. In addition, the sectoral approvals given to the SEZs so far are not labour-intensive, so will not result in many jobs being created.

Economist Aseem Srivastava² (2008), points out that "if we look at the Commerce Ministry figures we see that it is taking 33 lakhs of investment to create a single job in an SEZ. With the same kind of investment 10 to 50 times the jobs could be created through schemes like the NREGA".

India is an agro-based economy; then the real questions that one needs to ask vis-à-vis this claim is: are the SEZs in the interest of the farmers, agricultural and non-agricultural communities who are living off the land? Is the Land acquired in the name of "compelling and overriding national interest" really for the masses? Actually, in the name of 'development' we are only creating disparities with wealth being concentrated in a fewer hands; we are nowhere near making growth 'inclusive society' based on the concepts of sustainability, ecological sensitivity and an ingrained understanding of the cultural roots of a people.

Apart from the number of jobs, the employment generation claim does not take into account the loss of livelihood occurring by establishing these SEZs. If the SEZs were established as claimed on waste land they could make the claim of generating employment., but given the fact that agriculture land, forest and villages are being uprooted to establish these SEZs on all these counts, the employment generation claim falls short. The nature of jobs created by the SEZs would be that of skilled workers and not unskilled labourers which what this paradigm of displacement is creating. The farmers, farm workers being displaced are hardly going to be considered for anything other than casual labour and this does not include the many other rural workers such as artisans etc. who despite being displaced are not even considered eligible for employment in the SEZs.

Myth Two: SEZs Increase Export

Reality: According to Sriram Ananthanarayanan³ (2010) "while it is true that growth in exports is an important feature of economic growth within a neoliberal framework and the context of international trade and markets, SEZs have made minuscule contributions to exports. Even a good 4-5 years after the SEZ scheme was started in 2000, they barely accounted for 5% of exports in 2004-05 with foreign exchange earnings of Rs 18,309 crore [4.6 billion USD]. Even assuming that this trend will improve over the next few years, SEZs have had unit approvals overwhelmingly in the IT sector (nearly 45%), followed by multi-product (17.1%), pharma/biotech (8.2%) and textiles/apparel/footwear (7.7%). This domination by one industry in a country's export-promotion zones

²Shrivastava Aseem, SEZ: The Problem, Counter Current 2008
Website: <http://www.countercurrents.org/shrivastava190208.htm>

³Ananthanarayanan Sriram , New Mechanisms of Imperialism in India: The Special Economic Zones, Journal of Research Group on Socialism and Democracy, (2010)
Website: <http://sdonline.org/46/new-mechanisms-of-imperialism-in-india-the-special-economic-zones/>

narrows rather than diversifies exports from the country, making it vulnerable to the whims and fancies of international monopoly capital.”

He further states that “in India household consumption stands at 68% of the GDP, while in China, Europe and Japan it’s 38%, 58% and 55% respectively, which means that domestic consumption – and not exports – is still the key source of strength for India’s industrialisation. Given the massive domestic market in India, it is more stable for an industrialisation programme to focus on that. Furthermore, since goods flowing to and fro between the Domestic Tariff Area and the SEZ are considered exports and imports respectively, units are likely to set up operations in SEZs to avail of the incentives but just export to the Domestic Tariff Area, and not out of the country. This will only be counter-productive to the stated rationale of promoting real exports.”

Myth Three: SEZs Develop Infrastructure

Reality: According to Manshi Asher⁴ (2008) “The Comptroller Auditor General’s annual report reviewing the SEZ policy found that almost Rs 2000 crores worth of revenue losses were incurred as a result of the irregularities as well as provisions under the policy”. While the ‘development’ argument is repeated over and over again, the counter argument has been of regional imbalances and in the case of SEZs it is amply obvious that the developers are making a beeline for the areas that have enhanced infrastructure and are thus developed. Maharashtra, Gujarat and the southern states which are already advanced industrially for instance are where these SEZs are concentrated. Even within these states it’s the peripheries of urban centers, big towns and coastal areas whose resources are going to be sponged off by the SEZ developers.”

As seen in the table before, the SEZs have barely 50% mandated minimum processing area and in some cases upto 35% processing area that leaves the rest of the area at the discretion of the developer and authority to use as deemed necessary including real estate development. This will result in no real infrastructure development but only real estate growth and speculation. The reports to follow will further validate this point and show the land mafia is using the SEZs to carve up huge chunks of over-priced real estate. What is then likely to happen is the sprouting of gated islands of well-developed infrastructure to benefit only the upper class, which sucks up more resources. This has and will for the lead to land speculation spiralling out of control.

Myth Four: SEZs Increase the wealth of the nation

Reality: According to the Parliamentary Standing Committee’s 83rd report, presented in the Rajya Sabha in June 2007, the Ministry of Finance estimated a revenue loss of Rs 175,487 crore from tax holidays granted to SEZs, for the period 2004-05 to 2009-10. The finance ministry, which collated the tax filings of 410,451 companies (including SEZs) in 2009, found that there was a sharp increase in revenue foregone by the Government on account of certain exemptions – including accelerated depreciation, which shot up from Rs 7,396 crore in 2006-07 to Rs 12,946 crore in 2007-08, and further to Rs 14,344 crore in 2008-09.

The concerns of the Finance Ministry were corroborated by the Comptroller & Auditor General’s performance audit report tabled in Parliament in 2008. The CAG review brought out systemic as well as compliance weaknesses in relation to SEZs that caused revenue losses to the tune of Rs 246.72 crore. Furthermore, the CAG threw light on the absence of enabling provisions, resulting in Rs 1,724.67 crore of revenue foregone, or irrecoverable.

⁴Asher Manshi, Zone of Distress, Tehelka online
Website: http://www.tehelka.com/story_main40.asp?filename=Ws081108zone_distress.asp

More recently, in January 2010, the Central Board of Excise and Customs (CBEC) recommended an overhaul of the Special Economic Zone (SEZ) Act 2005, saying it had detected gross violations of duty and tax concessions causing it to suffer a revenue loss of Rs 175,000 crore to date.

Highlighting the gravity of the situation Sriram Ananthanarayanan⁵ states “the annual tax concessions envisaged originally in the SEZ proposals are 5 times the annual budget for National Rural Employment Guarantee Scheme. To put this number further in perspective, the allocations in the 2007-08 Budget for the Secondary Education allowance are Rs 3794 crore, for the Rajiv Gandhi National Drinking Water Mission is Rs 5850 crore, for the National Rural Health Mission is Rs 9947 crore, for the entire North-Eastern Region is Rs 14,365 crore, and for women’s development is Rs 22,282 crore.”

Myth Five: SEZs Provide Better working environment

Reality: Workers in SEZs are subjected to gross violations of their labour rights because of labor deregulation which leads to job insecurity, prevention from unionization, extensive, lack of benefits, unjust wages, and overtime without pay. Basic rights of the worker that are enshrined in India’s laws like the right to association, the right to fair and safe work, and the right to collectively bargain for better employment conditions are regularly overlooked in these zones.

1.3 SEZ, LAND GRAB AND ATTACK ON EARTH DEMOCRACY

Despite the huge rate of approval and establishment of SEZs, and thus their proclaimed success, the development of SEZs has faced considerable opposition. In some cases such as Goa and Raigarh Maharashtra they have even been stalled. The main cause of these public uproars has been revolving around the issue of land acquisition and eviction of previous owners, based on Land Acquisition Act of 1894 for “public purposes”. The invocation of “public purpose” for what are essentially private commercial ventures has been repeatedly questioned by people.

According to Rawat, Bushan and Surepally⁶ (2011) “popular resistance to SEZs also contests the whole development model that replaces farming on fertile agricultural land with autonomous, private industrial enclaves that mostly just provide jobs for urban skilled and semi-skilled workers. SEZs are charged with being a sop to corporate, rather than popular interests.”

The following section highlights and discusses the main threat the SEZ regime poses to people’s democracy and earth democracy. It will elucidate how even if the state authorities compensate previous owners for the value of land and dwellings, such compensation, even if paid in full, is inadequate compared to the loss of land and non-land assets, the loss of livelihood opportunities and the disruption to traditional rural life, thus an attack on the 5 swaraj’s (sovereignties). Seed Sovereignty (Beej Swaraj), Food Sovereignty (Anna Swaraj), Water Sovereignty (Jal Swaraj) and Land Sovereignty (Bhu Swaraj) which give rise to the concept of earth democracy practiced and promoted by Navdanya movement.

The SEZ regime is an attack on Indian democracy and sovereignty and threatens the freedom and sovereignty of people in the following manner:

⁵Ananthanarayanan Sriram, New Mechanisms of Imperialism in India: The Special Economic Zones, Journal of Research Group on Socialism and Democracy, (2010)

Website: <http://sdonline.org/46/new-mechanisms-of-imperialism-in-india-the-special-economic-zones/>

⁶Rawat Bhushan Vidya, Bhushan Bharath Mamidi, Surepally Sujatha, Report The impact of Special Economic Zones in India: A case study of Polepally SEZ, (January 2011)

Website: http://www.indiaenvironmentportal.org.in/files/WEB_SDF_India_final_layout.pdf

Threat to Bhū Swaraj (Land Sovereignty)

Available figures indicate that large-scale diversion of agriculture land has been going on for more than a decade. At present, a little over 46 percent of the country's area is cultivated⁷. As per the Ministry of Agriculture, between 1990 and 2003 the net sown area went down by around 1.5 percent. While in percentage terms this may seem insignificant, in absolute terms it translates to more than 21 lakh hectares. On the other hand, between 1990 and 2004, land under non-agricultural uses has gone up by 34 lakh hectares. This extensive diversion of farm land has been brought about by relaxing land acquisition and ceiling regulations by various states post 1991 and has resulted in the State itself turning into one of the largest real estate broker and developer in the country. The formation of SEZs is one of the major reasons for this land diversion.

The Land Acquisition Act 1824/1894 was framed by the British colonial authorities with a view to obtaining land quickly and easily for building railroads, factories etc, while avoiding the need for "excessive" compensation under the guise of "public purpose". The vague undefined clause of public purpose could then be used by the Government whenever convenient. Post-independence constitution of 1950 did not alter this situation. In fact, the Land Acquisition Act was put to extensive use in post independence India as the regime promoted the development of infrastructure and heavy industry. This same logic is now manifested in the SEZ regime. As it is difficult for companies to procure the large, contiguous areas of land they require to build these SEZs in areas of their choice with sufficient infrastructure and access to urban areas, the Government has stepped in, in many cases, to procure the land for them. Hence the Government authorities have taken it upon themselves to behave as "property agent" for the companies. Due to large scale protests this clause has been revisited in 2006 and the companies are now encouraged to buy land directly. However the Government generously assists this process directly or indirectly where ever possible.

Thus the SEZs are a threat to Bhū Swaraj as they lead to the creation of 'Real Estate Zones', to compliment the rich and elite of the country. It does not take great intelligence to recognize that when the state uses its clout to provide land to private interest, a land scam is bound to emerge. The point is that when the state intervenes in order to further private interest, it raises the possibilities for payoffs by those who obviously benefit from such interventions. As per the SEZ Act, only 35% land would be for manufacturing set up while the remaining 65% could be used for other non-manufacturing purposes like for developing recreation centers and housing etc. Even in the manufacturing area, the definition of manufacturing has been ambiguously mentioned so that in future the builders could use it for their own benefit. According to the Act, "manufacture" means to make, produce, fabricate, assemble, process or bring into existence, by hand or by machine, a new product having a distinctive name, character or use and shall include processes such as refrigeration, cutting, polishing, blending, repair, remaking, re-engineering and includes agriculture, aquaculture, animal husbandry, floriculture, horticulture, pisciculture, poultry, sericulture, viticulture and mining. (SEZ Act 2005)

Indian SEZs claim to be based on China's experiment of SEZs, but while China still has only 5 SEZs we have 237 of them. And in case of China all the five SEZs are state owned, while all of our 237 SEZs are owned by private firms. In the case of Chinese SEZs the locations are such that they are engines of exports, all the five SEZs in china are based on the coastline so that there can be easy export; but in our case most of the

⁷Government of India (2007) Agriculture Statistics at a Glance 2006-2007. Ministry of Agriculture, Government of India

SEZs are near the mega cities, where there is a possibility of hike in real estate prices; this shows that the major business SEZs would do would be of real estate.

Threat to Van Swaraj (Forest Sovereignty)

The SEZ Act 2005 does not require “Environmental Impact Assessment” as part of the application for new units. This is because SEZs are only permitted to contain “nonpolluting” industries and facilities. The companies do not require any public hearing where affected communities can interact with the companies and share their concern. Enormous power has been given to Development Commissioners for granting environmental clearance for SEZs. They are able to bypass the State Pollution Control Boards as they work directly under Government control. There is no space for filing any petition if the people are affected. Moreover, state Governments have created complementary conditions for SEZs in coastal Zones also by developing new Coastal Regulation Zone Act.

New Coastal Regulation Zone Rules 2011: Bane or Boon?

The new Coastal Regulation Zone (CRZ) rules of the Ministry of Environment and Forests that was notified on January 7, 2011, frees up more space for development which has been severely curtailed under the CRZ rules formulated 20 years ago, by allowing development beyond 100 meters as against 200 meters in the earlier rules. CRZ 2011 introduces the participation of local communities in coastal management plans, a feature absent in the notification of 1991. Thus, communities living along the country’s 7,500 km coastline will have a say in developing coastal regions in which development has been allowed.

Many are hailing it as a progressive law which will give rights to coastal communities for fishing and housing. However the critiques believe that the exemptions in the new Coastal Regulation Zone 2011 had given a window to developers to construct on CRZ area. It is clear that by decreasing the protected area by 100 meters the real loser is the eco-system. In the case of Mumbai it will change the city skyline as real estate developers will now push for clearing slum areas in the name of building low cost housing.

Threat to Anna and Bija Swaraj (Food Sovereignty)

In a country where every 4th Indian goes hungry it is sacrilege to divert arable land towards industry. Looking at the land acquired for SEZ projects one realizes that a significant portion of the land is double or even triple crop land. According to Sriram Ananthanarayanan⁸ (2008) “by some conservative estimates the reduction in cultivable area due to SEZs will result in a loss of Rs 250-400 crore [60-100 million USD], as well as a drop in food grain production by around 4-5 lakh tonnes.” The impact of such a diversion on India’s food security is nothing less than criminal.

The conversion of agricultural land for non-agricultural purpose has more than doubled over a span of forty years: 7,000 sq km of agricultural land converted for non-agricultural use in 1964-65 versus 14,069 sq km in 2005-06. With more land being allotted for SEZs, townships and industries, land under cultivation has reduced so much that at present, a little over 46 percent of the country’s area is cultivated. As per the Ministry of Agriculture, between 1990 and 2003 the net sown area went down by around 1.5 percent which means 21 lakh hectares whereas land under non-agricultural uses has gone up by 34 lakh hectares.

Furthermore the SEZs, regime instead of helping India meet its basic needs for all criteria, is geared towards producing luxury goods and developing infrastructure development for real estate companies, leading to creation of gated communities for middle and upper middle class.

⁸Shrivastava Aseem, SEZ: The Problem, Counter Current 2008
Website: <http://www.countercurrents.org/shrivastava190208.htm>

TRACKING THE FIELDS – SEZs THAT ARE INVADING THE FARMLAND

LAND DEVELOPER	AREA	VILLAGES AFFECTED	AGRICULTURAL LAND / WASTELAND	CROPS GROWN IN AGRICULTURAL LAND
Bharat Forge, Pune, Maharashtra	7,000 hectares	17 villages of Khed Taluka in Pune district (worst affected are Gulani, Wafgaon, Kanesar, Nimgaon)	70% agriculture/ 30% barren land	Bajra, Jowar, Rice, Wheat, Potato & Onion
Reliance Industries, Raigad, Maharashtra	14,000 hectares	24 villages in Pen, 1 in Panvel and 22 villages in Uran	100% agriculture land	Rice, paddy cultivation & salt
Reliance Industries, Jhajjar & Gurgaon, Haryana	10,117 hectares	23 villages in Jhajjar district and 16 in Gurgaon district	90% agricultural/ 10% wasteland	Jowar, Guar, Bajra, Dhan, Wheat, Mustard
Hi-tech SEZ, Nokia SEZ, Flextronics SEZ, Sriperumbudur, Tamil Nadu	323 hectares	10-12 villages approximately	80% agriculture/ 20% wasteland	Rice, groundnuts and other cash crops

Source: Gopalan and Adhikari, Get of my Land, Business Today, Vol. 15 No. 25 December 17, 2006

AN ILLUSTRATION OF FOOD LOSS DUE TO SEZ AND OTHER DEVELOPMENT PROJECTS

Land Acquired for SEZ in Haryana	=	10,000 Hectares
	=	25,000 acres
Wheat Productivity in the State per Acre	=	15 quintal
A) Wheat Production in the Land Acquired for SEZ	=	25,000 x 15 quintal
	=	25,000 x 15 x 100 Kgs.
	=	375,000,00 Kgs.
Rice Productivity in the State per Acre	=	10 quintal
B) Rice Production in the Land Acquired for SEZ	=	25,000 x 10 quintal
	=	25,000 x 10 x 100 Kgs.
	=	25,000,000 Kgs.
Total Grain Production in the State	=	A + B
In the land Acquired for SEZ	=	625,000,00 Kgs.
At an Estimate one Person per Day Consumes	=	500 Gms
In one year (365 Days) Consumption for one person	=	500 x 365 Gms
	=	182.500 Kgs.
Or Let us Assume that yearly consumption of Grain per Person	=	200 Kg.
Hence, 625,000,00 Kgs in a year would be sufficient for	=	625,000,00 ÷ 200
	=	312500 People
Therefore, Land Acquired in 100 Such SEZs (or other schemes and Project would be sufficient)	=	312500 x 100
	=	31250000 (3.125 crore)
	=	Over 3% of the population of the country

Threat to Jal Swaraj (Water Sovereignty)

According to the website of the Commerce Ministry, totally about 41,700 ha of land is to be taken for the formally approved and notified SEZs. This looks like a gross under estimate if we consider just a few large SEZs like the Nandigram SEZ (5,600 ha) in West Bengal (this has been cancelled by the West Bengal state govt, but the Chief Minister has said that it will come up elsewhere), Maha Mumbai (10,000 ha) and Navi Mumbai (5,000 ha) SEZs in Maharashtra, the Mundra SEZ (13,000 ha) in Gujarat, the Gurgaon SEZ of Reliance (10,000 ha), the Pune SEZ (840 ha) and the POSCO SEZ (1,600 ha) in Orissa, to name a few known examples. When land is acquired on such massive scale, the water requirement for such SEZs would be huge and would have very large impact on water access for the surrounding area. The SEZs at such locations will also have impact on irrigation and agricultural development. For example in the case of the Mangalore SEZ in a letter in June 2006 to the Prime Minister Manmohan Singh, the convener of the SEZ Impact Assessment Committee, an affiliate of the NGO Forum of Mangalore, quoted the Mangalore SEZ Limited as having estimated the water need at 136 million litres of water a day. This is despite the fact Mangalore city is facing water crisis even without the SEZ. Therefore, SEZs do not only take scarce fertile farmland out of production, but may also take scarce water resources away from competing uses.

Threat to Citizenship

According to Ishita Dey⁹ (2010) "SEZs have been demarcated as industrial townships to function as self-governing, autonomous bodies. On being notified as SEZs under clause 34(1) "an authority shall be constituted for the SEZ...to undertake such measures as it thinks fit for the development, operation, management and maintenance. A 'development officer' will govern the SEZs. This non-elected officer will govern each inside-affair of the SEZs including the municipal, labour etc. The key implication of prevailing policy environment would be that urban industrial townships whose populations could run into millions will not have a democratic process of election of local government and private monopolies will be responsible for provision of a wide range of services falling into the third tier of Government – such as water supply, solid waste and sanitation. In some cases the developer may have the right to tax the population in order to provide essential services. All the non-economic laws of the land under the IPC and CrPC would be applicable to SEZs. However, internal security will be the responsibility of the developer."

The process of setting up the SEZ itself is also high threat to the democratic rights of India and its people. Since environmental public hearings may not be mandatory for these projects and 'Single Window' clearance procedure would be applicable to industries under SEZ, the affected people would not have any space to voice their opinion about the land acquisition process and the projects' impact. The land acquisition Act of 1894 is used for acquiring land for SEZs. One can see that this Act was passed more than a century ago and it was used by the colonial rulers, to acquire land in India for public purpose. The way the Government of India should see the people of India should be different from the way the colonial rulers used to see them, but after over 60 years of independence we are using the same Act for acquiring land. The problem is that in these sixty years we have not been able to pass any act that would guarantee rehabilitation of the displaced people, even though numerous development projects have displaced millions of people (mostly marginalized). We know the condition of the displaced people,

⁹Dey, Ishita. (2010). The Emerging Scenario of citizenship - Case of Special Economic Zones in India. Retrieved from <http://www.mcrg.ac.in> on 05/07/2010

who count among the most vulnerable people among the powerless. There has been hardly a small proportion that has been able to get appropriate compensation, and hardly a few have been able to get jobs in those “development projects”. Thus there has been a history of loss of the local people for the public purpose.

The functioning and threat posed by this regime has been further illustrated in the coming pages as one looks at the zone wise impact and case studies of SEZ stories of struggle, resistance and some cases people’s victories.

1.4 ZONE WISE ASSESSMENT OF SEZs AND ITS IMPACT

With over 300 SEZs already functional and over 560 approved (the number of SEZs in India outstrips the number anywhere else in the world), the struggles against land acquisition continue around the country. Dozens of stories emerging from different regions of the country are slowly suggesting that peoples’ struggles in defence of their land, water, forests and livelihood have started to have a profound impact on the viability of a model of ‘development’. The process of industrialisation routinely transfers assets and opportunities from marginalised social groups in the countryside to those of us in the cities, already thriving under a thick canopy of privileges. Even where protests have failed to stop the project peoples’ movements have been successful at drawing attention to the obvious injustice of the SEZ policy.

The inherent contradiction in the espoused objectives of the SEZ Act becomes obvious and the real aims of the SEZ regime becomes clear when one examines each objective in the context of ground reality. The stated objectives of the act are as follows:

- a) generation of additional economic activity;
- b) promotion of exports of goods and services;
- c) promotion of investment from domestic and foreign sources;
- d) creation of employment opportunities;
- e) development of infrastructure facilities;

In order to achieve these goals the Government should have set up SEZ in area’s classified as backward with barren or waste land and not on arable land or in and around major cities which already fulfill the above stated goal. A look at the map of the SEZs makes it clear that the maximum number of SEZs are either in or around major cities or on arable land. This defeats the purpose of the stated objectives of this policy.

Apart from the above mentioned threats the creation of SEZs raises the following issues:

- a) **Commodification of Land and Large Scale Acquisition of Land:** This is the crux of the issue and the focus of most SEZ struggles. It is to be noted that while this Act has a clause of minimum area of land for the SEZs there is no ceiling on the maximum area.
- b) **Corporate State Nexus and Human Rights Violation:** In many cases land has been forcefully acquired either by private land mafia assisted by the state or by the state on behalf of corporations despite resistance from the locals. State repression such as police forces, threats and physical violence have been used in a lot of instances to coerce people to give up their land. The most recent example of this is the case of the Bhatta Parsol Greater Noida (2010) violence.

- c) **Creating Real Estate Zones:** Large scale private townships and gated communities is one of the major concerns stemming from the SEZ regime. These resource intensive and energy consuming islands of luxury further increase the chasm between the rich and the poor in the country. One look at all the key players of the SEZ game such as Ansals, Parsavnath, DLF, Emmar-MGF, Raheja developers etc is enough to let one know that the true purpose behind these SEZ is real estate development and not industrial development.
- d) **Heavy Burden on Public Finances due to Huge Subsidies:** SEZ developers are not just exempted from income tax from establishing units, but also from ancillary activities. It stands to reason that they get exemptions or tax breaks for activities that range from running golf courses to spas, multiplexes and shopping arcades. They can import the best, from cobble stones to Italian marbles, and not pay customs. Every fitting in the zone comes minus the excise and all services are exempt from tax. Even one of the major proponent of globalization IMF says that foregoing such huge revenue is something India cannot afford to do, as we are already foregoing revenue to the tune of Rs. 158,000 crore for industry and export accounts for just Rs. 35,000 crore.
- e) **Effect on the Existing Industries:** Even though SEZs are set to increase industrialization in the country, and to improve our export figure. There is a possibility that the units working there would also sell their products in the country, and that will be very competitive in terms of prices as compared to products/services/trade existing out of the SEZs, thus there will be two options in front of the industries outside SEZs, either to go into a SEZ or die. In both options the country loses in the, first case if they go into a SEZ, the country will lose revenue, and in the second case if industries die, there is de-industrialization of the existing industry, thus this will never be helpful for the nation.
- f) **Loss of Local Livelihood:** SEZs will not create employment for local population but will lead to distress migration of locals since the jobs created will need education and skill levels unreachable for most of the people. Therefore the communities such as those of the fisher folks, farmers, landless labourers, women, Dalits and other marginalized will remain untouched by all new employment opportunities arising out of the SEZs.
- g) **No Rehabilitation of the Uprooted Farmers:** The worst part about SEZ is that the uprooted farmers and casual labor have to fend for themselves. There is no proper rehabilitation plan. The authorities' plea is that when a farmer has been "paid" for the land, he has no claim on the Government. But this would have been the case if the Government had not requisitioned the land to begin with. After doing so, and making thousands of acres available to business houses at a cheap price, the government cannot shrug off its responsibility.
- h) **Violation of the Spirit of the Constitution:** Sixty years ago, a newly independent India pulled off a remarkable political feat. It persuaded 635 Princely States, most of them medieval era kingdoms, to join the young nation in a federal structure that would be governed by the Constitution. Now, 60 years later, the reverse appears to be taking place. The country is being carved up into new sultanates, replete with the trappings of a modern State but run by corporate pashas more powerful than the democratically elected representatives of the Indian Republic. These zones, protected by powerful legislation, violate the spirit and guiding principles of the Indian Constitution. The resurgence of enclaves for the privileged is a deadly affront to the democratic nature of our society. Most worrying in the SEZ Act is Section 49, which

empowers the Government to exempt any or all SEZs from the operation of any Central law through a notification. This is truly amazing. It puts SEZs, theoretically at least, outside the pale of the Constitution. Furthermore the status of deemed foreign territory to SEZs will encroach upon the rights of the local self Governments like Gram Panchayats' and will be in violation of the 73rd Constitutional Amendment. The SEZ Act is taking away this power back to the Center and bureaucracy (by creating 'Board of Approvals' and 'Development Commissioner' and 'SEZ Authority', the most powerful in SEZs), the accountability of whose is not certain.

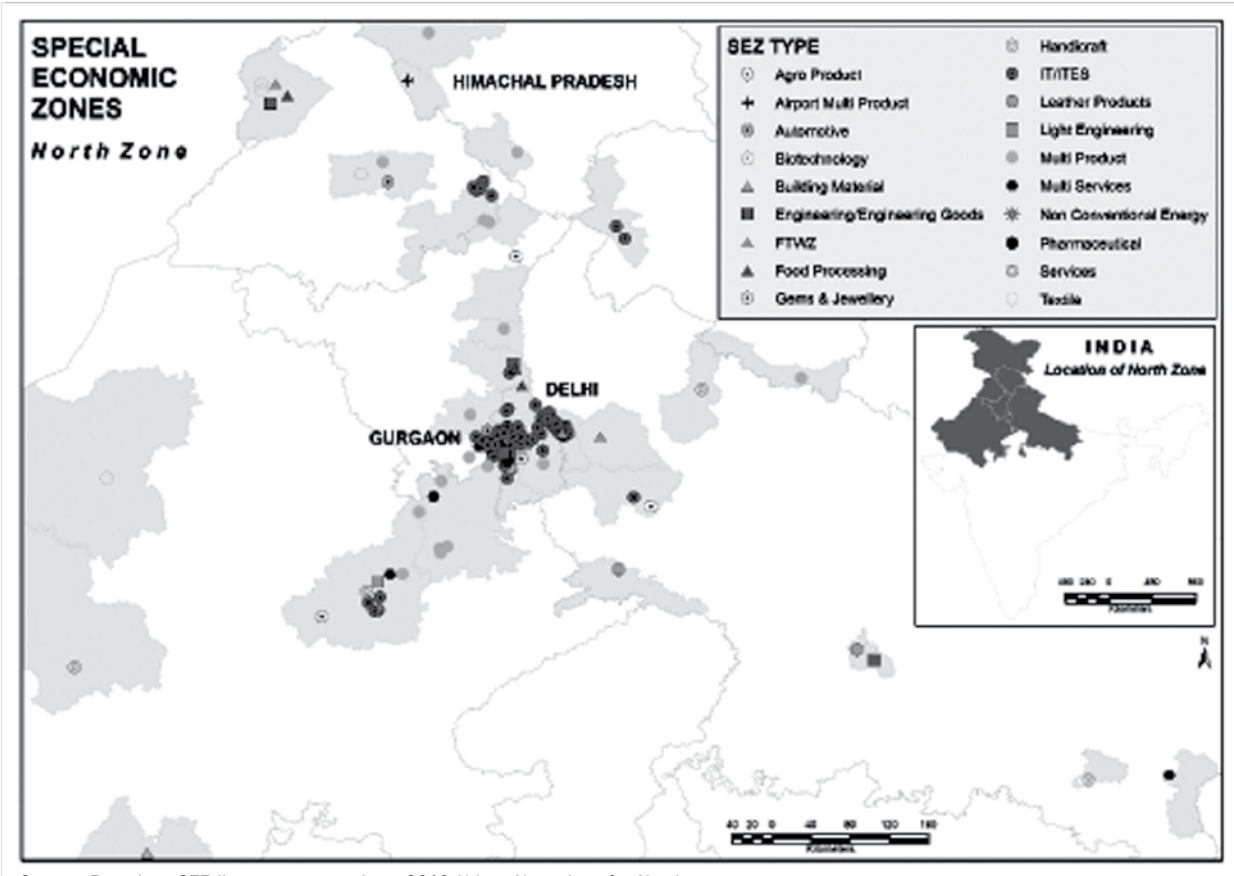
- i) **No Public Consultation:** The SEZ Act was passed in haste without much public debate. There was no public consultation, participation and debate on the SEZ Act facilitated by the Ministry. Even the Rajya Sabha, the Upper House of Indian Democracy passed this bill with a one day discussion, undermining many of the objections. (Debate of Rajya Sabha, May 11, 2005). The proponents of SEZs are working against the letter and spirit of the Indian Constitution, which promises right to life and livelihoods to citizens through the Constitution Article. In any democracy, the State is expected to be the protector of the common and marginalized people and their rights. However, with the measures like the SEZ, the State itself is violating the right to life and livelihood of people for the sake of promoting the interests of rich private parties. The present SEZ Act 2005, SEZ Rules 2006, and subsequent State policies grossly negate the ideals of a socialist, democratic republic proclaimed in the Indian Constitution.

The following section thus is divided into 4 parts and analyses and further elucidates through case studies the points mentioned above. It will highlight how the Government has not been able to meet the stated objectives of the SEZ policy and have created in fact a regime which does not benefit the people of India. It will also showcase stories of struggle against these SEZs, some of which have been victorious and others which continue on bravely.



The farmers who have lost their lands

A. NORTH ZONE



Source: Based on SEZ list government data, 2010 Urban Narratives for Navdanya

The North Zone consists of the National Capital Region, Himachal Pradesh, Uttar Khand, Haryana, Punjab, Rajasthan and Uttar Pradesh.

As one can see, far from providing opportunities to the so called backward zones the SEZs in the north are concentrated around major cities. The North Zone especially the Gangetic plain area and the Yamuna flood plains which are multi-crop agriculture land have all come under threat due to SEZs which mainly real estate driven. A look at the list of the largest SEZ projects in this zone will further reiterate this claim.

The largest SEZs in the "In principle"-category	Size (ha)
DLF Universal Gurgaon, Haryana multi-product	8,097
Omaxe Limited Alwar District, Rajasthan RJ Multi-Product	6,070
D.S. Constructions Ltd. Palwal, Haryana Multi-product	5,000
Reliance Haryana SEZ Limited Jhajjar District, Haryana Multi Product	5,000
Suncity Haryana SEZ Developer Pvt. Ltd. Ambala, Haryana Multi Product	3,237
Skil Infrastructure Limited Himachal Pradesh Airport based Multi Product SEZ	3,230

This section will concentrate on 3 problematic aspects of SEZ's and elucidate upon them by three case studies regarding the SEZ regime. These are:

- Corporate State Nexus Exposed: The Struggle against Reliance Plant Dadri (U.P)
- Commodification of Land: The Reliance-HSIIDC SEZ in Jhajjar-Gurgaon (Haryana)
- Cost of Development of Agriculture Vs Real Estate: The Case of: Gagret SEZ (H.P.)

a. Corporate State Nexus Exposed: The Struggle against Reliance Plant Dadri (U.P)

In May 2011 the Uttar Pradesh Government made headlines with its inhuman treatment and burning down of two villages Bhatta and Parsol (Greater Noida), for the sake of land grab assisting the JP group to their share of the real estate pie.

In August 2010 3 protesting farmers were shot dead and more than 40 others injured when police opened fire on a protest at Jikarpur, a village in Aligarh District of U.P. The farmers were protesting against forced land acquisition to build a 165 km highway, the Jamuna Expressway by the Bahujan Samaj Party. This highway is to link New Delhi with Agra city.

Since the advent of the SEZ Act if one traces the State endorsed violence in Uttar Pradesh for corporate interest the picture painted is very grave indeed. The following case study done by the Navdanya Team charting the struggle of the Dadri SEZ further highlights this Corporate State nexus.

On the outskirts of Delhi, in Dadri, Ghaziabad, Reliance Energy had plans to build the world's largest gas based power plant of 3500 MW. The investment outlay is more than Rs. 10,000 crore (US \$ 2.2 billion). However the real investment was the 2500 acres of land in one of the most fertile region of the world, with alluvial soils built up over millennia by the Ganges and Yamuna rivers, irrigated by the Ganga Canal system. Farmers on whose land the power plant was to be built did not even know the Government had acquired the land till the foundation stone was unveiled.

When they realized what was happening farmers of seven villages went on a hunger strike in January 2006 at the protest site in Village Bajhera Khurd in Dader Dr. Jaipal Singh, one of the protestors on a fast says that the villagers came to know of the acquisition only from local newspapers at the time of unveiling of the power project. No consent was taken and no notice was served. When they challenged the injustice and illegality of the acquisition of their land, the authorities told them to either go to Court or accept the "compensation" being awarded.

With Delhi's explosive urban sprawl, land in Dadri is worth Rs. 13,500 / Sq.m. Farmers were however offered only Rs. 120/- Sq.m. Further the power project only needed 700 acres, but 2500 acres have been acquired because of high real estate value.

Hooliganism of the State and Human Rights Violation

Farmers as a mark of protest tore down the fence and ploughed their fields to assert their rights. On 8th of July, 2006 India's ex Prime Minister V.P. Singh who had launched a farmers front, Jan Morcha, to stop farmers exploitation and oppression, was to join farmers in tilling the land. However on the night of 7th July, 2006 and morning of 8th July, 2006, around hundred vehicles of the police force entered Bajhera Khurd, fired bullets and tear gas at the protestors, then entered the village, broke open doors, assaulted women, children, the old and the disabled, cows and buffaloes, stole gold jewellery, robbed money from safes and trunks, broke every car and motorcycle, took away every mobile phone so that the village was left with no mobility and no communication.

Mr. V.P. Singh was arrested along with Raj Babbar, the famous Bollywood film star and M.P. at the Delhi border. The food the community had collected to serve 100,000 who were to join the protest on 8th had been heartlessly destroyed. Prem Pal, the son of Rohta Singh, was shot in the foot but was not given medical help. Instead he was thrown in jail. Sona's pregnant daughter-in-law was dragged out of a room after breaking down the door. The attack traumatized her to such an extent that she suffered from fits afterwards. Her husband Charan Singh was thrown in jail. Maya, a widow, had all her cash and jewellery stolen. Her son, Sunil, drives a taxi for a living. He

had just sold an old car for Rs. 30,000/-. That was taken. Tear gas was exploded in his eyes, because of which he lost his eyesight. Maya said "His eyes were what kept the family alive. How will we survive". Even the disabled were not spared. Dalit labourer Udaibir's son, Jagdish's leg has been broken, and the 16 year old son Chandema was thrown in jail. His one and a half month grandson Kapil who was in his lap was snatched and thrown on the floor. People's land and people's blood are the subsidy being given to corporations to build power plants and cities, shopping malls and golf courses. This is not "Shinning India" or "Smiling India". This is to echo India enslaved, India in tears.



▲
◀ Hooliganism of the State

The State as an Ally of the Corporation

The UP police and the State administration emerge as highly culpable in the incident of brutal assault, looting, smashing properties, framing false cases and indiscriminate firing on 8th July 2006.

Role of the District Administration

The District administration overtly or covertly colluded with the guilty police, PAC personnel and armed militia. It assiduously tried to shield them. The Chief Minister showed contempt for public opinion by not even offering his regret to the injured and the farmers. The least he could do, in the wake of the 8th July's brutal assault on the Bejhara Khurd villagers, was to order an impartial investigation to pin down the guilty and release the villagers against whom false cases had been framed but instead the District and State administration worked hand in glove with M/s Reliance Energy of Anil Ambani group. The District magistrate warned people of dire consequences if they continued with their Dharna and protests. Instead of upholding the rights of the people they held the agitating farmers responsible and put them in jail.

Role of the Judiciary

On the evening of the 7th July 2006, Reliance Energy filed a writ petition in the Lucknow Bench of the Allahabad High Court, seeking full police "bandoobast" against the villagers. Despite this petition being filed well after court hours, and the Lucknow Bench having no jurisdiction to hear this case, since only the Allahabad Bench had territorial jurisdiction to hear this matter, the Senior Judge, Justice Jagdish Bhalla directed that a

special bench of Justice Bhanwar Singh and Justice S.N. Shukla would hear the matter at their residence, even though the petition had not even been numbered. Late that night, a hearing (was held at the residence of one of the judges) of this unnumbered petition. Aaroahi Bhalla, the son of Justice Jagdish Bhalla appeared for Reliance. The petition was allowed that very night without notice and the State and police were directed to “provide all possible State protection to the petitioner company”. Armed with this order, the police resorted to a massive lathi charge on the protesting farmers and did not even allow former Prime Minister V.P. Singh to reach there. The manner in which the Lucknow Bench proceeded to hear this matter late at night when they did not even have territorial jurisdiction and where the son of the senior judge appeared before the judiciary shows the remarkable way in which the Company obtained the said order.

Cheating of Farmers: Reliance and UP Government Acquire Land at a Throwaway Price

U.P. Government paid peanuts for the land which it acquired from the farmers in Western U.P. Reliance has paid just Rs. 150 per square yard, an increase from the earlier rate of rupees 75 per square yard, in the wake of the one month protest by the farmers. Surprisingly, in their Bank account Reliance has shown the cost of land as Rs. 5750 per square yard. Actual land rate prevailing is 10-20 times higher at the prime locations.

Authority	Area	Compensation per Square Yard (Rs.)
GDA	Teela Shahwazpur	280
Noida	Proposed Area	425
Greater Noida	Proposed Area	350
Bulandshahar	Kalindi Scheme	178
Hapur	Anand Vihar Scheme	275
Meerut	Ganga Nagar Scheme	240
Bajhera	Power Project	150

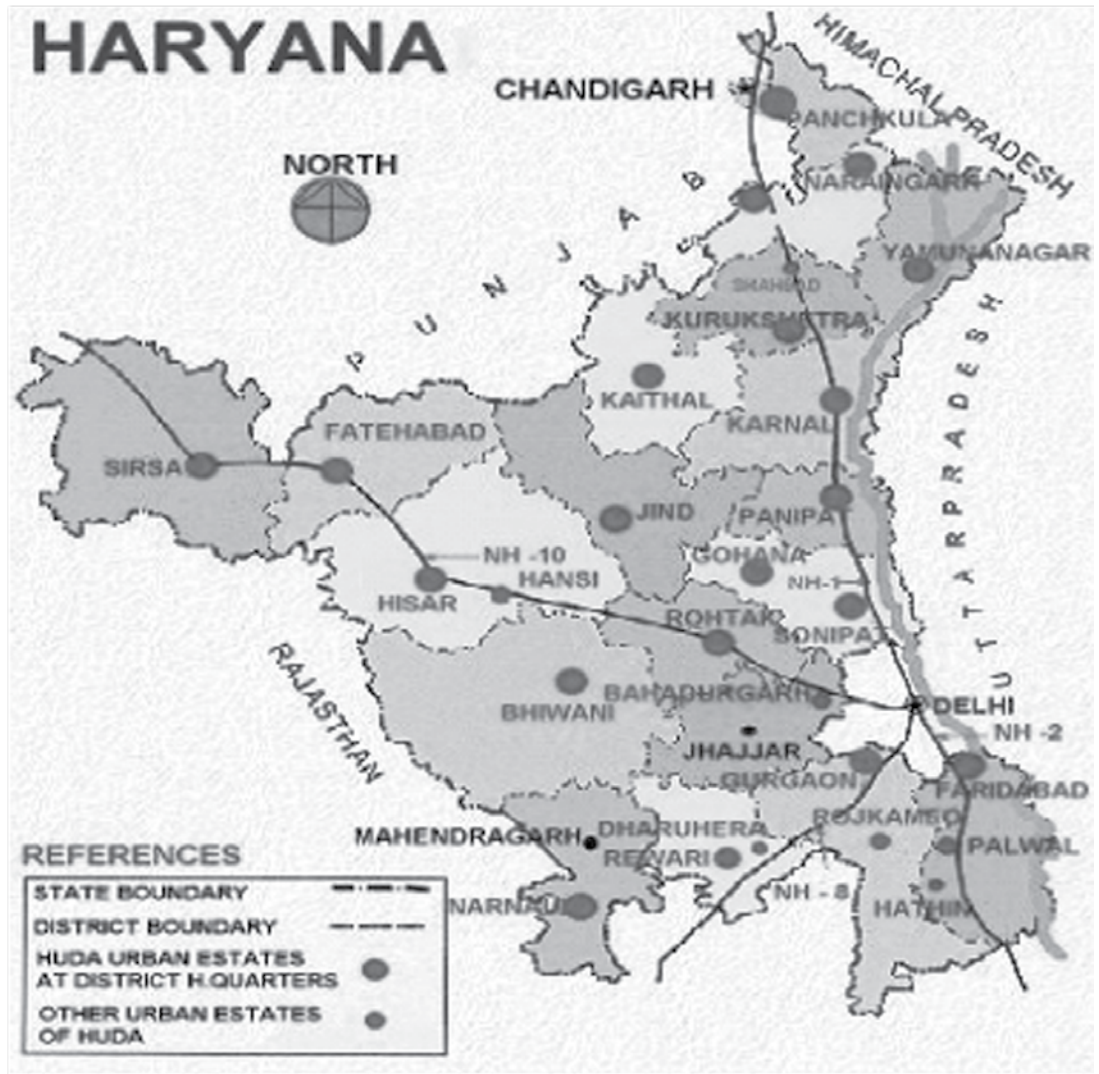
Source: Gupta and Dhillo 2006

Actual Rate : Prime Location - Rs. 2000 - 2500 per Sq. Yard
 Bajhera, away from Road - Rs. 600 - 700 per Sq. Yard

Current Status

The land allotment was challenged by 47 farmers of Dadri village under the leadership of former Prime Minister V P Singh. On the 4th December 2009, the Allahabad High Court cancelled the land allotted to Anil Ambani’s Reliance Natural Resources Limited (RNRL) for a gas-based thermal power plant at Dadri in Ghaziabad district of Uttar Pradesh. This was a great victory for the peoples struggle against the SEZ regime. However the case highlighted how the State acted hand in glove with the corporation and used all possible intimidation tactics to defeat the people. More recently in the case of Bhatta Parsol, Greater Noida this alliance between the State and the corporation rose its ugly head again.

b. Commodification of Land: The Reliance-HSIIDC SEZ in Jhajjar-Gurgaon (Haryana)



One of the first laws passed by the Congress led Bhupinder Singh Hooda Government was the Haryana Special Economic Zone Act (2005), hailing into existence one of the biggest SEZs of the country in Haryana. This multi-product SEZ is tentatively stretching over 25,000 acres between Gurgaon and Jhajjar, off the Delhi-Jaipur highway. It is being jointly set up by Reliance Ventures, a wholly owned subsidiary of Reliance Industries Limited (RIL) and Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), in a 90:10 ownership basis between the former and the latter. Reliance claims it to be of the standards of Dubai and Singapore. According to the RIL chairman, the SEZ would come near National Highway No. 8 in Gurgaon and extend up to Jhajjar district, adjacent to the proposed Kundli-Manesar-Palwal express highway. The Government had acquired 1395 acres of land near Garhi-Harsaru in Gurgaon district and on 19 June, 2006, it transferred this land to the joint venture company. This land would in open market cost around 10 crore per acre, and the SEZ has got it for undisclosed prices, which are bound to be very low, as the State is also a partner in the SEZ. So it has already got land worth 13950 crore at a throwaway price/free, and even if it gives Rs. 22 lakhs/acre for the rest of the 23,605 acres, it spends only 5193.1 crores over it and has a straight profit of 8756.9 crore from the deal without even stating any business there.



Villagers of 22 panchayats meet to decide not to sell land anymore to Reliance at present conditions

According to the SEZ rules 2006, a multi SEZ should have a contiguous area of 1000 hectares (2500 acres) or more which should be vacant and should have no public thoroughfare cutting through. Now, the stretch where the SEZ is expected to come, between Garhi-Harsaru in Gurgaon and Jhajjar, cuts through the Gurgaon-Rewari state highway. The planned Kondli-Manesar-Palwal highway would be adjacent to the area. Moreover, the SEZ would be located around the well known Sultanpur Bird Sanctuary.

Indian agriculture accounts for almost 25% of the total GDP and 75% of the country's population live in rural areas and hilly terrains. Almost 60–70% of the GDP from agriculture is from subsistence agriculture. Although agriculture contributes to 25% of the GDP, its share in world trade is insignificant. With a negligible 0.7% share in world imports and 0.6% in exports, we are not visible in the arena of international trade. Our voice on implementation issues — even though they were in pursuance of Articles 18 and 20 of AOA13 — loses its force when we find ourselves isolated. In this context, the Government of India (GoI) has two responsibilities:

- (i) Monitor the inflow of imports and movement of international prices of agricultural commodities and take appropriate action to protect the interests of farmers and ensure food security;
- (ii) Domestic policies for agriculture should be calibrated to diversify cropping/activity pattern in line with domestic and external demand and production and eco-friendly products has to be encouraged.

Investment in Indian agriculture has been declining for quite some years. What is the nature of this decline? A rough estimate indicates that the total quantum of the reduction of investment in the rural sector is to the tune of 60% compared to the

year 1985. According to a research study, under the guidance of the IMF and World Bank, successive Indian governments slashed their expenditure on rural development (including expenditure on agriculture, rural development, special areas programme, irrigation and flood control, village industry energy and transport — the figures are for Centre and states combined) from 14.5 percent of GDP in 1985–90 to 5.9 per cent in 2000–01. Rural employment growth is now flat; per capita food grains consumption has fallen dramatically to levels lower than the 1939–44 famine; the situation is calamitous. Were expenditure by the Centre and states on rural development to have remained at the same percentage of GDP as in 1985–90, it would not have been Rs 124,000 crores in 2000–01, but Rs 305,000 crores, or more than two and a half times the actual amount.

Another example is of subsidies. In 1989–90, the total subsidies to agriculture amounted to Rs.1,3500 crores — these were mainly given on fertilisers, irrigation and electricity. These subsidies have gone towards the development of the wealthier farmers in regions where investments have already poured in. Punjab, for example, received on an average Rs. 1,027/ha in 1980–87 as against the all-India average of Rs. 511. Similar is the case for institutional credit.

The above reasons apply to this region also, the input cost has gone high, the Government is not providing any much subsidy, and there has been no irrigation projects in these areas because of which a lot of the farmers are dependent on rain, or they have to spend a lot to get the underground water. Moreover the faulty policies of the Government have resulted in thousands of acres of land not being used for agriculture because of its non-viability; this has created a number of unemployed youth who thinks they will get a job if the area gets industrialised. They are very happy that the corporates (Reliance) are paying 22 lakhs per acre, for a land that was costing between 3-4 lakhs per acre before the project.

What is interesting in the context is that even before the project, like the Reliance SEZ in Haryana had even come up for approval before the BoA, the State Government has already offered Reliance 25,000 acres (10,000 ha) and even acquired some land. So what validity do BoA procedures have when a SEZ promoter starts functioning without formal approval? In speculation of a much higher price a lot of people are not selling all their lands; they are just selling a part of it and keeping the rest for the future, so the company is buying land in small pockets over the whole stretch of 25,000 acres, and thus killing any possibility of a people's resistance, as they will never get united. The company has already obtained a psychological victory as a lot of land has been bought. Then there is a clause in the SEZ Act according to which to get a contiguous area, the State might use its power for acquiring land. The people who are selling the land are told that the area that have "abadi", i.e. population, will not be touched, so that they don't have a fear of displacement, but is it ever possible that a contiguous area of 25,000 acres is acquired without displacing any "abadi". Another aspect, concerns the compensation paid. It is paid to the owner of the land, while the Land Acquisition Act mentions "person affected" should be paid the compensation. Thus the agricultural labourer who would be badly affected by it, would not get a penny in lieu of their snatched away livelihood, and would be the most vulnerable group; now, if we look at the State's statistics, we see 52% of the population is involved in agriculture of which 36.34% are cultivators and 15.22% agricultural labourers; in this region the density of labourers is higher, accounting for at least 50% of the populations.

There is a common myth that the landless farmers will not be affected in terms of livelihood, as new industries are coming in the SEZs which would provide more and more options of livelihoods. But if the people are dislocated from their own bases

nobody knows where they will be relocated; it might be in some place very far away from the SEZ from where the access to the SEZ might be difficult. And the kind of livelihood options created out of the capital intensive industries of an SEZ will not match with the skills of the local labours.

Current Status

As per the revised proposal, Reliance Haryana SEZ Ltd (RHSL), a joint venture of RIL and the Haryana State Industrial and Infrastructure Development Corporation, will now set up a Model Economic Township (MET) at Jhajjar, instead of the earlier planned SEZ of 12,500 acres in the district.

The MET, which will be broadly on the lines of an industrial model township (IMT), is likely to have Infrastructure Leasing and Financial Service Ltd (IL&FS) as co-developer. It will comprise a logistics hub, a power plant, SEZ, knowledge city, domestic tariff areas (DTA).

In Gurgaon, RHSL now plans to set up a multi-sector specific SEZ on 1,501 acres, in place of the earlier proposed multi-services SEZ on 1,086 acres. Room has also been made to rope in a strategic investor on initial subscription of RHSL equity.

RHSL claims to have invested about Rs 3,000 crore over the past four years in the two 12,500-acre SEZ projects.

Source: (Hindustan Times, RIL's Haryana SEZ watered down, Chandigarh, July 18, 2010)

c. Cost of Development: Agriculture Vs Real Estate, The Case of Gagret SEZ Himachal Pradesh

All across the country, agriculture land is shrinking. According to the land use statistics of the State Government, in Himachal Pradesh, the net sown area has declined by 33,000 hectares between 1991 and 2001. In a country which is facing major food insecurity these are not reassuring numbers. When fertile agriculture land gets diverted in the name of infrastructure and modernization food security issues are bound to crop up.

There are three in-principle approved SEZs in Himachal Pradesh as of 2009. The Gagret SEZ is one such example. In 2006, the Himachal Pradesh Government proposed the Gagret SEZ, where an airport was planned. The planned site in Una District is along the border of Punjab on the west side. Being fertile plain land the main occupation of local people here is agriculture. This was further corroborated by a survey conducted by H.P Government on the February 27th, 2008. The land close to the habitation in the area is common or community land. A large part of the land is also dense forests with rich floral and fauna biodiversity.

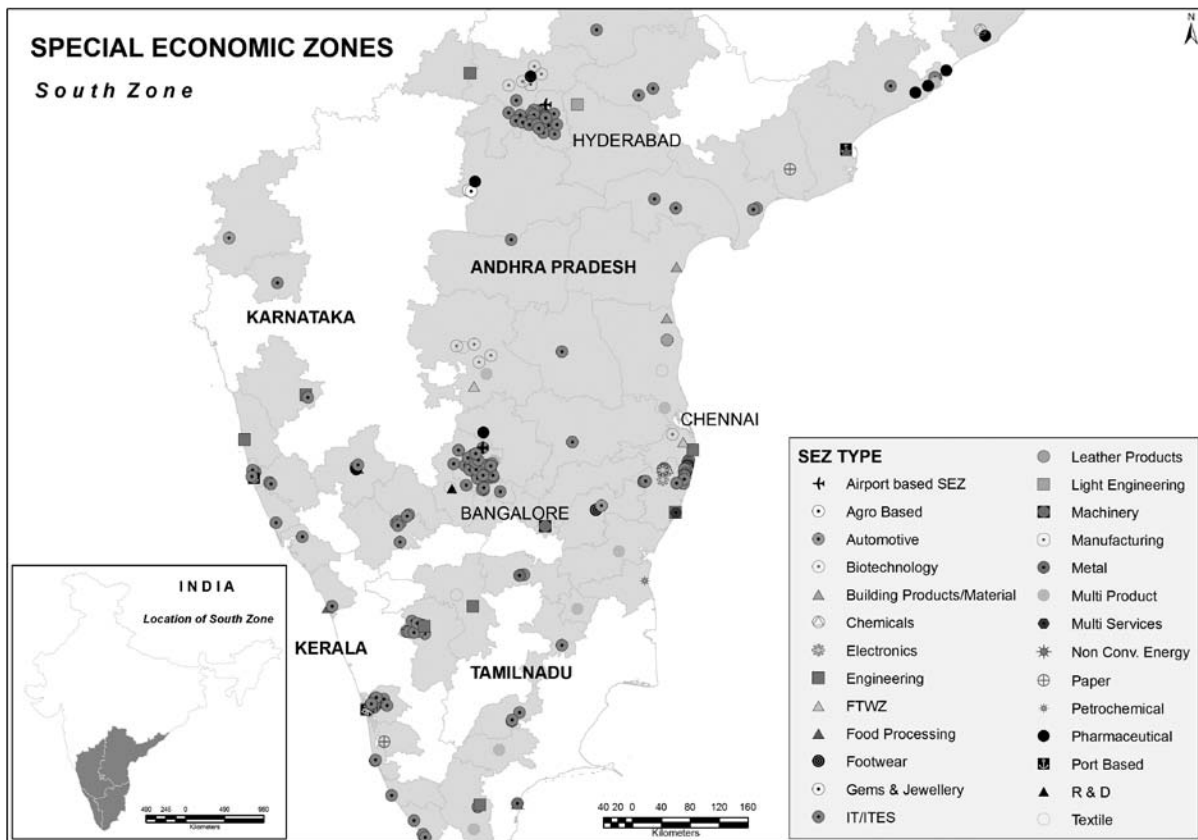
Initially, the Government had said that only the lands traditionally inundated by the Swan River would be acquired for this project. However it is clear now, through RTI filed by civil society groups in the region that more than 25 villages supporting a population of nearly 80,000 are likely to be wiped out by the project.

Advocate Narinder Singh Parmar highlighted the manipulation of data by the Government for acquiring agriculture land in this region. He states "The revenue department at the behest of the SKIL company, which had applied for development of the Special Economic Zone, was given charge of 16 villages namely Mubarakpur, Shivpur, Bhanjal, Kuneran, Kadh, Jeetpur Bahjeri, Gaundpur, Banehra, Bhadrakali, Kailashnagar, Ambota, Saghnei Deoli, Ghanari, Nangal ka harwal, Abhaypur and Brahmipur. These villages were surveyed and, by giving wrong information on forests and land use patterns, in principle land acquisition approvals from the Central Government were taken. However it was found that the data was manufactured to favour the proponent. A disturbing example of this was that the number of houses existing in the above villages was more than ten thousand, but it was reported that only 345 houses existed. Furthermore, in

order to benefit Gagret Airport SEZ proponents, the data relating to forests and trees was also fudged: the land was shown to be barren. Despite 57,728 houses in the remaining villages, land was shown as almost uninhabited; for one of the villages for which the number of the houses was 12000 the official number was reduced to only 24. In March 2008, the local inhabitants of the affected villages, comprised of farmers, women, old and young, formed a Matribhumi, Raksha Sangharsh Samiti to protest the land acquisition.” (N.S. Parmar 2011)¹⁰

The struggle against the SEZ in Una district still continues. The farmers groups and development project displaced people’s groups stand united in agitating against this SEZ. One only hopes that their voices don’t fall on deaf ears, but given the current economic growth climate of the country it is a hard struggle ahead.

B. SOUTH ZONE



South India is way ahead of other regions in encashing on the tax-free Special Economic Zones scheme as 79 of 130 functional Special Economic Zones (SEZs) are located in four southern states. As of March 2011, Andhra Pradesh is on the top of the table with a maximum number of 32 operational SEZs followed by Tamil Nadu (22), Karnataka (20) and Kerala (7), according to latest government data. The sector-wise data shows that out of 130 operational SEZs, an overwhelming 75 of them relate to IT/ITeS and electronic hardware.

¹⁰National Consultation On Litigating Against Corporations for Human Rights, 5th and 6th February 2011 Goa Website: <http://www.hrln.org/hrln/images/stories/pdf/National-Consultation-on-Litigating-Against-Corporations-for-Human-Rights.pdf>

According to Panduranga, Reddy and Prasad¹¹ (2007) "In India most of the IT/ ITES SEZs are established in capital cities and their vicinities. For example, in the southern region, 53 out of 77 SEZs (about 70%) are in Hyderabad, Bangalore and Chennai only. As a consequence, the above capital cities are facing a lot of problems like traffic congestion, power, water shortage and tremendous increase of house rentals."

Another key problem specific to the South Zone is that the employment generated by SEZs in southern region is highly technical and service oriented. As a consequence, the SEZs in southern region have generated employment to highly educated and technical persons only. As a result the local semi-skilled, unskilled workers and people who were displaced due to the establishment of SEZs have not been engaged in SEZs.

In the following section 3 main problems arising in the south zone due to SEZ regime are highlighted through 4 case studies. These are:

- a. Mahindra World City Kanchipuram (Near Chennai)
- b. Misleading Public Consultation: The Green Industrial Park SEZ: Case Study of Polepally (Andhra Pradesh)
- c. Land Grab and Environmental Impact of Mangalore SEZ Karnataka
- d. Public Pays for Private Profit: Nokia SEZ Chennai (Tamil Nadu)

a. MAHINDRA WORLD CITY- KANCHEEPURAM (NEAR CHENNAI)

It is a common project of the Tamil Nadu State Industrial Development Corporation and Mahindra and Mahindra in Singaperumalkovil in Chengelpet of Kancheepuram District of Tamil Nadu, for the establishment of Mahindra World city.

THE ADVANTAGE OF BEING KANCHEEPURAM

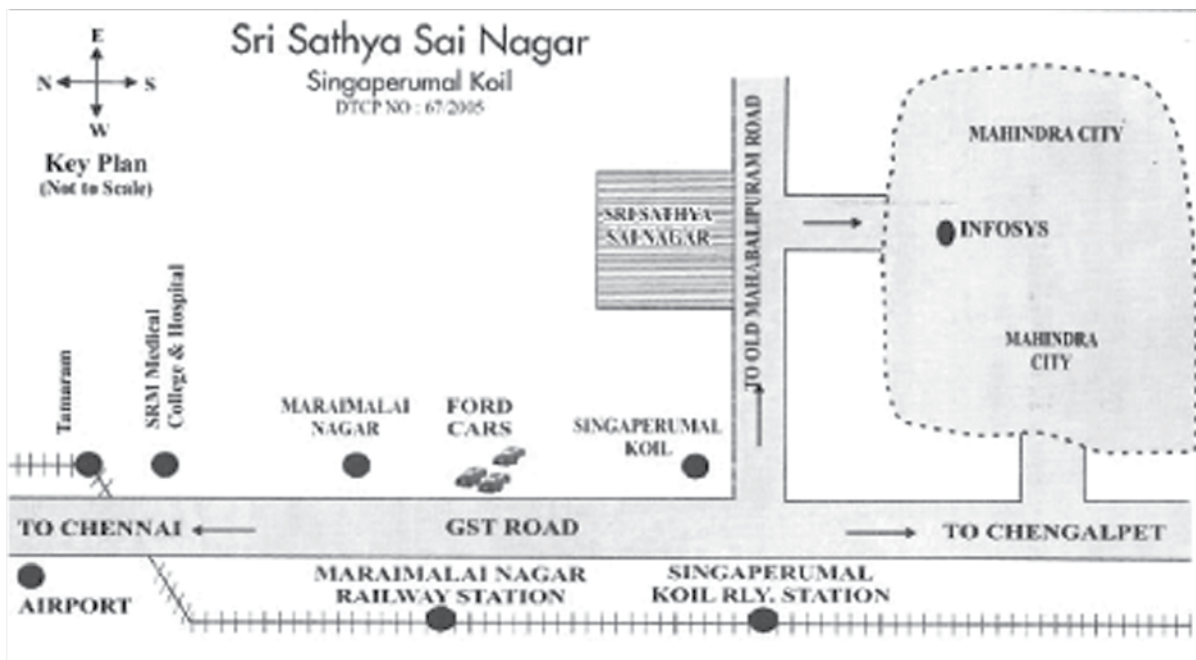
One of the largest industrial areas of Tamil Nadu, Kancheepuram home to vital production bases of international industrial groups like: Ford, Hyundai and Sant Gobain. The district of Kancheepuram has got many benefits. It is closer to Chennai Urban area, proximity to the International Airport and two sea ports of Chennai and Ennore and road connectivity through the Eastcoast road and the upcoming upgraded NH 4 and 45. With the prestigious Chennai IIT and Anna University much nearer it has also no dearth of talented skilled manpower.

Mahindra World City is Corporate India's first Special Economic Zone that has been approved for three sector-specific SEZs, IT (Services & Manufacturing), Apparel & Fashion Accessories and Auto Ancillaries. The Mahindra world city is established just 30 minutes away from Chennai international Airport in prime agricultural



Mahindra city SEZ

¹¹Panduranga Reddy C, Prasad A 2007, Special Economic Zones in Southern India. Southern Economist,



land which is surrounded by small hills and rivers. The Mahindras have established a 'real estate' SEZ by which they will sell out the property acquired from the farmers to other companies for establishing their commercial zone at a price which is 10-20 times more than what they have given to the farmers.

The company have in that way acquired 2500 acres of land from the farmers out of which 600 is cultivable land. The Kattankulathur block of Kancheepuram district consists of the villages of Anchur, Thenmelpakam, kunawakkam, pattaravakam, paranur, Eshankarunai, malayenpakkam, Therikupattu and malayampakkam. The 600 acres of the lost land was made available for paddy cultivation every year and that was the main source of livelihood for the farmers. Now the farmers have been displaced from their agricultural land.

A total of 4000 families have lost their lands. The villagers could not withstand the might of the company which had enormous sway over the political and bureaucratic establishments. They started buying the land from the farmers from 2002 onwards.

Ulakanathan , aged 66, of Anchur village had 2 acres and 50 cents of land in which he was carrying out paddy cultivation. But in the early 2003 he was approached by the Raja the land broker for the Mahindra company and told him about the plans of the company in setting up the SEZ there. They offered him Rs 1100 per cent and the land was handed over to the company two years back. The price the company paid to the land was much below the market rate. Ulakanathan had no other go but to accept the rate that was dictated by the broker. He had a gang of armed goondas with him to coerce the ones who were opposing them, into submission. Ulakanathan and the other farmers had no other go as they had to fall in line. The state also was acting hand in glove with the company as they had least regard for the suffering of the farmers.

Ponnambalan aged 50 also had a similar story to tell. He was once the owner of 3 acres and 39 cents of land. But he also had to forfeit his land for a token compensation of Rs 3500 per cent. He got a lilltle more as compensation since the land he was holding was patta land. He lamented that he led a successful life while being a farmer, but now he has to go to chennai to work as a daily wage labourer in construction sites at a wage of Rs 70 per day. Ponnambalan told that he took a loan from the bank to dig a well for the agricultural purpose, but now he is unable to repay the loan as he has lost his land." we have only death as the last resort" he lamented.

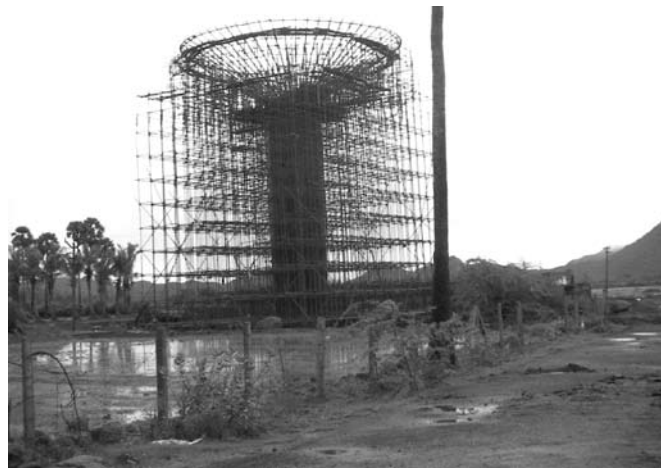
Govindammal, aged 61 a widow of paranur village owned 70 cents of land. She was cultivating the land with her only son. She said that she tried to resist selling of land as she loved her land, which sustained her life, a lot. But she could not stand the force of the broker's goondas and also the pressure from the neighboring landholders who have sold their land. She said that she was forced to sell her land as all the land around her land has been sold off and she could not, but to fall in line. Otherwise the company would have encroached into her land without even giving compensation.

Thenmelpakkam village was a schedule caste settlement within the area. Murukeshan aged 59 had 3 acres of land in which he had a good yield every time as the other members in the family including his son and daughter was also involved in the agricultural activities of sowing and reaping. He was leading a happy life until the arrival of the Mahindras. For the selling of his land a local broker appointed by Raja, the main broker, was involved. The 3 acres of land was sold for an amount of 9 lakhs. Now he has just his home left with a roof leaking profusely during the rain with no money to repair it. He was proudly showing the grainage in his house he once had which was used for storing the harvest. But now he can only live in his past glory, with the family knowing no other occupation other than agriculture.

These have been the story of hundreds of families in Paranur. They have lost their livelihood and are at the crossroads of the life. Many now go to Chennai city to work as daily wage labourers. Since the villagers were never in the habit of saving the money due to their specific cultural context, the compensation which they have got has been spent already as a lot of them are in the habit of drinking.

THE ENVIRONMENTAL IMPACTS

The land which the Mahindras have grabbed are rich in water resource. There was abundant supply of ground water which was so convenient for the farmers to undertake their agricultural activities. Water was available just 6-7 feet into the ground. There existed 180 wells in the region of which all have been lost to the company. And many of the wells have been fitted with pump sets by taking loans from the banks. The ground water is being exploited to the maximum for the purpose of the Mahindra city. This will



Constructions inside Mahindra city

slowly drain off the ground water and the villagers who are staying in the surrounding area will face a situation soon wherein there will be hardly any water available for their daily consumption. There is no water supply provided in the villages by the government and they depend upon the borewell in the villages for their daily consumption of water. The lake of the Panchayat has been taken over by the company.

Infosys Technologies, srinivasa fashions, Nera Electronics and Kryolan Cosmetics have commenced operations at their campuses in Mahindra World City. In the coming months, several others are expected to commence activity as they start construction activity on their campuses at Mahindra World City. With more and more companies coming in the villagers are all set to face water shortage and there is also greater chances for the environment to get degraded.

THE MASS EXPLOITATION



Ulakanathan: one of the farmers who lost his land

The lack of education among the villagers and their incapacity to organize has been exploited to the maximum extent by the company and the government. The lack of unity among the villagers denied them the power of collective bargaining and protest. The Panchayat president Mr Rajendran was numb on the issue and he in his capacity did nothing to stop this mass grabbing of land. There was no panchayat meetings called to discuss the issues nor any resolution was passed against the injustice done by the company.

The Villagers were never taken into confidence by the government before the

plan of Mahindra City came up. Socio-economic and environmental assessments of the project were not done before the proposals. There were no proper policy of compensation and rehabilitation package. None of the families which were displaced by the land upheaval have been provided with an alternative source of employment. They were also not provided with any employment in the company as they required only skilled workers for the job. According to the SEZ policy the SEZ have no responsibility to provide employment to the people in and around the area.

Their rehabilitation was never done. Even while paying compensation there was no uniform policy of giving compensation. The amounts were paid to different individuals ranging from Rs 800 to Rs 3000 to each of the individual.

The company has acted very cleverly in not giving any documents proving that the land has been transferred from the individual to the company. This will leave no empirical proof in the future that the land belonged to the farmers and they were sold out to the company at such disfavoured rates.

The villagers got no help from any side at all. The party which heads the government, which prides itself for its welfare activities and people friendly approach gave scant regard for the miseries of the people. The people were left to the vagaries of the company which dictated their life course. No developmental organizations came up to their help to pull them out from the trouble in terms of organizing them, giving them the guidance or the legal recourse to take.

Current Status

Mahindra World City, 30 km from Chennai airport, today is the new address of success of corporate greed and land acquisition from farmers. It is being touted as the SEZ success story with, about 75 companies, including the TVS Group and BMW, operating out of the 1,400 acres of agricultural land painstakingly assembled and spruced into industrial readiness by the Mahindras since 1996. Apart from that real estate is also booming this area.

The struggle of farmers reported from here are now going to recede into the forgotten history of land grab and the new narrative of corporate success and shining India will replace it.

b. Misleading Public Consultation: The Green Industrial Park SEZ: Case of Polepally (Andhra Pradesh)

Land acquisition for the Green Industrial Park SEZ started in 2001. Around 1150 acres were acquired for the SEZ from the three villages, Polepally, Gundlagadda Thanda and Mudireddipally. While farming households in Gundlagadda Thanda and Mudireddipally lost an estimated 300 and 150 acres respectively. The momentum and intensity of land acquisition increased with the change of government from Telugu Desam Party to Congress Party under the leadership of Dr Y S Rajashekara Reddy in May 2004.

There seems to have been no clearly stated rehabilitation and resettlement policy for people whose lands were usurped. Instead, early statements of policy seemed to have been full of rosy promises with a view to attaining the consent of villagers. The villagers were told that land was being acquired for a "Green Park", from which they would be able to continue to earn a living. Local authorities and politicians described the "Green Park" as a farm-based activity in the SEZ, which would not snatch away their land-based livelihoods. Although they would have to forego ownership of the land, they would be allowed to work as wage labourers in orchards or a farm research station that the proposed SEZ was supposed to represent.

The Comptroller and Auditor General of India (CAG) in an extensive audit examined the process that led to the establishment of the Polepally SEZ, paragraph 2.1.19 (CAG, 2007, p.33) states:

"Union Ministry of Industries sanctioned (September, 2003) a growth center at Jedcherla, Mahaboob Nagar District for Rs. 30.05 crore. The Company [APIIC] acquired (June 2003 to January 2006) 954.22 acres of land at a cost of Rs. 7.11 crore against receipt of Rs. 6.45 crore from GoI, Rs. 45 lakh from State Government and Rs. 21 lakh was spent from the Company's own funds. The Company instead of establishing the growth center started (July 2005) development of the Green Industrial Park (GIP) comprising of various Special Economic Zones (SEZs) by marking 835.24 out of 954.22 acres acquired for establishment of a growth center. The balance land of 118.98 acres valuing Rs. 88.66 lakh was lying idle. It was observed that the Company did not have any plans for utilization of this land. Out of the 835.24 acres earmarked for the GIP the Company got approval (October, 2005) for setting up of Formulation SEZ from Union Ministry of Commerce, in an area of 250 acres."

In other words, according to the CAG, the Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC) used a government grant for other than its intended purpose and thereby broke government guidelines:

"...the establishment of the GIP in lieu of growth center was a deviation from GoI guidelines since the GoI grants were meant for a growth center but not for setting up various SEZs. In view of this deviation, utilization of the grant for establishment of the GIP was not in order. The grant of Rs. 6.15 crore received from GoI thus requires to be regularized/refunded. Government stated (October 2007) that there is no deviation from the 16 guidelines... The reply is not correct as the growth centre is meant for promotion of industrialization in backward areas by allotting land to small and medium scale units. GoI also provides subsidy or grant to establish growth centers whereas SEZs are specially delineated enclaves treated as foreign territory for the purpose of industrial service and trade operations."

Thus the SEZ was established on false pretext and by misleading the local farming community.

Impact on People¹²

Loss of Livelihood: Losing land to the SEZ project has significantly reduced the farmland in the affected villages and also brought with it severe pressures on employment, livelihoods and food security for the villagers. While some of the land losers have become farmers with smaller land holdings many have become landless. The conversion of farmland for non-farm uses has also reduced farm labor opportunities for the people who had no non-farm skills. The SEZ has caused fragmentation of land holding in the villages as the land losers have been forced to buy small pieces of land from neighbors. It forced change in favor of occupational shifts, indebtedness, and migration. The inability of some to adapt has apparently lead to increases in ill health and deaths, including suicides.

Loss of Farmland: The SEZ has caused landlessness among a large section of the households in the affected villages, especially in Polepally and Gundlagadda Thanda. Land holdings have also become smaller due to SEZ land acquisition. The reduced size of many land holdings has made farming less cost effective. The drastic reduction in the local availability of farmland is also reflected in the decline of leasing.

Loss of Livestock: Livestock is an important source of livelihood for the villagers. The loss of land by hundreds of farmers has made it difficult to continue keeping livestock as there was shortage of fodder, a loss of suitable places for cattle sheds, and loss of purpose to keep draft animals. Scarcity of fodder, loss of land and pressures of money lenders to clear the loans were major reasons for selling the cattle.

Migration: Loss of livelihoods within the village and growing interaction with labour contractors as well as information and assistance from the colleagues who have migrated outside has been leading to more people seeking labour outside.

Water Pollution: This has become a new problem in these villages. Drinking water through hand pumps has become non-potable in all the habitations. While households in Gundlagadda are hard hit by the pollution, some households in Polepally and Mudireddipally are now forced to consume mineral water supplied by some traders from Jadcherla. Water pollution has also apparently lead to the deaths of a number of livestock and is widely attributed to the construction of the SEZ.

Breakdown of Collective Life: The SEZ has introduced new sources of friction into the communities and has eroded collective systems of community life. The village is suffering from more divisions due to politics played by caste representatives and politicians.

Current Status

In 2009 with a view to highlighting their problem, 15 farmers of this village filed their nominations from Mahabubnagar Lok Sabha constituency to take on the candidates of the mainstream parties. TRS chief K. Chandrasekhar Rao, who has extended support to their cause, is contesting from this seat. Their presence led to the defeat of the TDP candidate by a slender margin of 1,600 votes. Their determination to contest elections stems from the 1,000 acres of rain-fed agricultural land acquired for the Pharma Special Economic Zone near their village abutting NH-7 on the Hyderabad-Bangalore Road. Their struggle for their land continues.

Source: The Hindu Newspaper Apr 10th, 2009 | By Elections 2009

¹²Adapted and inferred from The impact of Special Economic Zones in India: A case study of Polepally SEZ By Social Development Foundation and International Land Coalition

c. Land Grab and Environmental Impact of Mangalore SEZ Karnataka

Of the 88 approved SEZs in Karnataka, the MSEZ is the only sector specific petroleum and petrochemicals SEZ in the State, and is a public undertaking.

Mangalore SEZ Ltd. is special purpose vehicle (SPV) established in February 2006 to develop Mangalore SEZ. Mangalore SEZ is supported by Central Government, Industries and Financial Institutions. The promoters and their stake holding at the time of incorporation are as follows:

- Oil and Natural Gas Corporation Limited (ONGC) – Holds 26% stake in MSEZL.
- Karnataka Industrial Area Development Board (KIADB) – Holds 23% stake in MSEZL.
- Infrastructure Leasing and Financial Services (ILFS) – Holds 49% stake in MSEZL.
- Kanara Chamber of Commerce and Industry (KCCI) – Holds 2% stake in MSEZL

The major projects that would be developed in this SEZ are as follows:

- Petrochemical Complex,
- Liquefied Natural Gas (LNG) Regasification Plant,
- C2 – C3 Extraction from this gasification LNG,
- Power Plant to meet the power requirements of all the units in SEZ,
- General industries, trade, banking, telecommunications and allied services for supporting the activities of the units in the SEZ.

The project has two stages, with Phase 1 acquiring 1800 acres of land and Phase 2 covering an additional 2035 acres. Almost a quarter of Mangalore taluka, or 3,985 acres, is envisaged to be taken up by the Mangalore SEZ (MSEZ), a petroleum and petrochemical complex, an extension of the earlier Mangalore Refinery and Petrochemicals Ltd project.

The Mangalore SEZ Limited Company has received formal approval to acquire 1453 acres in the Dakshina Kannada district of Karnataka and this has been notified on 6th November 2007. The Government of India notified SEZ listings features this as a Petroleum and Petrochemical sector specific SEZ. According to the Mangalore SEZ Limited (MSEZL) website, the proposed area of land that falls into the MSEZ enclave includes 3985 acres of land of the Dakshina Kannada District. Currently, 1800 acres of land is already in possession with the company, of which 1453 acres are already notified to be Sector specific SEZ (petroleum and petrochemicals). The processing area of the SEZ is slated to have two kinds of industries, petroleum and petrochemical industries and other multiproduct industries subsequently.

Mangalore has been chosen as ideal for setting up an SEZ because of its close proximity to a major Sea Port, an Airport with International operations, a network of National & State Highways, and it's connectivity by rail to other parts of the country. Also, the region is fed each year by the southwest monsoons for four months, receiving, on an average, 4000mm of rainfall leading to adequate water availability. Further, this area has been the home to a host of leading banks and has several educational institutions in the vicinity with an ability to provide highly skilled personnel required for Industry and Trade.

However this SEZ has met with strong resistance from the ground on many accounts. It is estimated that this SEZ will affect around 20,000 people's livelihood from farmers to fishermen as well as disrupt the fragile ecosystem of this area.

Threat of the Manglore SEZ on Local Environment and Livelihood

Threat to Indigenous People: Kudubis are a community that is intrinsically tribal or adivasi in nature, but is not scheduled. Their rituals, rites and communitarian way of living and subsistence resemble to a great detail the customs of several adivasi communities of central India. The entry into second phase of MSEZ begins at the 15.34 acres of Kudubi Padavu.

Threat to the Fragile Eco-system of Western Ghats: Dakshin Kannada district lies in an ecologically sensitive zone (between the Western Ghats on the east and the Arabian Sea on the west). The Western Ghats are home to some of the last remaining pristine forests of India that are inhabited by a large number of endemic, rare and endangered species of plants and animals. The area receives heavy rainfall, supporting a strong agrarian economy centered on grains, pulses, horticulture and plantations. It has a dense network of rivers and estuaries that have contributed to a strong fisheries sector. Mangalore, one of the most important towns in the Western Ghats region, lies on the west coast of the Dakshina Kannada district, covering a total area of 834 Sq KM. A variety of pulses, paddy, coconut and arecanut form the major crops of the area. Rainfall is plentiful, amounting to 4000 mm per year and groundwater is in abundance, amounting to a total of 7525 Hectares of groundwater.

Decline in Traditional Fishing due to Water Pollution: Fishing communities of Doddakopla, Guddekopla and Mukka villages and the DK district administration protested on May 2011 against the Mangalore SEZ projects discharge of waste into the sea at a distance of 1,200 metres from the sea shore. The fishermen during the protest expressed apprehension about the pipeline and its impact on their livelihood. According to a new report by Pinto, Stanely G¹³ "Upendra Hosbet, honorary president, Karnataka Karavali Traditional Fishermens Federation, said the traditional fishing in the coast has been declining over the years, for various reasons, major one being water pollution. While the recent CRZ notification speaks about the necessity to protect the livelihood of fisher folk, their dwellings and coastal natural resources, in reality the so called development projects get priority over the natural resources," he said.

Despite public hearings and expert committees repeatedly questioning the extent of damage caused by this SEZ to the farmers, fisher folks and the ecology of this region the Government continues to support the project. Even though phase two has been stalled for the time being all attempts are being made to "win over" the public support for this project. The Government seems to be determined to put economy over ecology and profit over people in this case as well. In the name of development concessions, eye wash and deception continue.

d. Nokia SEZ: Public Cost of Private Profit¹⁴

The Nokia Special Economic Zone in the Suburb of the South Indian city of Chennai has been celebrated as one of the main cases which prove that the Special Economic Zone policies have been successful. Nokia has been praised for providing investment, creating employment, building infrastructure, and for its export of mobile phones. This SEZ is often cited as the way forward but what is the truth behind the claims. Let us examine the actual cost of Nokia SEZ:

Loss of Revenue: Nokia sells its phones mainly within India but still manages

¹³Fishermen wary of SEZ effluent discharge plan [Mangalore], Times of India, The / Feb 2, 2011

¹⁴This section is adapted primarily from the report The Public Price of Success: The costs of the Nokia Telecom SEZ in Chennai for the government and workers put together by Citizens' Research Collective on SEZ based on information obtained through Right to Information Act

to get these counted as export. The conclusion is that if the Nokia SEZ is a success, then it certainly comes at a high price for the public and for the exclusive benefit of a private company.

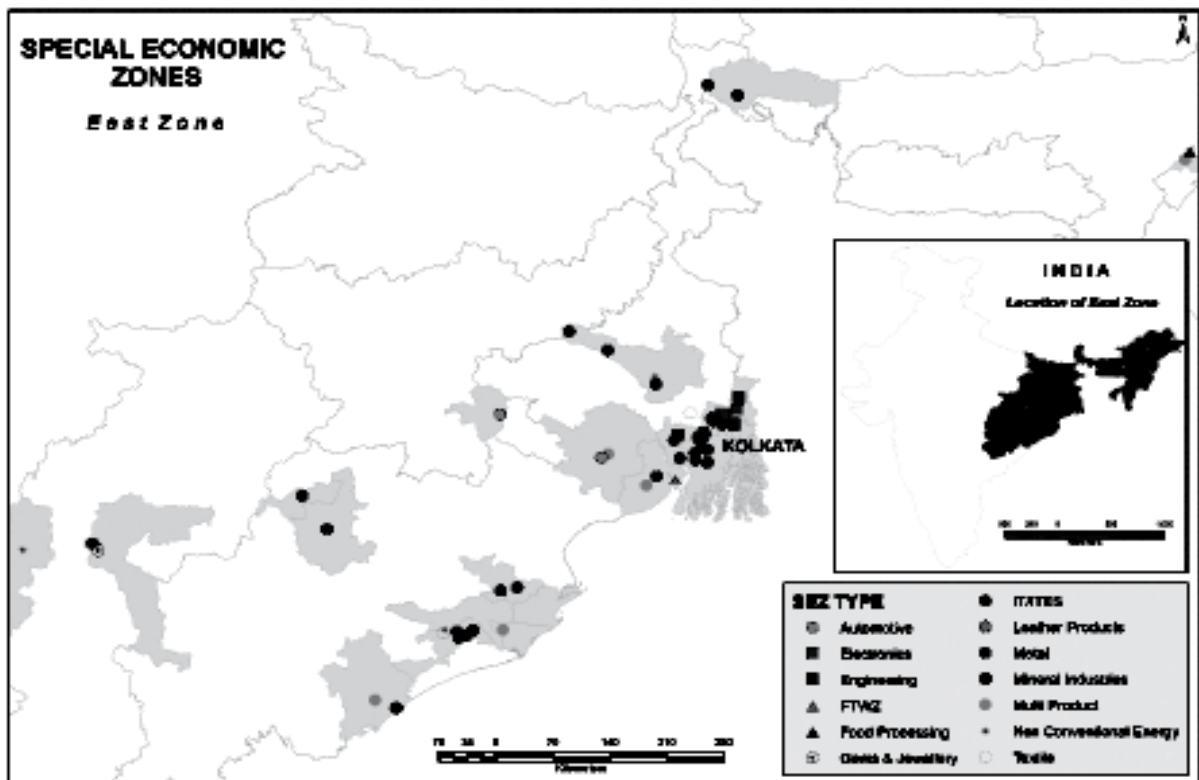
Income Tax and other waived Central and State Taxes: Enough details are not available to calculate tax losses but a very rough estimate is attempted here. If even for example 20% of turnover was taxed then more than Rs 2,000 crore would have been added to Government funds (based on the assumption of a Nokia turnover of Rs 3,578 crore (751 million USD) crore per year for the last three years). Similarly the entire Nokia Telecom SEZ including all the companies of the zone has had “export” of Rs 30,598.5c crore since 2005. A 20% tax on this turnover would result in more than Rs 6,000 crore (1.26 billion USD) for government budgets.

Customs: Rs 681.38 crore (143 million USD) foregone on domestic sales by Nokia in two years, 2005-06 and 2006-07. Not known for 2007-08 and 2008-09 but likely to be larger given the increased production. At the same time it was reported that Nokia (including Nokia-Siemens Networks) had paid a smaller sum of custom and duties of Rs 207.97 crored (43.7million USD).

The special agreement between Nokia and the Tamil Nadu Government signed in 2005 ensures that the Government will refund VAT on domestic sales to the value of Nokia’s investments in infrastructure. This implies that it is the State Government which is actually paying for the company’s infrastructure. Further, the employment generated number a few thousand which is good but the low salaries, the frequent use of contract labour and the imposition of public utility status to prevent strikes, make jobs seem more exploitative than beneficial.

Thus the tax holiday enjoyed by the Nokia SEZ combined with money invested by the government for infrastructure in this SEZ clearly shows that it’s the people of India who are paying for profits enjoyed by this private corporation.

C. EAST ZONE



Source: Based on SEZ list government data, 2010 Urban Narratives for Navdanya

East zone comprises of the States of Bihar, Orissa, West-Bengal, Jharkhand, Chattisgarh, Manipur, Meghalaya, Arunachal Pradesh, Tripura, Sikkim, Assam, and Nagaland. As one can see on the map the largest concentration is near Kolkata city in West Bengal.

From Nandigram to Singur to Kalinga Nagar to POSCO the SEZ story in this region has been one full of State repression and company instigated violence. The people's movement on the other hand have stood tall against all the coercive methods used and resisted bravely the land grab by the State Corporate nexus. The story of Singur, Kalinga Nagar and POSCO plant will be dealt in details in the upcoming chapter on mining and industry. This section will salute the brave resistance of the Nandigram Struggle against the proposed SEZ of the Indonesia based Salim Group.

HISTORY OF SALIM GROUP

The Salim group is named after its founder Liem Sioe Liong, alias Soedono Salim (Chinese minorities in East Asia face local hostility; one way they cope with it is by adopting local names. Thailand forces foreigners to take on local names; thus Harbinder Singh would be locally called Sukornchik Thanpokai.) He was born in Haikou in Fujian province of China in 1916. When he was 15, he started a noodle-soup shop. Five years later, his father died. Those were the days of the great heroic struggle of the eventually triumphant Red army against the Kuomintang, which finally ran away to Taiwan; both armies were catching all the young men around and conscripting them. Rather than indulge in the holy war, Sioe Liong alias Salim ran away to join an uncle who had a provision store in Indonesia. But the store did not have much business. So he started peddling coffee: he would mill it at night, make little packets out of newspapers and hawk them during the day.

But his real break came in 1965, when Suharto overthrew Soekarno in a counter-coup. Suharto was reputedly the world's most corrupt ruler of his time. When he abdicated in 1998, he was ranked the world's sixth richest person; his assets were estimated at \$16 billion. He was also the most nepotistic of men. Almost all his cronies were from his family - half-brother Probosutedjo, cousin

Sudwikatmono, sons Sigit Harjojudanto, Bambang Trihatmodjo and Hutomo Mandala Putra, and daughters Hardjanti Rukmana, Hediati Harijadi and Hutami Endang Adiningsih. But two were from outside the family. Liem and Mohamed Hasan. Of the two, Liem was the closer, and he benefited more.

Indonesia saw a big oil-driven boom in the 1980s and 1990s. Like India in recent years, Indonesia then had a big payments surplus. It increased money supply at home; one of the most lucrative businesses in those circumstances was to take people's money and lend it out. Liong set up Bank Central Asia to do it, and gave Hardjanti Rukmana and Sigit Harjojudanto a 30 per cent share of the capital. In 1997, the bank had 788 branches and 8 million customers. The bank gave Liem money to play with. So he set up noodle, flour and bread businesses. He also set up Indomobil Sukses Internasional to make cars, Indocement Tunggak Prakasa to make cement, and a resort in suburban Jakarta; altogether he had about 500 companies in Indonesia.

But to spread economic and political risk it was prudent not to put all one's eggs in the Indonesian basket. So Liem bought into QAF, a company that owned a supermarket in Singapore, and First Pacific Co in Hong Kong. First Pacific took a 49 per cent share in the Nandas' telephone company. Escotel in the 1990s, and also invested in Smart Communications, a telephone company in the Philippines.

Liem was not as rich as Soeharto, but was far ahead of any other Indonesian; his business assets were estimated to be \$10 billion. His plans were even grander than his empire. He wanted to take half a million acres of swamp in Kalimantan, drain it and grow rice.

Then came the East Asian crisis of 1998. Capital flew out of Indonesia, and the rupiah collapsed; from 2,400 to the US dollar in July 1997, it went down to 11,500 a year later. There was a run on Bank Central Asia. Mobs destroyed 122 branches and 150 ATMs. There were terrible anti-Chinese riots all over Indonesia; Liong's villa in Jakarta was attacked. Indofood had \$1 billion in overseas loans; Indocement had \$830 million.

The empire could not come out of the crisis unscathed; but the Liem family managed it with aplomb. Liem Sieo Liong moved to Singapore; his son Anthoni took over the reins. The Government took over Bank Central Asia; and since 90 per cent of its loans were to Salim companies, it came effectively to own them. The Indonesian Bank Restructuring Authority took over 107 Salim group companies, including 25 property firms, 24 plantations, 10 food and consumer product firms, nine petrochemical firms, five coal and granite firms, four sugar firms and one Communications Company.

It is difficult to get a picture of the Salim group today. Of the companies that went into the hands of IBRA, some were sold, some went back to the Salim group or were rumoured to have been sold to their frontmen, while some continue to be in a limbo; it is impossible to work out which belongs where. In the meanwhile, a new generation of entrepreneurs has occupied the business space in Indonesia. In finance, Hary Tanosoedibjo has brought his bank, Bhakti Investama, to the fore. The kretek or clove cigarette business hardly suffered from the crisis; Budi and Bambang Hartono, the brothers who own Djarum, have had much money to play with. The Salims petrochemical plant was taken over by the Wings group of Hanny Sutanto. Buddhadeb Bhattacharjee is right when he says that money knows no colour and that Salim's connection with Soeharto is history. Nobody knows how much financial resources do the Salim Group command. But the West Bengal Government should have done due diligence and some homework before going into signing an MOU with the Salim Group.

THE SEZ AT NANDIGRAM – HALDIA NEAR KOLKATA

Haldia is a city and a municipality in Purba Medinipur in the Indian state of West Bengal. It is a major seaport located approximately 50 kilometers southwest of Calcutta near the mouth of the Hooghly River, one of the distributaries of the Ganges.

Haldia is being developed as a major trade port for Calcutta, intended mainly for bulk cargoes. The population (1991) is 100,109. Haldia has now become a centre for the development of West Bengal. The industrial city has several factories like Indian Oil Corporation Limited (IOCL), Exide, Shaw Wallace, Tata Chemicals, Petrochemical complex (Haldia Petrochemical) and Hindustan Lever, in addition to various light industries. The port has attracted factories of foreign companies, like Mitsubishi Chemical Company



The Nandigram map

(MCC). A large number of companies are also being set up now, primarily being ancillary industries to the Haldia Petrochemicals. The Haldia Petrochemicals is the second largest project of such a kind in India.

Haldia as a city is a modern one and it is growing very fast. The Haldia Township is bordered by the Haldi River an offshoot of the Ganges River. The riverside in Haldia is a favourite destination for residents and one can see people strolling down the riverside during the evenings. A hovercraft service direct from Kolkata to Haldia is in service. The left Government had signed the deal with Indonesia's Salim Group to set up an SEZ in Haldia. The port town of Haldia will be the biggest and the most important SEZ in the State as it is near the seaport. Another reason for choosing Haldia as a site for SEZ is that it has been chosen as a location for one of the petrochemicals, chemical, petroleum investment regions (PCPIRSs) in the country, which will mean more central funds and benefits. The PCPIR is to have minimum area of 250 sq km. The State Government proposes three SEZs each a different model for Haldia. One SEZ will be for chemicals, another a multiproduct one to be set up by Indonesia's Salim group. The Government plans to include all the existing industries, and even the Nandigram map villages, in the scheme of things to reach the minimum size of 250 sq km or 62,500 acres. It is the attempt to acquire land of 14,200 acres of land which had resulted in people protesting and the resultant killings of 11 villagers.

THE KILLINGS IN NANDIGRAM

Nandigram is a village in Haldia earmarked to be acquired by the Government for the Salim Group. The problems started when the Nandigram Block Development Officer (BDO) on January 2nd 2006, identified that the land in Nandigram would be shortlisted

for acquisition for SEZ. The letters were pasted at the BDO's office and the District Magistrate's office. The next day the angry villagers marched into the Garchakraberia panchayat office. The panchayat members had called for the police which had resulted in lathicharge. The villagers retaliated by torching two police vehicles and by attacking the panchayat office. The situation got further worsened when 11 people were killed in the clashes between the people and the CPI(M) cadres. The victims bore the bullets from the police and the others were beaten or stabbed to death.

Sheikh Gulsan, a youth from Sonachura village, said : "On the day violence broke out, leading to the death of six persons, CPI-M workers dragged me to the other side of the canal to their side and beat me till I fell unconscious. When I regained consciousness after seven hours, I was branded with a hot iron rod on my left hand so that I could be identified as a CPI-M opponent." According to Gulsan, the CPI(M) cadre in Nandigram have managed to stamp three persons other than him, so far. The other two are Sherfarzul and Md. Alam. While "outsiders creating trouble in the area"



Women widowed from Nandigram killing

has been an issue in political circles, local villagers of Sonachura alleged that efforts were on to screen and identify people who are not at the forefront of the protest, but were “anti-special economic zone at heart”. The trio has been branded so that they can be identified as enemies during conflicts. Nishikanta Mondal of the Krishi Bhumi Uchedh Pratirodh Committee said, “We are being tortured by the CPI(M) everyday. We are confused on whether to approach the police for assistance. We know the police might take their side and even torture us once they are allowed into the villages,” he said. Rubbishing allegations against the CPI-M, local leader Sadhin Pramanick said, “The charges are false. We have not branded anybody’s hands with hot iron rods. We are not torturing anybody, but if we are attacked, we will retaliate.” In another incident, unidentified men hurled ten bombs at Tekkhali bazaar, an anti-SEZ bastion. The bombers had covered their faces with cloth. People came out of their homes and blew the conch shells to alert adjoining villages.

THE EMANCIPATORS AS THE OPPRESSORS

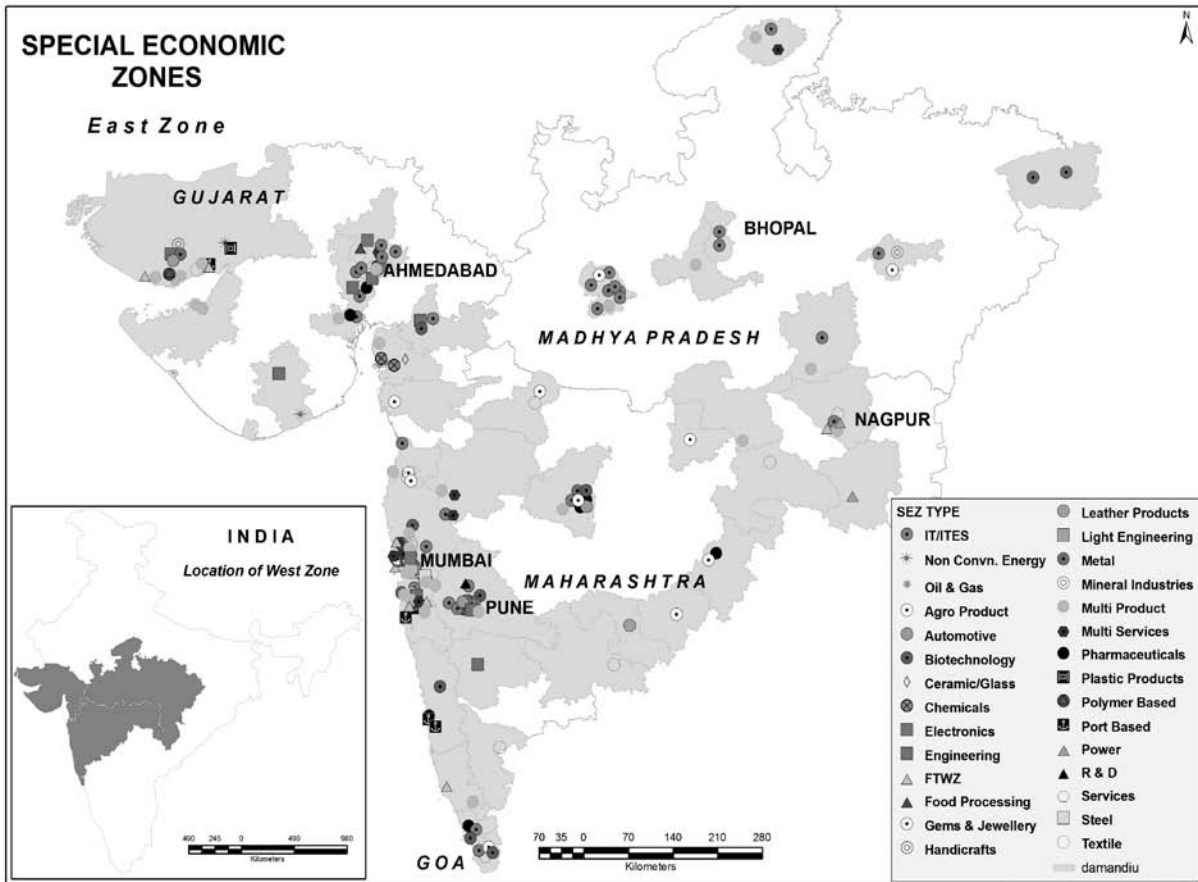
A party that that distributed land to the landless and grew from strength to strength on the support of the ‘empowered’ peasants today stands accused of grabbing the same land to be handed over to the industrials. A party that rallied against the capitalists branding them class enemies is today charged with advancing the interest of those it regarded as anti people. And those levelling these accusations are not leaders of the bourgeoisie parties but the CPI(M)’s own comrades. The land acquisitions in Haldia and West Bengal has the complete blessings of the CPI(M) central leadership. Though CPI(M) has been critical of the SEZ policy of the Central Government they are united in their support to the west Bengal Government. The erstwhile Chief Minister of West Bengal Mr Buddhadeb Bhattacharjee said at a Party gathering that “we have to acquire some farmland for industrialisation, but we have to ensure that the farmer who loses his land gets proper compensation”. The CPI(M) General Secretary Prakash Karat opined that “ We will continue to oppose farmland acquisition for SEZs in other states”. While welcoming SEZs in West Bengal he said “Here farmers are getting much better prices for their Land”. This is utter hypocrisy in exhibition. This clears shows that the party is no sincere in its opposition to the SEZ policy as a while and its resistance to SEZs are only driven by political motives and a farcical of social justice. The Chief Minister justified his policies in a different level. He said that the State’s success in agriculture in the agriculture sector should form the base for transformation in the industry. “If a society has to move forward it has to move from agriculture to industry. Further employment is not possible in agriculture. Opportunities therefore have to be created in industry, business and commerce.

In 2007 due to public outcry against the methods of the State and the killings in Nandigram the SEZ had to be scrapped.

THE LOSS OF FAITH IN THE SYSTEM

The violence in Nandigram shows how people have lost faith in the system, in the legal machineries of the oppressive state that play only in the interests of the leading feudal/Capitalist class. The shootout that has happened on the 6th night kiled some erstwhile CPM people but they were fighting with the “Bhumi Uchchedh pratirodh committee” against the proposed land grabbing. The fact that people of Nandigram had set the CPM office on fire does not testify their hooliganism, rather their immense hatred towards the age old CPM tyranny which has now culminated to take the ugliest forms of oppression and social fascism.

D. WEST ZONE



Source: Based on SEZ list government data, 2010 Urban Narratives for Navdanya

The West Zone is a testament to the corporate oligarchy present in the country. The unique features of the SEZs saga in the west zone is the extent of land grab and the major Indian business houses driving this process in this zone.

In the case of Maharashtra 205 SEZs sanctioned in August 2009, thus the state of Maharashtra has the most number of approved SEZs of all the states in India¹. This figure has grown considerably since 2006, when the state had sanctioned only 48 SEZs. Of Maharashtra's approved SEZs, 111 have received formal approval, 36 have received in-principle approval, and 58 have been notified under the SEZ Act. The Reliance group here is one of the major players followed by the Raheja's.

In case of Gujarat which is being hailed as the most SEZ friendly state with hardly any opposition from the ground the Adani with their tentacles around the Gulf Kutch reign supreme. The West zone is the battle ground of corporate landlords Vs the local farmers. Though the struggle seems long and hard but this section salutes the bravery and commitment of the people of this zone to fight for their land at any cost. This zone is proving that democratic processes though long and tiresome can if lead properly lead to repulsing the corporate tyranny. The three case studies in this section bare testament to this:-

- Threat to Jal Swaraj (Water Sovereignty) and Van Swaraj (Forest Sovereignty): The Case of Mundra SEZ (Gujarat)
- People's Victory: Goa SEZ Struggle
- Corporate Oligarchy Vs People's Democracy: Raigarh a Ray of Hope (Maharashtra)

a. The Case of Mundra SEZ (Gujarat)¹⁵

Gujarat is 37.36% urbanized with a per capita income of Rs. 26,979 (US \$ 613). With the longest coastline (1600 kms.) in the country and 41 ports, the State contributes to 21% of the country's total exports and handles 75% of India's private port cargo. With 11 domestic airports, one international, 74,000 kms of extensive road network and the power generation of nearly 9% capacity of the entire country, its infrastructure plays a major role in attracting industrial investments. Thus Gujarat is known as one of India's most industrialized states, the one State which attracts the most FDI (Foreign Direct Investment), ranked by India.

On looking at development (in the past) decade of land use and SEZ in Gujarat it becomes clear that the real cost of this success story is the socio-environmental degradation of the Kutch eco-system. Further more in Gujarat, where vast tracts of land have transitioned from agricultural to non-agricultural use, the losers are not the landowners but nomadic pastoralists, small livestock farmers and dalit agricultural labourers who did not own land but were still dependent on it. This becomes clear when one looks at the case of MUNDRA SEZ in Kutch.



Source of Map: Tehelka Magazine, Vol 8, Issue 8, Dated 26 Feb 2011

Threat to Van Swaraj (Forest Sovereignty) and Fragile Ecosystem

The Gulf of Kutch is considered an ecological miracle by many. Its shallow waters, inter-tidal zones, stretch of mangrove forests and corals, made it a unique eco-system and the home to the endangered wild asses. The Government of India and the Ministry of Environment and Forests recognize that mangrove forests are ecologically sensitive areas and need to be protected and conserved. Mangroves are critical to marine coastal soil conservation, breeding and nursery grounds for fish, crustaceans and other sea life, as well as vital habitat for birds and other wildlife. Kutch district has been declared the most important mangrove areas in the state of Gujarat. Today however it is a concretized hub of ports, refineries and multi-product SEZs, which in environmental terms would translate to an ecological disaster.

¹⁵This section is adapted largely from Manshi Asher's articles

1. How Mundra became India's Rotterdam

Website: http://infochangeindia.org/index2.php?option=com_content&do_pdf=1&id=7554

2. Unravelling the Gujarat Special Economic Zone (SEZ) 'Model'

Website: <http://www.indiasezpolitics.org/article.php?id=41>

Media reports have highlighted that the four top business houses -- Reliance Industries, Essar Group, Tatas and the Adanis – have invested about \$34 billion along the Gulf of Kutch's 700-km-long coastline. While the Tatas may have bagged a Rs 10,000 crore loan at .01% interest, and the elder Ambani may be the richest Indian in the world, it is the Adani group which has the biggest slice of the Gulf with Mundra SEZ.

Mundra was the region which housed more than 20% of mangroves of the Gulf of Kutch up until eight years ago when the Adani group of industries made a small start by developing a private jetty in the area. The process of deforestation and clearing started in 1998 by the company. The Adanis systematically went about expanding, appropriating and acquiring as much of this land around Mundra as possible once they set up their base. This included forest lands, revenue wastelands, grazing pastures and agricultural lands for construction of warehouses, container terminals and other infrastructure like roads, rail and finally even an airport.

All this was eventually to form part of the grand Mundra SEZ plan to be spread over 10,000 hectares over 14 villages, with an investment of Rs 73,000 crores, which was approved at the State level in 2003-04 and in April 2006 by the Ministry of Commerce at the Centre. The 2004 State approvals were followed by the second phase of intensive destruction of mangroves in the Bocha, Abhanvadi and Gujarat Maritime Board areas (near the old port) started in 2005.

In 1998 the company first applied to the Union Ministry of Environment and Forests (MoEF) for a forest clearance (as required under the Forest Conservation Act 1980) for over 2,400 hectares in the name of Adani Chemicals for a saltworks plant near the port site. This was rejected because of the presence of 19,00,000 mangrove trees. A revised proposal was submitted by the Adanis for the same project minus an area of 530 hectares (where dense mangroves existed). Interestingly, the Forest Advisory Committee of the MoEF, which looks into Forest Land Diversion Clearances, sat on the proposal of 1,850 ha up until 2004 on the grounds that the proposed project area fell under the Coastal Regulation Zone 1 area, considered ecologically sensitive for such construction activity.

In 2002, the CRZ notification of the MoEF was revised to allow SEZ development activities on the coast and in 2004 the Forest Advisory Committee granted the company an in-principle approval for diversion of 1,850 hectares of forest land. But this clearance was for the saltworks project. By this time the Adani group had applied for and received the approval for the Mundra SEZ proposal from the state government. The in-principle forest diversion clearance granted by the FAC clearly laid down the condition that change in the user name to Mundra SEZ from Adani Chemicals would be permissible, but for any change in land use a fresh application would have to be made to the MoEF under the Forest Conservation Act 1980.

A Gujarat Forest Department report by Dr. H S Singh, Chief Conservator of Forests, published in early-2007 talks about "drastic losses of mangrove forest stem" mainly from industrial activities, specifically in the Gulf of Kutch. "In certain areas like Mundra and Hazira, they disappeared overnight," states Dr Singh. Quoted in this report, the Mundra SEZ area had 3,000 hectares of mangroves and much of these had already been cleared.

Threat to Jal Swaraj (Water Sovereignty)

In 2008, amidst its plans for developing the area as an SEZ which seems to include development of townships, hotels, infrastructure and multi-product industries, the Mundra Port and SEZ Limited (MPSEZ) of the Adani group of companies also proposed a Waterfront Development Plan over an area of 3,200 hectares that it had acquired for

its project over the last few years. The WFDP is to be a part of the SEZ and would include development of:

- total waterfront length of 40 km,
- total quay length – approx 22,000 m,
- total numbers of berths – 55 (Including existing 12),
- cargo handling capacity – 225 MMT, likely to go up further
- development of port back-up area – 3200 ha.

“The image from Google maps apparently reveals a vast area of natural marine ecology that would be dredged or filled under the project proposal. It is highly misleading to characterise this land as wasteland. The shallow waters and tidal mud flats that comprise this vast undisturbed area play a vital role in the overall ecology of the area even if they are not heavily vegetated,” claims Mark Chernaik, a technical expert of the E-Law Network, who carried out a critical analysis of the EIA report.

More than 1,000 fishing families of the area have been suffering as a result of the Adani group’s activities in the region. The port and SEZ-related construction have been blocking their traditional fishing routes apart from completely destroying their traditional fishing creeks and harbours. The fishing communities are only one segment of the affected population. The agriculturists, the horticulturists (date orchards) and those dependent on animal husbandry have been badly hit as grazing grounds are shrinking.

The other major issues raised at the hearing were of the water crisis which is affecting irrigation and drinking water needs. The company is not only extracting groundwater but is also getting water from the Narmada Canal. In Kutch, 47.5 million litres per day of water from the Narmada has already been allotted to various industries including the Adani group.

The company has been speaking of desalination plants since its first Environment Impact Assessment and not one has been constructed. Instead it has opted for cheaper options to externalise the costs considering that it has to pay almost Rs 10/ 1,000 litres for the Narmada water. In addition to that, the company and its subcontractors are taking large quantities of water from tanker suppliers for construction and other domestic use. All this has already started showing significant negative impact on the area’s groundwater and increase in salinity. Not that the desalination plants of large capacities would not be harmful. “The salt extracted would be dumped into the nearby seas and creeks making it impossible for marine fauna to survive,” adds Michael Mazgaonkar of Paryavaran Suraksha Samiti, an environment action group in Gujarat.

When revenue land in the area was purchased by the company, all the letters issued by the Collector had some conditions which included allowing the natural drainage patterns to remain unaffected, the traditional paths and roads not to be blocked etc. The Adanis have just not cared about these conditions. Bunds 15-20-km long have been constructed for filling the land which have totally blocked the natural drainage systems resulting in flooding of the Mundra town with rivers draining into the Gulf of Kutch being completely blocked.

Current Status

In January 2009, Narendra Modi, Chief Minister of Gujarat, signed MoUs allowing the Adani group a Rs. 15,000-crore expansion of its SEZ over the next 15 years. Public hearings to consult those affected were held in Mundra on 5 October 2010, five years after the Adani group started building roads and flyovers for the SEZ.

To pacify families protesting at the public meeting, Adani Foundation representatives said they would spend Rs. 4 crore on fishing nets. But with blocked river creeks due to the project it is useless to have fishing nets as one cannot fish in this region anymore.

In a report by Tehelka Magazine Bharat Patel of Machimar Adhikar Sangharsh Sangathan (MASS), a labour union of 10,000 fisherfolk, shared maps submitted by Adani Group since 2004 to get environment clearances. They show the high tide line (HTL) 10 km south of its actual position. According to Government maps of 1991, the SEZ actually falls in Coastal Regulation Zone I (CRZ-I). In the maps submitted by the Adani Group for clearance of its Water Front Development Project in 2008, the HTL is 3 km south of what it is in state maps of 1991, and then in maps submitted last year for clearance of its SEZ, the HTL shifts again, this time by 7 km. "The SEZ and power plants the Government has permitted are illegal in this coastal zone," says Ahmedabad-based lawyer Anand Yagnik.

On 11 February, responding to a PIL by Mundra's farmers, the Gujarat High Court served a notice to Adani's SEZ and the Gujarat Government for illegally taking 231 acres of Navinal village pastures for the Mundra SEZ. Navinal is just one of 23 villages whose sarpanches sold off grazing land keeping the Gram Sabha in the dark. The Struggle against Mundra SEZ continues.

b. People's Victory against SEZ Regime in Goa

On June, 15, 2009, Goa Cabinet withdrew the three-year-old SEZ policy ceasing all the possibility of having these industrial enclaves in the State. Goa had scrapped 12 SEZs while three enclaves which were notified are pending de-notification. In a news report announcing the scrapping of the SEZ policy in Goa State Chief Minister Digamber Kamat said "Out of three SEZs only one has done some work. We will give back all the developers only the money which they had invested in buying the land as we are taking the land back from them."

The State Government received a setback when Union Commerce Ministry's board of approval extended time limit for one of the developers to complete his project. The BoA's decision came in stark contradiction to the State Government's stand that they don't want any SEZs in the State.

K. Raheja Corporation Pvt. Ltd and its group company Paradigm Logistics & Distribution Pvt. Ltd have made an appeal against the judgment passed by the Goa bench of Bombay High Court, dated 26.11.2010. The petitioner companies were allotted land for SEZs in 2006 through Goa Industrial Development Corporation (GIDC). It is their argument that the allotments were duly notified and sanctioned as per the industrial policy of Goa which at that time encouraged setting up of SEZs. On 27.02.2007 the companies also got permissions to commence construction activities in which they claim to have spent nearly Rs. 190 Crores in all. However, after much public outcry and opposition in June 2008 the State of Goa issued written direction to GDIC to cancel the lease of land granted to the companies.

Though the companies are applying pressure to reverse this decision, Goa has shown that the courts of the country still work when it comes to upholding the constitution.

c. Corporate Oligarchy Vs People's Democracy: Raigarh a Ray of Hope against Reliance

MAHARASHTRA ALLOWS RELIANCE TO BUY LAND DIRECTLY FROM THE FARMERS

On 29th of January 2007 Maharashtra government gave Mukesh Ambani's Reliance group sweeping powers to buy land for their Navi Mumbai SEZs.

The Raigad district collector has allowed the Reliance group arm setting up the SEZ to acquire land directly from farmers. Significantly, the decision was taken in less than a week after the Reliance group company had sought the permission from the collector's office.

In a major shift in strategy on special economic zones (SEZs) in Maharashtra, the Mukesh Ambani-led Reliance group had decided to buy land outright from farmers, instead of involving any government agency to acquire it. Since the latter could be time consuming, Reliance was keen to go ahead with the acquisition on its own. It now appears (from the documents) that the state had almost rushed through the procedures in giving a green signal to Mumbai SEZ, the Reliance arm.

On November 24, the company had sought the Raigad district collector's permission for 'early possession' of land so that it can complete the project in time. The collector took just six days to clear the Reliance proposal and on November 30 allowed the company to buy land directly from farmers.

The collector had also directed land acquisition officials, registrar's office and other concerns to expedite matters. The collector's directive further makes it clear that the government's land acquisition process shall continue simultaneously even though the company is allowed to get into direct agreements with farmers.

It can be well understood that now as there are struggles throughout the country over land grab, this company tries to set aside the land acquisition act and buy land directly from the farmers, but with the help of district officials so that it can avoid delays because of legal complications. If the farmers are free to sell or not sell the land, let the district officials be set aside (As the district officials will always be in favour of the company) and the company deals directly with the gram sabha of the village.

(The Economic times 29th January 2007)

Raigad, Maharashtra has over the last few years seen a flood of companies interested in setting up SEZs move into the district. The district as of 2010 has 29 SEZ proposals spread over almost 50,000 acres of land. While the government estimates that only 50,000 people will be affected by SEZs in Raigad, more than 2 lakh people are directly or indirectly dependent on local economies and would thereby be impacted by such projects.

Reliance Industries Limited (RIL) is one company which has proposed setting up a multi-service SEZ in Raigad. RIL has sought to acquire approximately 14,000 hectares of land for its Maha Mumbai SEZ. Local residents, who largely belong to the adivasi Katkari tribe, the Koli (fisher) community and the OBC Aagri community, currently use this land for agriculture, salt production, and grazing.

In 2003, Mukesh Ambani's Reliance Industries Ltd submitted a proposal for setting up a multi-product SEZ in Raigad named the Mumbai Special Economic Zone (MSEZ) across 14,000 hectares (Size of Chandigarh city) in Maharashtra. This SEZ would stretch over 45 villages in Pen, Panvel and Uran tehsils. An investment of Rs 40,000 crore and jobs for 20 lakh people was promised. A relief package of rupees 10 lakh along with training for possible jobs in their factory was also promised to the farmers losing their land. As the project gained momentum, the anti-SEZ committee in the area launched a massive agitation, prompting a historic farmers' referendum in September 2008. It was the first time that a public vote of this kind was sought and taken on an industrial/infrastructure/mining project anywhere in the country.

Since June 2005, when the Government gave its approval for the project, only 13 percent of the desired land has been acquired by Reliance despite six years of negotiations with farmers. The remaining land was not acquired because of opposition from

villagers. In a state-run referendum in September 2008, land-owners in 22 villages were said to have opposed the land acquisition. The Government has not yet formally revealed the result. According to the law at least 90% of the land has to be acquired within two years for formal approval of the SEZ. The Supreme Court had already awarded Reliance two extensions to complete their negotiations

On June 5 2011, the Supreme Court refused to give Reliance any more time to complete their negotiation.

The Raigad story shows that a skilful combination of political and judicial activism is more likely to work in peoples' favour. Court cases take a while to get sorted out, especially when there is a provision in the statutes for the developer of an SEZ to acquire land within two years of the approval from the government. Given that the SEZ law came into force only in 2006, it is not surprising if in some places the court decision over the land happens only now. But while courts deliberate, peoples' resistance to SEZ work hard to highlight the issue in the media, as much as discussing and sharing information among the people themselves. Reliance is probably the toughest corporate on the block. But the Raigad struggle shows that sustained advocacy and preparation for the struggle can withstand even the toughest and most powerful corporations in the country if it is determined. That finally, the poor peasant can bring the country's most powerful corporate down on its knees, creating strong hopes of victory even where the battle is yet undecided.

As the land rights struggles against SEZs across the country gain legitimacy there is a silver lining to this dark cloud. As this edition of Corporate Hijack of Land goes for printing the Supreme Court of India upholds the people's faith in democracy by announcing that the archaic land acquisition act must be revised.

Archaic land acquisition act should go: SC

NEW DELHI: The Supreme Court on Monday said the archaic land acquisition act must go to prevent Nandigram in every state. The observation came on UP government's appeal against HC order canceling land acquisition in Noida.

Criticizing UP Government for acquiring prime agricultural land for building luxury flats in Greater Noida, the Supreme Court today questioned the invoking of urgency clause that bars farmers from raising objections and said it will step in to prevent "more Nandigrams".

"Whose residential use are these flats for? Who is building them? What are the prices?.. We want to go into details of the case. This urgency clause is not automatically invoked.... We do not want more Nandigrams in all states," a bench of Justices P Sathasivam and A K Patnaik said.

The Bench said it would not like a situation similar to Nandigram in West Bengal where such steps to acquire land by invoking urgency clause under which farmers cannot raise objections led to large-scale protests and violence.

"We will not keep our eyes closed. You take it (agricultural land) from one side and give it to the other. This has to go and if it does not go this court will step in to ensure that. It is development of one section of the society only," the bench said.

The hard-hitting observations were made by the bench during the hearing on petitions filed by Greater Noida Industrial Development Authority and real estate developers and builders including Supertech and Amrapali challenging the Allahabad High Court order which had quashed the notifications for land acquisition in Greater Noida, adjoining the national capital.

The apex court expressed its annoyance over the invocation of urgency clause under the land acquisition law for taking over the land on which high-cost residential flats were being constructed.

The High Court had on May 31 quashed acquisition of 170 hectares of land at Gulistan village in Greater Noida for industrial development.

Times of India 27th June, 2011

Real Estate Land Grab and Urban Sprawl

2.1 INTRODUCTION

In 2007 the amount of urban residents outnumbered the rural population for the first time in history of the world. It is estimated that by 2030 more than half of the world's population (roughly three billion people), will be living in urban areas. Experts have noted that the shift towards increased urbanization will be occurring mainly in "developing countries", both in terms of the total global urban population as well as increased percentage of the individual country's population living in urban areas.

Although in ancient time's cities such as Memphis, Babylon, Thebes, Athens, Sparta, Mohen-ja-daro and Anuradhapura existed, there is little evidence of widespread urbanization in the early years of civilization. The migration to cities on mass scale was first noted during the years of industrial revolution, and till date shares a very strong link to industrialization shift of livelihood opportunity from agriculture to industry. With advent of globalization the speed of urbanization has also accelerated.

Types of Urbanization	Definition/Characteristics
Reurbanization	The development of activities to increase residential population densities within the existing built-up area of a city. This may include the re-development of vacant land and the refurbishment of housing and the development of new business enterprises.
Suburbanization	The outward growth of towns and cities to engulf surrounding villages and rural area. This may result from the out-migration of population from the inner urban area to the suburbs or from inward rural-urban movement.
Counter-urbanization	A process involving the movement of population away from inner urban areas to a new town, a new estate, a commuter town or a village on the edge or just beyond the city limits or rural-urban fringe
Urbanization	The process by which an increasing percentage of a country's population comes to live in towns and cities. It may involve both rural-urban migration and natural increase.

Source: <http://geojihyun.files.wordpress.com/2010/11/urbanization.jpg>

Causes of rapid urbanization at glance are attributed to the following main factors:

- Rural to urban migration: due to population pressure and lack of resources in rural areas.
- Pull Factor: Often people in rural areas believe that the standard of living in urban areas will be much better in urban areas.
- Natural increase: caused by a decrease in death rates while birth rates remain high.
- Globalization: Liberalized economy with the highly consumer culture act as a glittering attraction to young people in rural area. The economic boom followed by marketing of glamorous lifestyle pulls more and more people towards the city life.

Cities grow initially benefiting from the increasing agglomeration economy, but after a certain stage due to congestion and crowding diseconomies set in resulting into urban sprawl in the adjoining area.

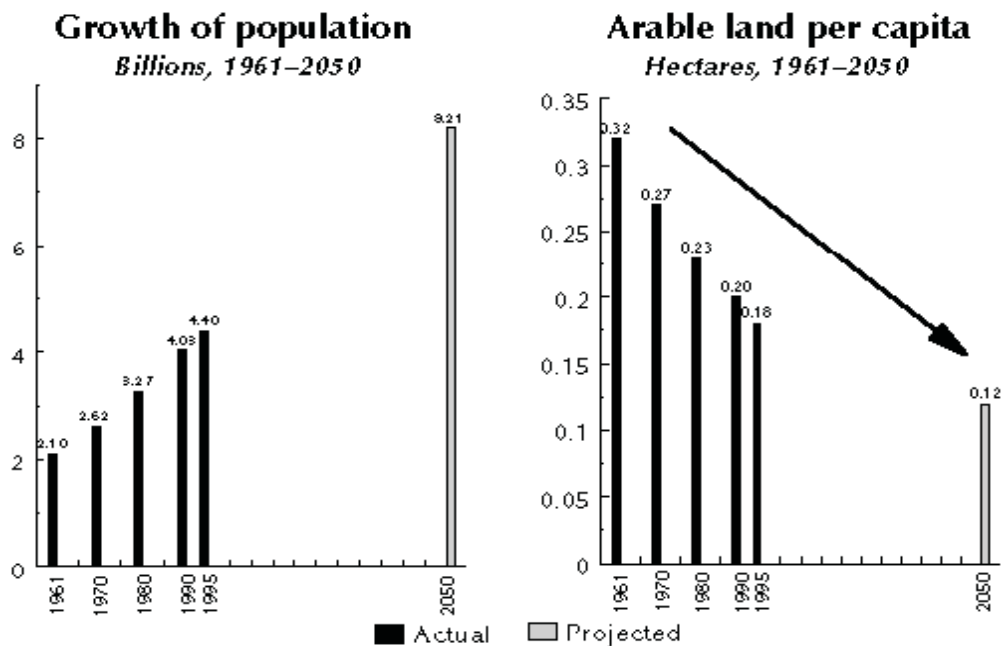
The concept “Urban Sprawl” means increase in spatial scale or increase in the peripheral area of cities. “Urban Sprawl” has its own drawbacks. These are:-

- The city and its infrastructure may not be adequately planned.
- Traffic is high with increased time needed for commuting.
- Essential services are not reachable within time.
- City administration becomes extremely difficult.

However the main impact of urban sprawl is on land utility. As the land around the city gets usurped for housing and for the purpose of the city the arable and forest land around the city starts shrinking.

The pressure on land is quiet evident when we study the following table. Over the year we see a tremendous increase in population and rapid decrease in the per capita arable land. The consequence of this dramatic shift on the environment, food security and future of the world’s sustainability is dire.

Population and Arable Land in Developing Countries



Source: UNFPA/FAO

Population Reports

Managing urban growth has become one of the most important challenges of the 21st century. As a result of the uncontrolled and unplanned sprawling of the cities, the rapid process causes a lot of different ecological, economic, social and infrastructural problems and risks. Considering the high density and the large number of inhabitants combined with the accelerated urban development, particularly megacities run highest risk in cases of natural and man-made disasters.

Globalization, Rapid Urbanization and Megacities

Globalization or rather, the opening up of national economies, has created new city economies and a quite new agenda of urban management. Instead of the map of national entities, covering the entire land surface of the world, we can dimly begin to perceive a map of networks of cities, an archipelago, with linkages outwards to zones of manufacturing, agriculture, mining, etc. Cities emerge as management or logistics centres for the world economy, with technology now extending their reach to the global system rather than limiting it to the local region. Thus the rise of large urban agglomerates and megacities is an inevitable spin off of this process.

“Megacities” are defined as urban areas with more than five million inhabitants. Scientists estimate that by 2015 the world may contain as many as 60 megacities, together housing more than 600 million people. They are where much of the worldwide process of urbanization is taking place.

Megacities are more than just large cities. Their scale creates new dynamics, new complexity and new simultaneity of events and processes – physical, social and economic. They host intense and complex interactions between different demographic, social, political, economic and ecological processes.

Megacities undergoing economic boom times often generate considerable opportunities, as well as strong pressures for change accompanied by environmental degradation. In the developing world, megacities grow faster than their infrastructure. This uncontrolled urban sprawl can foster high traffic volumes, high concentrations of industrial

The world's largest urban agglomerations
Most of them are in Asia, with Latin America a distant second.

City	Population (2005, millions)	Classification		
		1975	2005	2015
Tokyo, Japan	35.2	✓✓	✓✓	✓✓
Mexico City, Mexico	19.4	✓	✓	✓✓
New York, United States	18.7	✓	✓	✓
São Paulo, Brazil	18.3		✓	✓✓
Mumbai, India	18.2		✓	✓✓
Delhi, India	15.0		✓	✓
Shanghai, China	14.5		✓	✓
Calcutta, India	14.3		✓	✓
Jakarta, Indonesia	13.2		✓	✓
Buenos Aires, Argentina	12.6		✓	✓
Dhaka, Bangladesh	12.4		✓	✓
Los Angeles, United States	12.3		✓	✓
Karachi, Pakistan	11.6		✓	✓
Rio de Janeiro, Brazil	11.5		✓	✓
Osaka-Kobe, Japan	11.3		✓	✓
Cairo, Egypt	11.1		✓	✓
Lagos, Nigeria	10.9		✓	✓
Beijing, China	10.7		✓	✓
Manila, Philippines	10.7		✓	✓
Moscow, Russia	10.7		✓	✓

Source: United Nations, Department of Economic and Social Affairs, Population Division, *World Urbanization Prospects: The 2005 Revision* (2006).

production, ecological overload, unregulated and disparate land and property markets, insufficient housing development and, in some cases, such extremes of poverty and wealth living side by side that social unrest may follow.

Mega City Indicators and Challenges

Social indicators	<ul style="list-style-type: none"> • Population growth rate
	<ul style="list-style-type: none"> • Population density
	<ul style="list-style-type: none"> • Life expectancy rate
	<ul style="list-style-type: none"> • Migration rate (migration from rural areas and immigration)
	<ul style="list-style-type: none"> • At-risk-of-poverty rate
	<ul style="list-style-type: none"> • Social polarization rate
	<ul style="list-style-type: none"> • Inequality rate of income distribution
	<ul style="list-style-type: none"> • Crime rate
	<ul style="list-style-type: none"> • Dimension of housing shortages; ghettos, slums, squatters
	<ul style="list-style-type: none"> • Unemployment rate
	<ul style="list-style-type: none"> • Rate of people with unhealthy living conditions
Economic indicators	<ul style="list-style-type: none"> • Development of the local economy/economic structure
	<ul style="list-style-type: none"> • Real GDP growth rate
	<ul style="list-style-type: none"> • Unemployment rate
	<ul style="list-style-type: none"> • Accessibility of public transportation infrastructure
	<ul style="list-style-type: none"> • Quality of transportation network
	<ul style="list-style-type: none"> • Infrastructure deficiencies; overtaxed infrastructures
	<ul style="list-style-type: none"> • Risk of economic loss in case of a disaster
Ecological indicators	<ul style="list-style-type: none"> • Air pollution from vehicle emissions, industry etc.; smog
	<ul style="list-style-type: none"> • Groundwater and drinking water pollution
	<ul style="list-style-type: none"> • Quality of sewage treatment
	<ul style="list-style-type: none"> • Capacities of waste collection and disposal services
	<ul style="list-style-type: none"> • Land sealing rate
	<ul style="list-style-type: none"> • Suburbanization (urban sprawl) rate
	<ul style="list-style-type: none"> • Number and dimension of brownfields
	<ul style="list-style-type: none"> • Destruction of original vegetation; deforestation; damage to flora, vfauna, biodiversity per year
	<ul style="list-style-type: none"> • Risks to natural disasters or industrial accidents

Source: Theo Kötter, Frank Friesecke, Developing urban Indicators for Managing Mega Cities World Bank

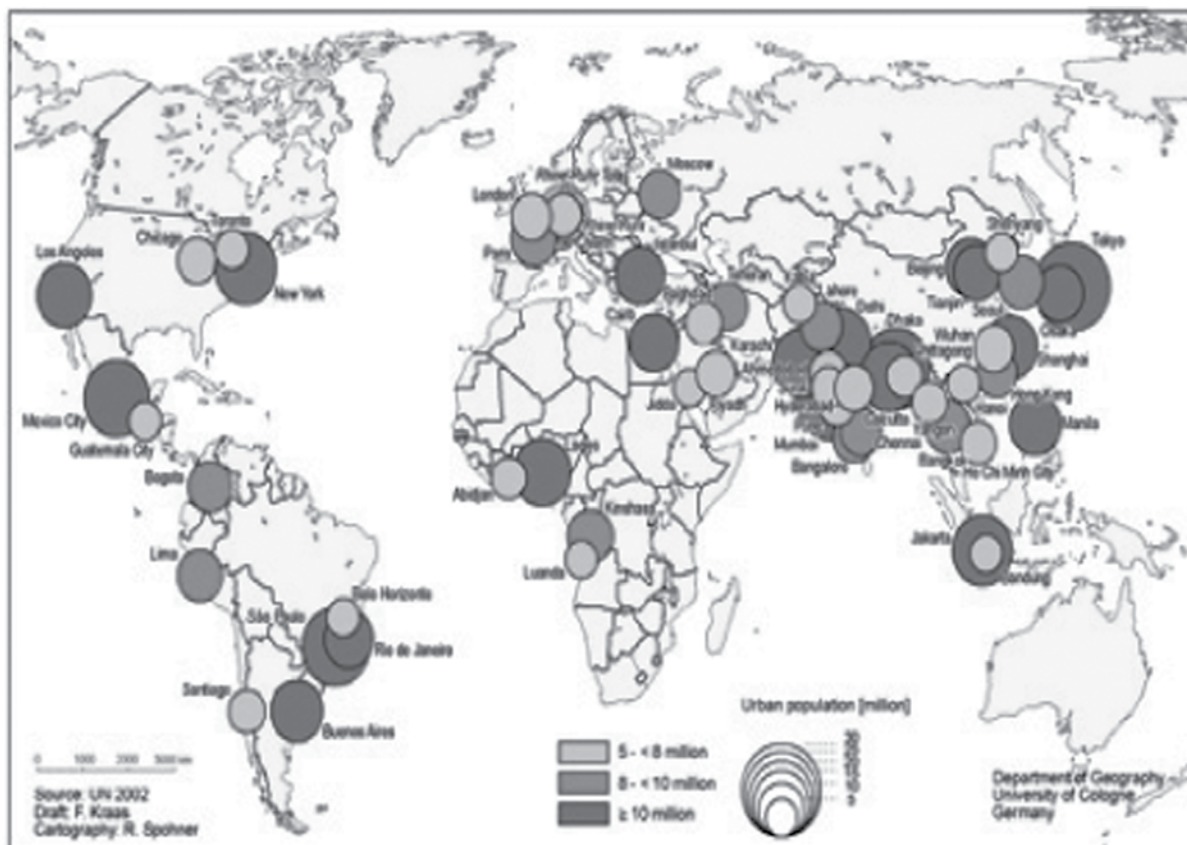
One look at the indicators and challenges stated in the table is enough to alert us about the stark future of the world if unprecedented and ad hoc urbanization is to continue. But what is the relationship between mega cities and globalization?

As Aleksandra Stupar¹ makes the connection between globalization and mega cities he states “Shadowed by the glittering envelopes of the neo-liberal capitalism and overburdened with the multiplying setbacks, these unique ‘representatives’ of the new

¹Aleksandra Stupar Hatching the Ugly Ducklings Of Globalization: Megacities Between Visions and Illusions, Belgrad University

world order frequently shape the reversed picture of on-going processes. Their weaknesses are magnified, qualities diminished but the 'globalized' pattern still exists hidden under the layers of poverty, congestion, pollution and ignorance."

Liberalization, macroeconomic reform, has not merely opened the city to external competition; it has led to the privatization and restructuring of urban public sector enterprises, and in some cases, the privatization and reorganization of city public services. In the cities of formerly central planned economies, the development of markets in housing and land is in the process of reorganizing the distribution of activity in the city in even more radical ways. In the case of megacities this has heavy implication for urban planning and resource management. The lack of which is responsible for the ad hoc sprawl witness today in most cities in general and megacities in particular.



2.2 URBANIZATION, GROWING CITIES IN INDIA: A THREAT TO EARTH DEMOCRACY AND PEOPLE'S DEMOCRACY

Many experts have deemed India as one of the biggest success stories of the "liberalized" world. The increased affluence, the IT boom, the increasing GDP, the rush of investments etc. are definitely indicators of how well globalization is working for the economy. However there is flipside to this success story when one sits to analyze who are the winners and who are the losers of this phenomenon.

Till the 1990s India followed a mixed economy model for its "growth and development". However in the early 1990s India "opened" up its economy. This was done in an attempt to undo a major economic crisis that was led by a foreign exchange crunch. This crunch had dragged the economy close to defaulting on loans. The Narasimaha Rao government under the guidance of the then finance minister Dr. Monmohan Singh responded by "liberalising" the economy partly prompted by the immediate needs and partly by the demand of the multilateral organisations.

As pointed out by Chandrasekaran Balakrishnan in his article Impact of Globalisation on Developing Countries and India “ Major measures initiated as a part of the liberalisation and globalisation strategy in the early nineties included scrapping of the industrial licensing regime, reduction in the number of areas reserved for the public sector, amendment of the monopolies and the restrictive trade practices act, start of the privatisation programme, reduction in tariff rates and change over to market determined exchange rates.” Thus because of the structural adjustment programs of the World Bank India had to set up the decommissioning committee which was systematically responsible for working towards privatising the “public sector.”, which included water, electricity, roads etc. Therefore in the name of efficiency a large portion of the Indian population was further distance from easy access to these basic amenities.

As pointed out by Kaldor and Luckham² (2001) “This combination of privatisation and globalisation has tended to be associated with corruption and clientalism.” This leads to a creation of an informal economy amongst many other consequences, which is then responsible for increased gap between the rich and the poor, weakens the rule of law and encourages privatised form of violence.

If one is to go by the picture painted by the Forbes magazines lists of the wealthiest people in the world out of the 946 billionaires from all over the world at least 36 are from India, giving one the illusion that economic globalization is paying off for the country. However the flipside of this story is made clear by Amelia Gentleman of the Observer commenting on India’s state of affairs “.....where around 700 million people search a living out of agriculture and some 300 million battle to survive beneath the poverty line. Horse-drawn carts dodge trucks as they drive the wrong way down the national highway, overloaded with leaking sacks of grain. Visibly weak infant children break stones in the central reservation, helping to repair the road surface.”

It is clear that there exists many realities and lifestyles simultaneously in India some which enjoy a wealthy lifestyle, others who work hard and make a reasonable living and yet a large portion who are still struggling to survive.

One of the most important aspect of liberalization and its impact on India is the growth of megacities in the country. It is believed that 16 of the 21 urban agglomerations in the world are located in “developing” countries. Out of these 16 at least 3 (Mumbai, Kolkata and New Delhi) are located in India. The Mega city symbolizes a hazardous life style. This is because even if people in these cities live in poverty the basic amenities utilized such as water, electricity, shelter and food for such a vast population will inevitably lead a big ecological footprint. The result of over 10 million people occupying a small space is manifested then through problems such as lack of solid waste disposal, urban violence, pollution, corruption, sweetshops and perhaps a breakdown of the ecological and social fabric of the area. As pointed out by urban planner Steve Jones “The world’s mega cities take up just 2 percent of the Earth’s land surface, yet they account for roughly 75 percent of industrial wood use, 60 percent of human water use, and nearly 80 percent of all human produced carbon emissions. These figures suggest that the struggle to achieve an environmentally sustainable economy for the 21st century will be won or lost in the world’s urban areas.”

Megacities and cities in India however lack the resources to effectively implement policies as well as public awareness to overcome these problems of urban waste management, growing crime rate and maintenance of infrastructure for the ever growing population. According to the high-powered expert committee (HPEC) on urban infrastructure led by economist Isher Judge Ahluwalia (2011) “India needs an investment of

²Kaldor, Mary and Luckam, Robin: Global Transformation and New Conflict. Institute of Development Studies, Vol .32.Nro 2. (2001)

Rs. 39.2 trillion in infrastructure over the next 20 years as well as major administrative reforms to cope with the current rate of urbanization.”

Apart from this, it estimates that India will have 41% (or 575 m) of its people living in cities by 2030, up from the present level of 286 million and 28%. Delhi (94%) and Goa (53%), Tamil Nadu (48%) are the most urbanized states while states like Himachal Pradesh (10%), Bihar (13%), Assam (13%) and Orissa (15%) are the least urbanised ones. With cities contributing over 62% of GDP, the importance of urbanization cannot be under-played. An NSSO survey reports that there are over 80 million poor

people living in the cities and towns of the country, of which the TCPO estimated that in 2001, 61.80 m lived in slums. In 2001 an estimated 23.7% of the urban population was living in slums.

It is interesting to note that the ratio of urban poverty in some of the larger states is higher than that of rural poverty leading to the phenomenon of ‘Urbanization of Poverty’. Urban poverty poses the problems of housing and shelter, water, sanitation, health, education, social security and livelihoods along with special needs of vulnerable groups like women, children and aged people. Poor people live in slums which are overcrowded, often polluted and lack basic civic amenities like clean drinking water, sanitation and health facilities. Most of them are involved in informal sector activities where there is constant threat of eviction, removal, confiscation of goods and almost non-existent social security cover. So even though the per capita GDP of cities look very impressive in India the distribution of wealth is clearly lop-sided

What does this myopia of “growth and development” oriented socio-economic and political urban planning or rather non-planning i.e Sprawl spell for Indian cities? How will the urban sprawl effect land use in and around Indian cities? How sustainable and liveable are these cities?

Who is included and who is excluded from this vision of growth in these so called world class cities? These questions are answered comprehensively when one looks at the impact of the urban sprawl through Navdanya’s Earth Democracy lens and its impact on the five Swaraj’s: Bhu Swaraj (Land Sovereignty), Anna and Bija Swaraj (Food and Seed Sovereignty), Jal Swaraj (Water Sovereignty) and Van Swaraj (Forest Sovereignty).

Percentage of poor in different size classes of cities/towns

City/Town size	1993-94	1999-2000
Large towns/cities	18.4	14.2
Medium town/cities	27.6	20.4
Small towns	33.2	24.2
All Urban areas	27.4	19.9
Rural Areas	35.7	23.9

Source: UNDP: India: Urban Poverty Report, 2009

Thirteen cities will have a population of more than 4 million

	Population in 2030 Million	GDP, 2030 ¹ \$ billion	Per capita GDP, 2030 ¹ \$ thousand
Mumbai (MMR)	33.0	265	8.0
Delhi (NCT) ²	25.9	296	11.4
Kolkata	22.9	169	7.4
Chennai	11.0	78	6.6
Bangalore	10.1	127	12.6
Pune	10.0	88	8.8
Hyderabad	9.8	67	6.8
Ahmedabad	8.4	68	8.1
Surat	7.4	53	7.2
Jaipur	5.4	24	4.5
Nagpur	5.2	37	7.1
Kanpur	4.2	15	3.6
Vadodara	4.2	35	8.5

¹ 2008 prices.

² National Capital Territory, excludes Noida, Gurgaon, Greater Noida, Faridabad, and Ghaziabad.

SOURCE: India Urbanization Econometric Model, McKinsey Global Institute analysis

Bhu Swaraj (Land Sovereignty)

As the resource demands of globalization increase, land has emerged as a key source of conflict. In India, 65 per cent of people are dependent on land. At the same time a global economy, driven by speculative finance and limitless consumerism, wants the land for mining and for industry, for towns, highways, and bio-fuel plantations. The speculative economy of global finance is hundreds of times larger than the value of real goods and services produced in the world. Financial capital is hungry for investments and returns on investments. It must commodify everything on the planet - land and water, plants and genes, microbes and mammals. The commodification of land is fuelling the corporate land grab in India, both through the creation of Special Economic Zones and through foreign direct investment in real estate. It is thus clear that one of the biggest threats to the farmers of the country and reason for land grab and resource in India is the commodification of land through real estate development fueled by urban sprawl. As the population of cities multiple in an unprecedented manner the demand for land rises in and around the city.

Rajeev Shukla points out in his article Do Bigha Zameen³, (2011) “According to the Quality Council of India (QCI), an autonomous non-profit organization set up by the Government of India and the three arms of Indian industry (FICCI, CII and ASSO-CHAM), India’s arable land totals to 1,620,388 sq. km. The QCI believes that India has huge potential in the agrarian sector and can dominate the international market. But selling off rich agricultural land for the sake of urban development will only close the doors of opportunity. India has a total land area of 2,973,200 sq km, of which around 27 per cent is barren land. It is unfortunate that despite over 177 lakh hectares of barren land lying unused, a scarce resource like rich agriculture land is being poached upon to promote industrialization.”

Anna and Bija Swaraj (Food and Seed Sovereignty)

According to the Population Report by The Johns Hopkins School of Public Health⁴ (1997) “Urbanization affects food production in two ways—by removing agricultural land from cultivation, as cities expand, and by reducing the number of family farms, as more farmers move to cities. The spread of cities alone consumes enormous tracts of farmland in much of the world. Between 1987 and 1992, for example, China lost close to one million hectares of farmland each year to urbanization and the expansion of roads and industries In the US, urban sprawl takes over nearly 400,000 hectares of farmland each year.”

The Food Insecurity Atlas of Urban India, brought out by the M.S. Swaminathan Research Foundation (MSSRF) and the World Food Programme (WFP) indicates that more than 38 per cent of children under the age of three in India’s cities and towns are underweight and more than 35 per cent of children in urban areas are stunted. The report states that the poor in India’s burgeoning urban areas do not get the requisite amount of calories or nutrients specified by accepted Indian Council of Medical Research (ICMR) norms and also suggests that absorption and assimilation of food by the urban poor is further impaired by non-food factors such as inadequate sanitation facilities, insufficient housing and woeful access to clean drinking water.

Thus rapid un-planned urbanization not only effect the quantity of food available to

³Shukla Rajeev, Do Bigha Zameen, Asian Age, Opinion Column 22 March, 2011

⁴Population Reports is published by the Population Information Program, Center for Communication Programs, The Johns Hopkins School of Public Health, Volume XXV, Number 4, December, 1997. Website: http://info.k4health.org/pr/m13/m13chap3_3.shtml

the urban population as agriculture land is for the purpose of city based activities and housing. It also affects accessibility as price rises due to importing food from further off places. Lastly it has a strong impact on the quality of food reaching the mass of urban population.

Threat to Jal Swaraj (Water Sovereignty)

As more people crowd into ever-expanding cities over the next 20 years, those cities will experience huge increases in the demand for domestic water - the kind used for cooking, cleaning, sanitation as opposed to industry and agriculture.

According to the report of the World Food Program more than 21 per cent of India's urban population lives in slums, 23 per cent of urban households do not have access to toilet facilities and nearly 8 per cent of urban households are unable to find safe drinking water.

Only 3% of all water on the planet is fresh water, and most of this is frozen in ice-caps and glaciers or is in underground aquifers. Only about one-hundredth of 1% of the world's total water supply is readily available for human use. If evenly distributed, this amount would be sufficient for current need. Hydrologist Malin Falkenmark and colleagues have calculated that, once a country's available water resources drop below 1,700 cubic meters per person per year, the country can be expected to experience regular water stress. In 1990, 28 countries with a combined population of 335 million faced chronic water stress or outright scarcity. By 2025, 52 countries may face water shortages, affecting over 3 billion people—about 40% of the world's projected population.

Pressing water quality and quantity challenges posed by the depletion and degradation of water resources in urban India. The map below alerts us on the upcoming water crisis in the country.



Source: Hal Watts and Matthew Laws⁶ website: www.matthewlaws.com

⁵Report on the State of Urban Insecurity in India M.S Swaminathan Research Foundation and World Food Program, 2010.

⁶Runner-up in the 2011 Urban Water Design Challenge, sponsored by Visualizing.org and Circle of Blue.

Van Swaraj (Forest Sovereignty)

Rapid, uncontrolled and often unplanned urbanization is beginning to take its toll on sustainability of Indian cities and well-being of their inhabitants. Quality of civic life in Indian cities, barring a few fortunate boroughs, leaves much to be desired when compared to the cities in a large number of other countries. The scale of the problem can be estimated by recognizing the fact that today every 4th Indian is a city dweller.

In India very little work has been done on quantification of recreational use value of forest resources. Basically, these types of studies have been restricted so far to only few National Parks and Sanctuaries. Studies are not available on recreational use value of urban forestry of a big Indian city.

Many policy instruments and robust scientific evidence in last two decades have emphasized the critical necessity of green areas within urban social-ecological systems to ameliorate several problems of city-living but not much work has been done yet.

Urban forests or green spaces need to be an important and inalienable component of urban planning and not an executive after thought. Unfortunately evolution of cities in post-independence India has been overwhelmed by onslaught of population growth and human migration to cities in search of employment. This is reflected in poor quality of urban habitations in India in which urban greenery is one of the many casualties.

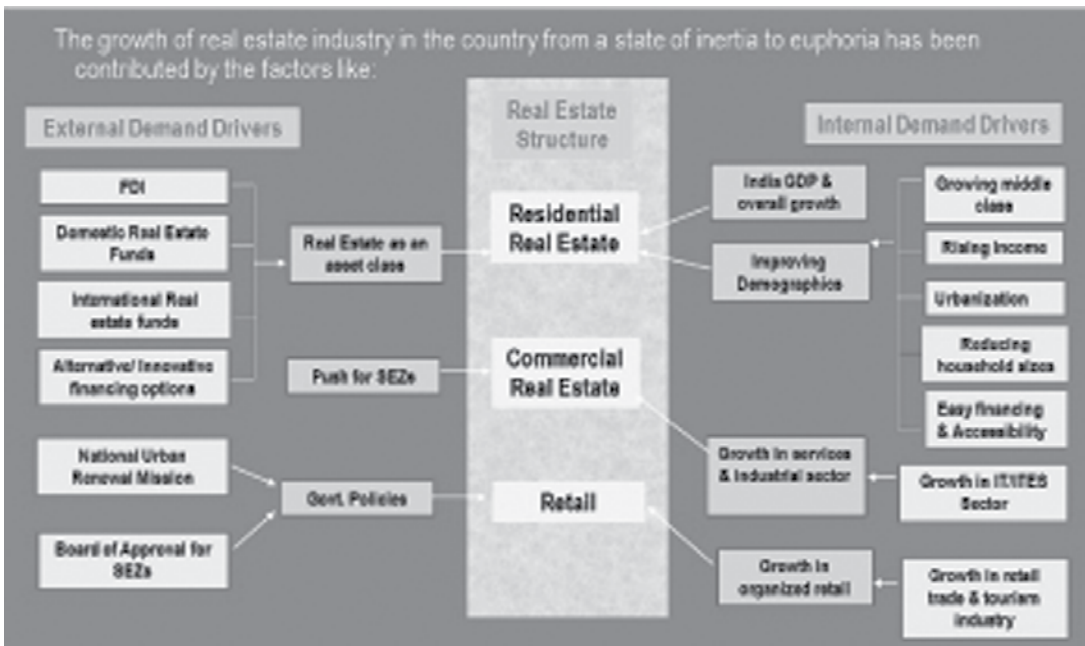
Urban forests or urban greens are beneficial for various environmental, social and educational purposes in the lives of urban dwellers. Certain unscrupulous elements in the society always try to grab such green open spaces, for real estate and building purposes.

Threat to Lok Swaraj (People's Democracy): It is clear with rise in urban population and especially the population of slum dwellers in the city, democracy and human rights also are threatened. The marginalized communities living in the slums don't enjoy the same citizenship status as the rest of the people in the country. They don't have access to basic amenities provided by the state like water, energy, food and health care as available to others. The Universal Identification (UID) project of the government is salt to the wound of disempowerment. It is anti- and violates a number of basic rights guaranteed under Part III of the Constitution of India including Articles 14, 15, 17, 19 and 21 viz., the Rights to equality, dignity, privacy, expression and the right not to be discriminated against. The project seems to be aimed at profiling people by pooling in biometric and retinal data pertaining to an individual and could be potentially discriminatory in a country where caste identity is the most predominant socio-political marker. For slum dwellers who are in most cases destitute migrants to the city it becomes more and more difficult to be part of the system which constantly reject them.

2.3 REAL ESTATE, FDI AND LAND SCAMS

Organized Real Estate Industry in India is only a couple of decades old. However this industry, in India, is growing at a whopping rate of 30% for last few years. According to the survey by FICCI, the magnitude of real estate industry in India is of US\$ 12 billion.

In India, 80% of the real estate developed is residential areas and rest 20% includes office spaces, shopping complexes, hotels, and hospitals. Policy makers have recently decided to stress on flourishing proper infrastructure for the country. To back this process, they have decided to liberalize the FDI policies to attract large investments. The liberalisation policies of government has decreased the need for permissions and licenses before taking up mega project construction, Opening the doors to foreign investments is a further step in this direction. The government has allowed FDI in the real estate sector since 2002. But lack of clear land titles and litigation has made this industry one of the most opaque and corrupt one.



Source: The Nielson Research on Indian Market Scenario 2008

According to the data released by the Department of Industrial Policy and Promotion (DIPP), housing and real estate sector including cineplex, multiplex, integrated townships and commercial complexes etc, attracted a cumulative foreign direct investment (FDI) worth US\$ 9,405 million from April 2000 to January 2011 wherein the sector witnessed FDI amounting US\$ 1,048 million during April-January 2010-11.

Last 10 years in the country have observed the following features in the land market metropolitan cities:

- Increase in land and property prices in metro cities;
- Land as a resource for infrastructure projects.
- Urban land diverted or given away cheaply for higher end real estate projects and townships.
- Permitting foreign direct investment in the real estate.
- Deregulation and land use zone conversions.
- Market based solution for slums.
- Introduction of new land management tools
- Slum evictions a displacement in metro cities.

Steep increase in land values and the growing interest of reality sector in land is perhaps making less and less land available for slums. Resettlement policy should lay down guide lines to minimize development based, market induced displacements and insure rehabilitation of project affected persons based on human rights to adequate shelter. The land question is very important in country such as India where the only asset the venerable could claim to have at one time, was land. Today these victims of development and faulty economic policies are worst then refugees in their own country.

Most scams in the last 5 years can trace their route to land grab. The Nexus between FDI, l estate and retail are becoming sharper each day as the saga unfolds. The follow- ing section will elucidate this claim further.

Key Players of Indian Realty Market

DLF: DLF's chief business is to develop housing, marketable and retail properties. Currently it has undertaken the development of 70 million sq ft of housing projects which it intends to finish in the next three years (2013). DLF has joined hands with Delhi Development Authority to develop townships in Amritsar, Pune, Gurgaon, Mumbai, Chennai and Goa. DLF has been the construction company behind different malls in the major cities in India. The company is also developing 50-75 hotels along with Hilton Hotels and infrastructure and SEZ in India in collaboration with Laing O'Rourke (UK). The current market cap is around Rs.51,832.22 crore.

Tata Projects: Tata Projects registered an annual turnover of Rs 2,300 crore on July 1, 2007. With more than 1,500 professionals the company has emerged as one of the chief player in EPC projects. Tata Projects functions in concentrated divisions like broadcast and distribution, steel, power production, oil, gas and hydrocarbons and industrial infrastructure.

Sobha Developers Ltd: With an annual turnover of Rs 1,189 crore, Sobha Developers Ltd was initiated by the now chairman PNC Menon in the year 1995. At present it owns Rs 3,500-acre land in eight Indian cities namely Coimbatore, Bangalore, Mysore, Chennai, Thrissur, Kochi, Pune and Hosur. The company's clientele include some of the top players in IT, hotel and construction sector such as Hewlett Packard, Mico, Infosys, Ramaraju Developers, Dell, Timken, etc.

Shapoorji Pallonji & Co: Some of the major projects undertaken by Shapoorji Pallonji & Co are World Trade Centre, Mumbai; TELCO industrial complex, Pune; Bhabha Atomic Research Centre, Kalpakkam; HSBC Bank, Mumbai; Hotel Taj Intercontinental, Mumbai; Bank of India, Mumbai; Indira Gandhi International Airport, New Delhi, etc.

Unitech: Recently Ramesh Chandra, Unitech's Chairman has declared the investment of \$ 720 million by his company in the coming four years to develop 28 hotels along with Marriott International. The market capitalization of the company is Rs.16,867.40 crore. Its chief activities include construction, expansion of real-estate, consultancy in associated sectors, hotels, electrical broadcast and information technology.

India Bulls Real Estate: One of India's largest listed developers developing residential and commercial real estate. Being a focused regional player, more than 90% of IBREL's portfolio by value is in the three major markets of Mumbai, NCR and Chennai. Established in 2000, the company has grown into one of the leading Indian business houses with its companies being listed on Indian and overseas financial markets having a combined net worth in excess of Rs. 18,000 crores. the current market cap being Rs.6,545.17 crore.

HDIL: Ranked as India's fastest growing real estate company by Construction World-NICMAR in October 2007 & with a current market cap of Rs.8,567.76 crore, Housing Development & Infrastructure Limited has established itself as one of India's premier real estate development companies, with significant operations in the Mumbai Metropolitan Region. HDIL is a public listed real estate company in India with shares traded on the BSE & NSE Stock Exchanges. With operations spanning every aspect of the real estate business, from residential apartment complexes to towers & townships, commercial premium office spaces and retail projects like world-class shopping malls. It is India's largest slum rehabilitation company, & was given the Mumbai International Airport Slum Rehabilitation project in October 2007.

Emaarr-MGF: One of the world's leading real estate developers company in India and Development of properties in the residential flats, Commercial Properties, premium apartments etc. The 'Commonwealth Games Village builder' is still trying to get listed on NSE.

-Adapted from the website www.greenworldinvestor.com

A. Real Estate and the 2g Scam

In the last two decades the telecom sector witnessed rapid transformation with the National Telecom Policy-94 setting the stage for opening up of the sector. With changes in the sector, cellular mobile services outgrew the fixed line services. The most important change was the shift to a revenue sharing regime in National Telecom Policy (NTP) 1999 where the operators shared their revenue with the Government in the form of annual license fee and spectrum charges. The Unified Access Services License (UASL) 2003 sought to frame the road map for a uniform licensing regime.

In January 2008, Department of Telecommunications issued 120 new licenses for unified access services on the same day. Issuance of 120 licenses in just one day and at a price discovered in 2001 drew attention of Media, Parliament and informed members of the civil society. The claim in each such reference is that ineligible applicants seem to have been granted licenses and at a price which appeared far below what has been perceived to be the appropriate market price in 2008. "Several rules were violated and bribes were paid to favor certain firms. Several licenses were issued to firms with no prior experience in the telecom sector or were ineligible or had suppressed relevant facts. The violations cost the exchequer \$39 billion in lost revenue, the auditor said, equivalent to India's defense budget," Comptroller Auditor General's report said. The Telecoms Minister Andimuthu Raja was sacked after a report by India's state auditor and a CBI enquiry was constituted by Supreme Court direction. Even Prime Minister Manmohan Singh, had to explain to the Supreme Court why he sat on a request for permission to charge Raja with corruption. The CBI has launched an investigation into alleged corruption at the ministry. The CAG said several companies such as Unitech units got licenses despite having inadequate capital, Swan Telecom got a license even though there were monopoly issues and Reliance Communications got undue benefits as it sought permission to offer services under the more popular GSM technology. Now former Telecoms Minister Andimuthu Raja, has been in Tihar Jail since February 2011 for allegedly planning and executing the 2G scam.

The real estate major, Unitech, applied for telecom licenses through eight of its group companies, namely, Adonis Projects, Aska Projects, Azare Properties, Hudson Properties, Nahan Properties, Unitech Builders and Estates, Unitech Infrastructure, Volga Properties and bagged pan-Indian licence at a throwaway rate of `1,651 crore. These companies later added Telecom to their names in May 2008 and then changed the name to Unitech Wireless (East, West, South, North Mumbai, Delhi, Kolkata and Tamil Nadu) in the last week of May 2008. Controversies started when they sold their 67 per cent shares to Norwegian company Telenor at a whopping price of `6,200 crore in September 2008, making nearly `4,500 crore within months.

At one point of time, the Home Ministry objected to the takeover by Telenor as it is a major operator in Pakistan and Bangladesh. However, in October 2009, the Ministry approved the takeover deal just a week before the Central Vigilance Commissioner ordered the CBI to investigate the criminal conspiracy in allotment of 2G spectrum. All these licenses were currently operating under the UNINOR banner.

CBI sources said Unitech and DB Realty (whose telecom arm Swan Telecom is alleged to have given kickbacks in the 2G scam) had obtained environmental clearances for some of their key projects during Raja's tenure. "These clearances could be linked to the 2G spectrum scam too," a CBI official said.

Sources added that Raja had given the clearances at the instance of RK Chandolia, then director of planning and coordination in the Environment ministry. Chandolia later became Raja's personal secretary at the telecom ministry. According to the CBI, as many as 2,016 projects got environmental clearances in just two years, of which

Vinod Goenka and Shahid Balwa, promoters of DB Realty, which is majorly involved in real estate development & Slum TDR in Mumbai benefited the most. The link between the realty companies and Raja went back to his previous tenure as the minister of environment. "This unholy friendship culminated in all these companies getting the clearance certificate to their future projects," the official said, adding that the friends in the real estate community were asked to apply for 2G spectrum which was seen as a very lucrative business.

The banks in India are now weary of lending money to real estate companies. The cash-strapped real estate sector is said to have a total estimated debt of around Rs 800 billion, out of which over Rs 200 billion would reportedly come up for repayment in the ongoing fiscal year 2011-12. This one believes is one of the main reasons for the temptation of the 2g scam where most of the players involved were realty companies.

The CBI have already arrested nine accused in the case including Raja, Chandolia, former telecom secretary Siddhartha Behura, DB realty promoters Shahid Balwa and Vinod Goenka, Sanjay Chandra of Unitech and Gautam Doshi, Hari Nair and Surendra Pipara of the Anil Dhirubhai Ambani Group (ADAG). A Raja and eight others have been charged with criminal conspiracy, forgery, cheating and corruption under the Indian Penal Code.

B. Retail, Realty and FDI- The Unholy Trinity

Retailing trade contributes around 10-11 % of India's GDP and currently employs over 8 crore people. Within this, unorganized retailing accounts for 96% of the total retail trade. Traditional forms of low cost retail trade, from the owner operated local shops and general stores to the handcart and pavement vendors together form the bulk of the this sector. Since the organized accounts for less than 8 % of the total workforce in India and millions are forced to seek their livelihood in the informal sectors, retail trade being an easy business to enter with low capital and infrastructure needs, acts as a kind of social security net for the unemployed.

Retail in India was always seen in the form of the local shop near your home which catered to the daily needs and was run by individuals earning profits at small scale. With the entry of FDI in retail, it has become a huge market for the global players in retail, who see India as a big opportunity of minting money. Though they could lure the middle class towards malls, but malls do not cater to the daily needs of people and majority of people do not go to malls. It was still the "kirana" shop (local grocers) in all the local areas which were tapping this market.



Which one is your market place?



DELHI'S STURGGLE FOR RETAIL SOVEREIGNTY

Time line

2006

February 16: The Delhi High Court hands over a notice to the MCD to remove all the commercial ventures in residential areas in the city.

February 25: After some violent reactions the demolition activities are suspended.

March 18: After the SC had earlier fixed March 26, 2006 as the deadline for sealing of illegal shops, traders protest against the demolition activities in the residential areas in the city.

March 24: The SC extend the deadline to March 28, 2006 after seeing the tense situation in the capital. It orders violating traders to submit affidavits stating that they will shut down their businesses or face action from March 29. Over 40000 traders file the affidavits.

March 29: MCD starts sealing the commercial establishments in residential areas whose owners had failed to file a requisite before the deadline set by the court under tight security.

April 25: The union urban development minister Jaipal Reddy says that the central government would provide a bill concerning regularization of commercial establishments.

May 20: MCD announces the end of the sealing drive after the central government introduces a bill to suspend the action of municipal authorities.

May 23: MCD starts desealing shops in the capital.

August 10: The SC terms as invalid, the new law which was putting a moratorium on demolitions and sealings in the capital. The court also orders the MCD to restart sealing in the capital.

September 1: The MCD resumes the sealing of shops in residential areas after a gap of three months. The All Delhi Traders Association files a petition in the SC demanding the implementation of the Delhi Special Provisions Act that suspended the demolitions for a year. The monitoring committee appointed by the SC in consultation with the MCD decides that no day-to-day-need shops will be sealed.

September 19: As MCD expands its sealing drive in the capital, traders in the capital increase their protests. Across nearly 100 different locations they condemn what they call the government's ambivalent attitude towards sealing. The SC refuses to stay the sealing drive and criticizes the union government and the MCD for creating confusion about sealing.

September 20: Four people die in police firing after the bandh called by the traders in Delhi turns violent.

September 21: Prime Minister Manmohan Singh sets up a Group of Ministers (GoM) to look into the issues pertaining to sealing in Delhi. The MCD suspends all sealing operations in the capital for the time being, following the violence. It says that it wants more security to carry out the sealing drive.

September 29: The SC declares that there will be no sealing of shops or commercial establishments till October 31 after which it shall resume. The court also asks the owners of the illegal shops to submit affidavits stating that their businesses were being run on illegal premises. The court also clarifies that it will not tolerate the government's continued attempts to pass new laws that dilute its orders to remove shops in residential areas.

October 18: The Supreme Court extends till January 31, 2007 the last date for filing of affidavits by traders in the capital who are using residential premises for commercial activities for those who had not done so till yet and thus in a way temporarily postpones the sealing of their shops. Sealing is however not stopped for the 44000 traders who have already submitted the affidavits

October 31: Three day traders' strike in New Delhi. The traders try to resolve the case and meet Jaipal Reddy and Delhi chief minister Sheila Dikshit. November 1.

November 6: Supreme Court orders resumption of sealing drive in New Delhi The SC refuses to grant any relief to traders from the sealing drive. The court dismisses applications of the Centre, Delhi government and the MCD, seeking relief for the traders. A meeting of the GoM decides that the SC's order on sealing would be implemented. After this statement, traders announce that they will hold a 24-hour bandh in Delhi on November 7 and then decide their future course of action.

Thus the MNCs had to devise some mechanism so that these shops get closed and the consumer has to go to those big malls or the chain of retails for every need of their life, in a way they wanted to make the consumer dependent on them, so that later they can earn more by monopolizing the whole retail market.

The struggle for Delhi's retail sovereignty continues till date but it is only a matter of time before the street vendors, the local corner grocer and 'thela walas' of Delhi and other parts of India will join the list of disposable people of the globalize world. The forces at play are attacking their existence not only by physically removing them but also systematically making them redundant by changing the consumer culture of the country.

On Quit India Day, 9th August 2007, a broad alliance of farmers, hawkers, traders and youth told Wal-Mart "Corporations Quit Retail"

Hundreds of thousands of traders, hawkers, farmers and workers across India protested against the corporate entry in retail. The protest was organised by the National Movement for Retail Democracy, a broad alliance of farmers unions, hawkers groups, traders associations, consumer forums, trade unions and various non governmental organisation. Demonstrations took place in Delhi, Mumbai, Bangalore, Kolkata as well as Kalicut, Bhopal, Jaipur, Ranchi, Balia, Meerut, Sonipat, Nagpur, Nasik, Pune and Indore.

In Delhi, thousands protested in Chandni Chowk, a historical market, and burned effigies of Wal-Mart, Bharti and Reliance. Mass-based organizations called on the Prime Minister and Sonia Gandhi to immediately stop the corporate entry into India. There was a strong united call to all corporations—both foreign and domestic—to "Quit Retail". The protests were timed to commemorate the start of the "Quit India" movement, which started on August 9, 1942, with mass-based sections of society drawing parallels to the East India Company and companies like Wal-Mart, Bharti and Reliance.

Vandana Shiva compared the present situation with colonized India, when the British monopolized the production of salt by not allowing Indians to do so. Today big corporations are trying to monopolize agriculture, retail and other sectors in the economy. Time has come for all of us to produce, process and eat our local food, and boycott these corporations to save our sovereignty. The very fact that the government has denied permission for Wal-Mart to enter into retail directly, is a victory for our struggle. Praveen Khandelwal, General Secretary, Confederation of All India Traders (CAIT) said, "The livelihoods of retail traders are at stake. If big retail giants like Wal-Mart and Reliance come into the country, small traders will be finished." Several trader and hawker leaders addressed the demonstrators.

In Mumbai, thousands of people participated in a one day trade bandh. A mass public event was organized by the Vyapaar Rozgaar Suraksha Kriti Samiti, a joint action committee of trade associations, hawkers groups, trade unions and others.

In Jaipur fifty American students joined with hawkers demanding that Wal-Mart leave India and demanding the implementation of the National Policy on Street Vendors. Ms. Cheryl, an American studying Hindi in Jaipur said that Wal-Mart has a disastrous impact on small shopkeepers and neighbourhood communities in the U.S. and that India should not to allow Wal-Mart to operate in their country.

In Kerala the Kerala Vyapari Vyavasayi Egono Samiti organized protest marches in over 1000 places across the state. In Kalicut over 10,000 traders protested; they submitted a memorandum demanding that corporations keep out of retail, an immediate halt to Wal-Mart's backdoor entry and the repeal of the Wholesale Cash-N-Carry permission.

In Kolkata the Federation of Trade Organizations of West Bengal organized protests in all the 12 districts. Tens of thousands participated in the demonstrations in front of malls and at a protest march through the city. Demonstrations were also held throughout the state.

At a demonstration In Ranchi, Uday Shankar Ojha, who led the vegetable vendors against Reliance Fresh in May, and has only recently been released from Jail, demanded that Reliance Fresh and all other corporations leave the retail sector and "withdraw their sinister plans to displace millions of livelihoods".

In Bhopal there was a state-level protest meeting in the morning at Gandhi Bhavan and traders sat on a dharna at Roshanara Chowk in the afternoon. A call for a Bhopal Bandh was given for 21 August to oust corporate from retail trade.

Excerpts Press Release
Bija Autumn 2007 Volume 45 page 26

According to ASSOCHAM Financial Pulse Study (2009) "Indian retail market, ranked as the most attractive emerging market for investment in the retail sector and the fifth largest retail destination globally, is likely to regain strength with income of major retail players expected to grow consistently to average more than 30 per cent by the end of current fiscal year." According to Assocham estimates, over 100 malls of over 30 million square feet of new shopping centre space are projected to open in India between 2009 and end-2010.

As the competition gets tougher with new companies entering the Indian retail landscape, existing players have also looked into their expansion activities seriously with plans of opening up new stores.

Expansion Plans of the Major Retail Players in India

Companies	Number of Stores		Time Span
	Present Scenario	Future Prospects	
Pantaloon Retail India Ltd	1000 stores in 71 cities	25-30 stores	By end FY 2009-10
Shoppers' Stop	27 stores	15 stores	3 years
Spencer's	250 stores in 50 cities	N/A	2009-10
Infiniti Retail (Croma)	32 stores	100 stores	3 years
Reliance Retail	1000 stores in 86 cities	N/A	N/A
Vishal Retail	171 stores 100 cities	40 stores	By 2010
EasyDay	25 stores	75 to 100 stores	3 years
Marks & Spencer	15 stores	10 stores	5 years
DLF	Not Existing	500 stores	5 years
Tommy Hilfiger	14 stand-alone stores and 16 shop-in-shop stores	50 stores	N/A

Source: ASSOCHAM Research Bureau

Among the major developments in the retail sector, DLF Limited, the big name in Indian real estate business has cleared its intentions to come up in retail segment with 500 luxury lifestyle stores through out India within 5 years while Tata Sons are expanding their business activities with 100 new Croma stores under their retail head Infiniti retail with in 3 years.

With the upsurge in the Indian economy and the higher purchasing power of the recently created consumer class in India, the new age retailing has seen paradigm shifts in consumption pattern. India has one of the youngest populations in the world with the median age of consumers at 25 years approximately. This indeed provides a great opportunity to tap these potential consumers who have greater income at their disposal and a desire to be upfront on the latest lifestyles.

Not only has the new consumer class been added, there are drastic changes on the way retailing has shifted gears transiting from the traditional formats to the modern organized format. The buzz today is the malls, super markets and the hypermarkets that have been the destinations for the shoppers in modern times. The retail industry is amongst the most sophisticated users of technology. The growth of global retailers like Wal-Mart and Tesco is simply because they manage the best global supply chains on the planet. To get the right product at the lowest price to the right consumer at the right time at the right location, when you are dealing with thousands of products, many of which are perishable or have short fashion windows, and to still make a profit, is the most difficult job in the world.

After years of debate, Foreign Direct Investment in retail may soon be a reality with a panel of secretaries expected to approve the framework for allowing global retail chains to set up shop in India in July 2011. According to the Times of India⁷ report “Government sources said the proposal has gained momentum, with both Prime Minister Manmohan Singh and finance minister Pranab Mukherjee asking it and chances are that the Cabinet could clear the proposal in August, setting the stage for the entry of large chains by the end of the current financial year”.

Implications of FDI

- Wiping off of the majority of the 12 million kiriyana retail outlets in the nation as Retailing in India is the second biggest employer after agriculture, and contributes more than 10% to India’s GDP.
- Large scale unemployment owing to shut down of most production and retail operations, which might lead to social unrest as well.
- Substitution of domestically produced goods by international products sourced through global channels.
- This would also encourage dumping of cheap products produced in other developing countries like China into India
- International examples abound whereby these large retailers have not adopted labor friendly techniques and there is huge discontent among the working populace regarding their employers.
- Stunted growth in the domestic industries since most part of the profit will be repatriated.
- Tough competition to Indian operators in terms of cost of borrowings, as international players can access funds at much lower rates internationally.
- Huge escalation in real estate prices owing to increased demand in lucrative areas by the international retailers who have deep pockets to fund such acquisitions
- Huge economies of scale and low prices of products will be available exclusively to International players. This may lead to fixation of prices at lower rates by such retailers which may not match prices of domestic players and would lead to low sales.

Thus, while the domestic industry is already reeling under pressure and trying to cope with international competition as it is, a jolt in the form of ease of entry to them is unwelcome and should be stopped.

As big corporations take over land to build fancy malls and attract the Indian consumer to become dependent on them for their daily needs, recreational needs and lifestyle inputs what is the impact of this trend on the local retailers, retail sovereignty of the country and accessibility of products to middle class and non-middle class consumer?

The question of land is also central to this issue as real estate and retail nexus are developing as seen with example of DLF entering retail market after conquering realty market. The onslaught of large malls, recreational and lifestyle store will only demand more and more land which will have to be diverted from other uses. The threat of land grab due to this thus looms heavy on the cities and suburbia.

⁷FDI in retail likely within weeks Times of India, July 1, 2011

Website: <http://timesofindia.indiatimes.com/business/india-business/FDI-in-retail-likely-within-weeks/articleshow/9056821.cms>

Bharti Walmart to double stores in India, eyes top spot in two years

New Delhi: Bharti Walmart Pvt. Ltd, the wholesale joint venture between the world's largest retailer and Bharti Enterprises Ltd, aims to be the top wholesaler in India as it adds 20 stores that will sell products to retailers and other businesses in the next two years.

"In the next one or two years we do anticipate we will be in a market leadership position," said Raj Jain, chief executive of Bharti Walmart.

At the time of its India entry in 2009, the US-based Wal-Mart had said it planned to open about a dozen wholesale stores in the country by the end of 2012.

Bharti Walmart has so far invested about \$45 million (Rs. 200 crore) in India to open six Best Price Modern Wholesale stores—four in Punjab and one each in Kota, Rajasthan, and Bhopal in Madhya Pradesh.

Jain said the company will next open stores in Karnataka and Andhra Pradesh in the south, where it plans to open three cash-and-carry outlets this year. It will also open stores in Chhattisgarh and Maharashtra later this year.

"We have always followed that (cluster approach) strategy and we were largely focused on Punjab, although we opened stores in other places also," said Jain. "We have covered the four big markets (in Punjab) already. My own guess is that in the years to come we can open couple of more (stores in the state), but at this point of time we have reached where we could have reached."

At an investment of about \$7.5 million per store—although depending on investments in the supply chain, spending per store would differ in different locations—Bharti Walmart would invest about \$75 million in India by the end of this year to open about 10 stores. Its total investment in the country could reach about \$195 million by the end of 2012.

Jain said wholesale retailing is a \$140 billion opportunity, out of India's estimated \$350 billion annual retail business. "The opportunity is huge," he said in a telephone interview on Thursday from Ludhiana, the native city of the Mittals of Bharti Enterprises where the joint venture opened its fourth store in Punjab.

After years of unsuccessfully lobbying for India to open its retail market, Wal-Mart in 2007 decided to team up with Bharti Enterprises for a wholesale venture, a business where India allows 100% foreign ownership but such ventures can sell multi-brand products only to other retailers and businesses.

Meanwhile, Paris-based Carrefour SA has also opened a wholesale store in New Delhi, and Britain's Tesco Plc plans to open its first wholesale stores in India later this year.

Germany's Metro AG, the first global retailer to open such stores in India in 2003, said it will rapidly expand in India, opening 50 wholesale stores in the country in the next five years.

Last year, after years of being non-committal on foreign investment in retail, India's department of industrial policy and promotion (DIPP) invited opinions from stakeholders such as large retailers and small shop owners on whether the country should allow foreign direct investment (FDI) in multi-brand retail.

The government has constituted a committee to come up with a report based on the feedback DIPP received on the discussion paper.

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Meanwhile, Bharti Walmart says it will continue with its wholesale business even if India opens up the retail market to foreign companies.

"We know that the debate of FDI in retail is continuing but in the meanwhile we are opening cash-and-carry," Jain said. "And even after India's FDI opens, I don't see why we should stop opening cash-and-carry. There is a need in the hinterlands of India to improve the quality of the distribution and products, pricing and availability to the customers... the initial experience has been good so we shall continue to be on this path in addition to whatever FDI allows us to."

Abhishek Malhotra, a partner at consulting firm Booz and Co., said Bharti Walmart said that while retail in India is attractive, wholesale could be a viable business as well.

"Even if they are allowed in (to invest in multi-brand retail) more and more such foreign companies will continue to operate in that space," he said.

www.livemint.com (May 5, 2011)

2.4 A. NATIONAL CAPITAL REGION – DELHI

The Yamuna river and terminal part of the Aravali hill range are the two main geographical features of the city. The Aravali hill range is covered with forest and is called the Ridges; they are the city's lungs and help maintain its environment. The Yamuna river is Delhi's source of drinking water.

Delhi has historically been the center of power and the capital of various dynasty over many centuries. It is said that the current city is layers by 7 older cities each leaving its distinct flavour on the culture, architecture and way of life of the city. These 7 cities of Delhi are:-

1. **Quila Rai Pithora:** Although Delhi had been a thriving city for several centuries, the 'first city' of Delhi dating to 10th century gets its recognition due to the availability of recorded historical facts. Qila Rai Pithora was created by Prithviraj Chauhan, also known as Rai Pithora. Prithviraj's ancestors captured Delhi from the Tomar Rajputs who have been credited with founding Delhi. Anangpal, a Tomar ruler possibly created the first known regular defense - work in Delhi called Lal Kot - which Prithviraj took over and extended for his city Qila Rai Pithora.
2. **Mehrauli:** Prithviraj Chauhan was defeated and killed in battle by Mohammed Ghori in 1192, who left his slave Qutubuddin Aibak as his viceroy in India. In 1193, Qutubuddin Aibak captured Delhi, which was still in the hands of the Chauhans. After the death of Mohammed Ghori in 1206, Qutubuddin enthroned himself as the first sultan of Delhi - Delhi thus became the capital of Mamluk or the Slave dynasty, the first dynasty of Muslim sultans to rule over northern India.
3. **Siri:** The 'Slave' dynasty of Qutubuddin was followed by the line of Khilji rulers. Among the six rulers of the Khilji dynasty, Allauddin Khilji is the most well - known -who extended his dominion down southern India too, and created the third city of Delhi, Siri
4. **Tughlakabad:** In the 1320s Ghiasuddin Tughlak, a Turk governor who had his strong hold in the western provinces invaded Delhi, and won it from Nasiruddin Mohammed(a Pawar Rajput who had adopted Islam and had gained kingship by slaying the last Khilji ruler). Tughlak, known as a headstrong tyrant, created the third city of Tughlakabad. He created a fort here (the splendid ruins still remain) with high battlements and his descendant Mohammad Tughlak went on to capture much of India. He also raised a city, Jahanpanah, which largely comprised a walled enclosure between Qila Rai Pithora and Siri.
5. **Firozabad:** One of the Tughlak rulers, Firoze Tughlak created the fourth city of Delhi Firozabad or Kotla Firoze Shah next to the river Yamuna. This was a large enclosure of high walls, containing palaces, pillared halls, mosques, a pigeon tower and a water tank. On the top of his palace, Firoze planted an Ashokan pillar from 1500 years ago. He also built several hunting lodges in and around Delhi, as well as mosques, some of which still remain.
6. **Shergarh:** What is known as the Purana Qila today, was the creation of Sher Shah when he wrested Delhi from Humayun in 1540, the second Mughal king. It was originally being built by Humayun as his capital Dinpanah. Sher Shah razed Dinpanah to the ground and started building his own capital introducing ornate elements in architecture. Delhi was won back by Humayun not very many years later in 1555 and he completed parts of the Purana Qila left unfinished by Sher Shah.
7. **Shajahanabad:** Humayun's son Akbar is known as one of the greatest Mughal emperors. However, he concentrated his construction feats in Agra and the later

abandoned city Fatehpur Sikri. It was his grandson Shahjehan, the man who gave the Taj Mahal to the world, who created the city of Shahjehanabad, the seventh city of Delhi - in the area that is now known as Old Delhi.

The urbanization of Delhi dates back to the beginning of the 20th Century. In 1901, 52.76%

of the population of Delhi was urban. The urban area in Delhi territory has increased from 22% in 1961 to 62.5% of the total area in 2001. The rapid urbanization of Delhi has resulted in sharp increase in the density of population. In 1901, the density was 274 persons per square km., this increased to 1176 persons per sq. km. in 1951 and 9294 persons per sq. km. in 2001.

The era of urban planning in Delhi commenced in 1824, when a Town Duties Committee was constituted for the development of the Cantonment, Khyber Pass, the Ridge area and the Civil Lines area by the British. Therefore, urban development picked up in Delhi with the composition of the first Municipal Committee of Delhi in 1883. The Municipal Building byelaws were first made operational in Sadar Bazaar, Subzi Mandi and other suburbs.

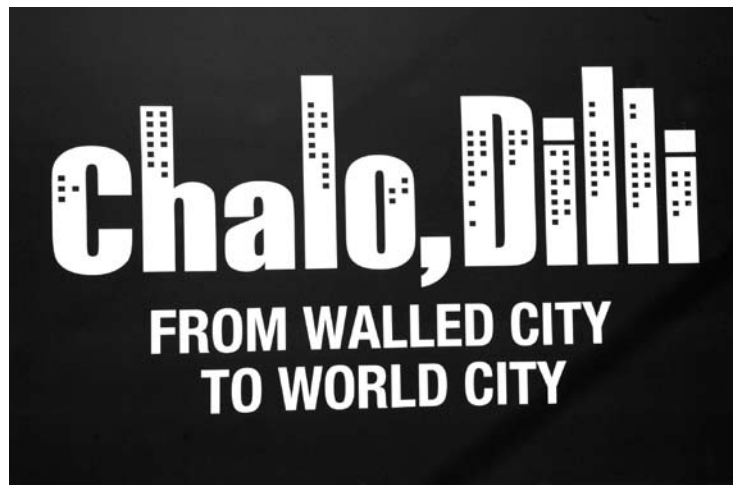
The Delhi Improvement Trust (DIT) was contributed in March 1937. In addition to manage the acquired land, Najul Land, DIT was also assigned the job of rehabilitation of the households to be shifted from slums and substandard areas.

On December 30, 1957, Delhi Development Authority (DDA) was set up under the Delhi Development Act, 1957 as a successor to DIT for the planned development of Delhi. DDA prepared a Master Plan for Delhi (MPD), which was published in 1962. The MPD envisaged development of 44,770 hectares (ha) of urban area by 1981 for urban population of 46 lakhs. Subsequently, development of an additional 4000 ha of urban area at Patpar Ganj, Sarita Vihar and Vasant Kunj was added in the target of the first MPD.

The first MPD (1961-81) was reviewed and amended for its extension for another 20 years by DDA and published in 1990. This amended MPD (second MPD 2001) envisaged acquisition of 20,000 ha of land for urban area extension of Delhi by 2001 making a target for development of 68,770 ha urban area.

DDA has subsequently proposed to develop 83,804 ha of land as urban area within the framework of MPD 2001. This includes 3360 ha area for urban development along National Highways, 1996 ha of Dwarka Ph II and 9700 ha of Yamuna River bed.

Thus as the urban sprawl of Delhi continues today, it is emerging as one of the largest cities of the world. From a settlement of 7 lakh in 1947, its population has increased to 138 lakh in 2001 at a growth rate of around 4.6% (1991-2001). As a result, there is a phenomenal pressure on land, housing, transportation network and services. Out of total area of 1483 sq.km, about 50% has already been urbanised and the rest is under heavy pressure or urbanisation. In order to restrict the growth of the city, National Capital Region, covering about 30,000 sq.km has been delineated, however, the runaway growth of Delhi continues unrestricted.



Land Use Pattern in Delhi (area in hectare)

S.No.	Classification	1995-96	1996-97	1997-98	1998-99	1999-2000
1	Total Area available as per village record	147488	147488	147488	147488	147488
2	Forests	1089	1119	1119	1119	1078
3	Area not available for cultivation	82994	83482	72994	72994	72994
4	Other uncultivated land excluding fallow land	8190	11317	10720	10720	10720
5	Fallow-land	8200	10995	7346	7428	7428
6	Net area sown	45356	40575	41701	41495	41385
7	Total cropped area	62966	48917	57079	60231	60885

Source: Development Department, Govt. of NCT of Delhi

As spaces shrink and property prices rise in the NCT of Delhi the city spreads its tentacles to area surrounding it. This is causing a tassel between real estate mafia, farmers, the slum dwellers and state.

It has been more than two decades that the National Capital Regional Plan was formulated for decentralizing economic activities from National Capital Territory of Delhi to Delhi Metropolitan Area (now called CNCR) and other towns of National Capital Region.

The National Capital Region includes 7 districts of Haryana, 5 districts of Uttar Pradesh, the entire NCT of Delhi and 1 District of Rajasthan. At the local level, areas within the regional fall under the purview of the local bodies. The NCR covers an area 30,242 sqm. This constitutes 0.92 % of India's surface area which is divided among four States as given below:

1. NCT Delhi (Area – 1480 sq km, population- approx 1.4 crore)
2. Haryana (contribution area to NCR- 13140 sq km). Included cities are Gurgaon, Faridabad, Mewat, Palwal, Rewari, Jhajjar, Rohtak, Sonapat and Panipat



Source: www. ncrhomes.com

3. Uttar Pradesh (contribution area to NCR- 10850 sq km). Included cities are Gautam Budha Nagar Dist (Noida and Greater Noida), Ghaziabad, Bulandshahr and Meerut
 4. Rajasthan (contribution area NCR- 7830 sq km). Included cities are Bhiwadi and Alwar
- Till the year 2001 the total area to be covered under NCR was 30,242 Km Sq, but later on with the inclusion of the whole district Alwar in Rajasthan another 3,336 Km Sq was included into the NCR and it grew up to 33,578 KmSq.

Since the mid 1980's, the NCR in India has been a major driver of economic growth in India.

Till the year 2001 the total area to be covered under NCR was 30,242 Km Sq, but later on with the inclusion of the whole district Alwar in Rajasthan another 3,336 Km Sq was included into the NCR and it grew up to 33,578 KmSq.

Since the mid 1980's, the NCR in India has been a major driver of economic growth in India. This economic prosperity has led to more and more people coming to the region and more industries setting up their offices in it as well. The cancerous spread of this mindless urbanization can be seen in the form of the Delhi Jaipur industrial corridor and the Mumbai Delhi Industrial corridor. What this would spell for the future of the marginalized and farmers is further destitution. Let us examine the NCR region through the Earth Democracy paradigm of Navdanya and see how it fairs:

Bhu Swaraj (Land Sovereignty)

Percentage of Various Land Use in Total Land

Districts	1987			1993			1999			2004		
	N	A	U	N	A	U	N	A	U	N	A	U
Delhi	47	23.5	29.5	50	20	30	39	16	45	49.5	4	46.5
Faridabad	30	66	4	25	71	4	16	80	4	15	80.5	4.5
Gurgaon	49	50	1	34	64.5	1.5	30	68	2	15	80.5	4.5
Panipat	38	60	2	18	79	3	6	86	8	22	62	16
Sonipat	37	62.5	0.5	15	83	2	5	91	4	18	73	9
Rewari	33	66	1	12	87.5	0.5	37	62.5	0.5	1	98	1
Rohtak	45	54.5	0.5	26.5	72	1.5	15.5	82	2.5	8	83	9
Ghaziabad	15	75	10	17	67	16	29.5	51.5	19	18	56	26
Bulandsh. r.	9	88	3	12	81	7	26	60	14	14.5	69	16.5
Merrut	30	58	12	22	65	13	27	57	16	30	49	21
Alwar	27	72	1	34.5	61	4.5	44	49	7	42	48	10

Source: INSTITUTE OF ECONOMIC GROWTH University of Delhi⁸

**Note: N denotes natural, A denotes agriculture and U denotes Urban

A look at the table indicates that land use pattern is shifting from agriculture to urban use in most places and in the case of Delhi it has shows a sharp decline of agriculture land from 23.5% in 1987 to 4% in 2004. Thus it is clear that land is being diverted to real estate development in the NCR region and taken away from farming communities to full fill the mandate. The following section will present the major land related conflict in the National Capital Region in the last 10 years.

Anna and Bija Swaraj (Food and Seed Sovereignty)

As farmers get evicted of their land in NCR the source of cheap nutritious food goes further and further away. Forced then to rely on vegetable from Australia, China or

⁸An Assessment of Economic Drivers of Land Use Change In Urban Study undertaken by Dr Pushpam Kumar

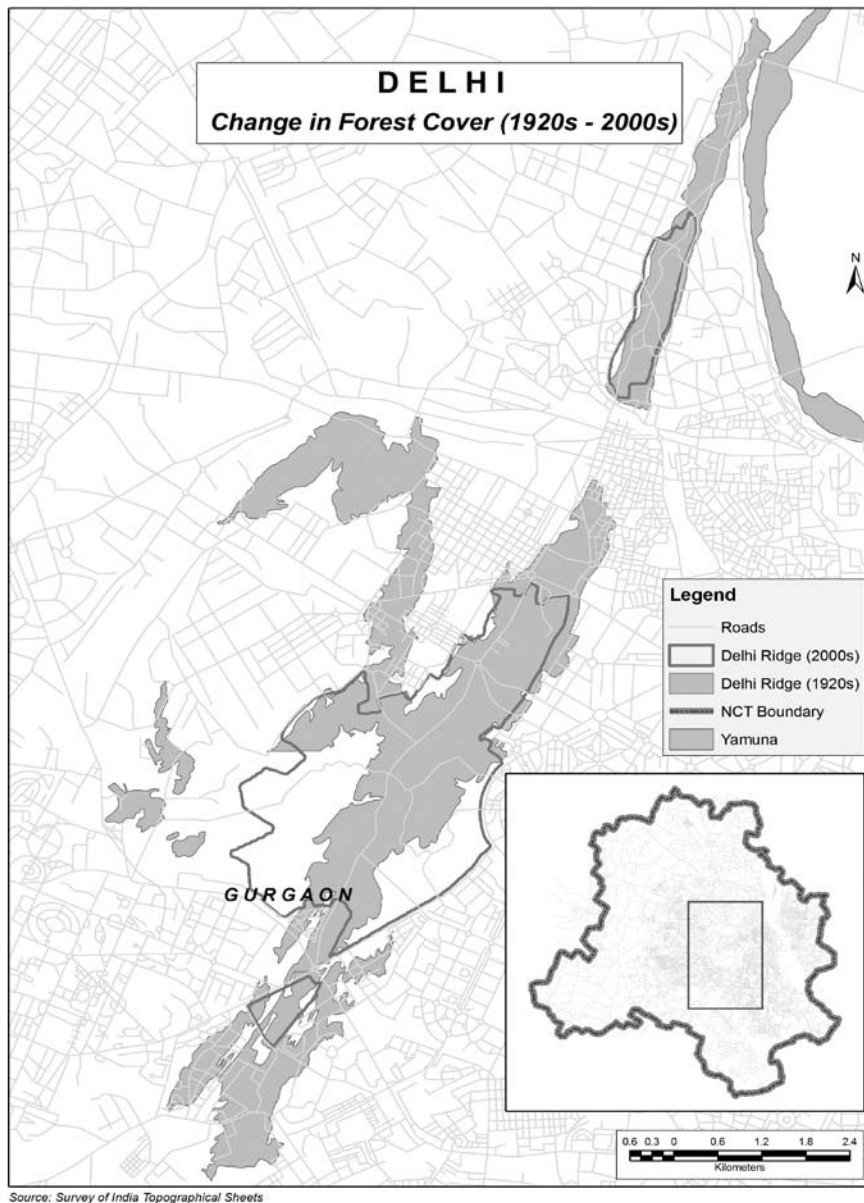


other countries of globe the rich enjoy unhealthy, off season food with high food miles all through out the year, while the poor of the city have to make do with low quality processed food. The inflation in food prices, the eviction of farmers and the lack of knowledge make the consumer of the National Capital Region very vulnerable and leading to a lot of health problems. In response to this challenge Navdanya movement has launched its Garden of Hope program where it is educating the young of the city on healthy food habits for better world. It is encouraging the young to reclaim food sovereignty by growing their own vegetable gardens in the city as a symbol of revolt against the consumer culture and urbanization which is leaving most of the population of the country behind and threatening the future sustainability of the planet.

The above map is a sign of our times as we notice the number of malls increasing in the city at a rapid speed, we are cautioned about the raising consumerism in the city. Without a plan for proper waste disposal and given the extent of poverty in the city these temples of modern consumerism threaten the future of the city.

Threat to Van Swaraj

As on can see from the map that the Ridge area in NCR has been shrinking since 1920s. As more and more peripheral area's get taken into the city fold the green spaces are



being usurped in discriminately. The affect of this on health will be dire as the Ridge is considered the lung of the city and the only effective source of dispelling air pollution caused by the increasing vehicles in this urban agglomerate.

Jal Swaraj (Water Sovereignty)

NCR is endowed with four perennial rivers namely the Yamuna, Hindon and Kali passing through it and the Ganga skirting its eastern boundary. Main sources of water supply in the region are surface and ground water (e.g. rivers, canals, tubewells, hand pumps and open wells). While the U.P. Sub-region has abundant ground water, the area west of river Yamuna comprising the districts of Gurgaon, Rohtak, Sonapat, Jhajjar and most part of Faridabad district in Haryana, Alwar in Rajasthan and large part of NCT-Delhi have insufficient ground water, which is often brackish in quality rendering it unpalatable for domestic consumption. Delhi draws its water needs mostly from the Yamuna and Western Yamuna canal and partly from Ranney wells and tubewells in Yamuna belt and Upper Ganga canal system. There is generally a wide demand-supply gap of water in NCR and the problem becomes acute in dry summer months. Add to this usurping

of the fertile flood planes which recharges groundwater during monsoon, lack of water harvesting systems and rapid concretization of region spells a very calamitous future for the region. Most people in NCR purchase bottled water for their daily consumption which threatens water sovereignty.

The signs of our time are clear that the National Capital Region is spreading at a rapid pace with which urban planners are unable to cope up. In response to this private enclaves developed by real estate companies are taking over large tracts of land. The resultant pressure on land, water, air and energy resources are tremendous and available at very high financial cost. This paradigm of growth is neither sustainable nor inclusive. It ensures that the rich for the time being can purchase daily necessities like water, land and food for the time being, but the poor are left out. The growing inflation of daily utilities may squeeze more and more people into poverty. The upcoming section will look at the impact of this pattern and the outcome through 4 case studies:-

1. National Capital Territory (Delhi) and Urban Sprawl
2. The Commonwealth Games Land Scam
3. Gurgaon the DLF story
4. The Yamuna Express Way: Land Grab
5. Greater Mohali

B. Commonwealth Games and Land Scam

In preparation for Delhi's hosting of the 2010 Commonwealth Games and as part of the government's officially declared plan to make Delhi into a "world-class city", public finances in the early 2000s were gradually shifted away from education, public housing, healthcare, and food subsidies toward large, highly visible and "modern" infrastructure developments like the Delhi Metro Rail; more than 25 new flyovers; two new toll roads to Delhi's posh, satellite cities; and the Commonwealth Games Village—prestige projects built "to dispel most visitors' first impression that India is a country soaked in poverty". In the late 1990s, the DDA also began aggressively privatizing the approximately 35% of Delhi's land that had been public, much of which had been acquired for, but never developed as, low income housing.

By the late 1990s state officials and politicians in Delhi began articulating the goal of turning Delhi into a "slum free city", giving it a "world-class" look, promoting an efficient land market, and converting the "under-utilized" public land occupied by slum dwellers into commercially exploitable private property. These were all part of the policies of economic liberalization initiated by the Finance Ministry in 1991 and concretely implemented in Delhi in the late 1990s, despite the clear mandate from above to remove slums, the practical means of doing so were limited. Through the 1990s, for example, various programs were launched to upgrade or relocate slums, but the slum population nonetheless increased according to Municipal Corporation of Delhi from 260,000 to 480,000 families between 1990 and 1998.

Then came the opportunity to realize this world class dream as India bid for hosting the Commonwealth Games 2010 in Delhi. In the name of national pride and showing off to the world the Government could now implementing large scale infrastructure projects and working towards making the city "slum free". The corruption scam of the Commonwealth Games has been talked greatly about in the media however the real scam of land grab in the name of infrastructure and development has only come to light recently.

The Shunglu Committee was set up to investigate the corruption and irregularities in the Commonwealth Games Scam. In its report it stated that the Commonwealth Games, 2010 was used as a pretext to auction off land in the National Capital Region

(NCR). The report also stated that the forecast for additional hotel rooms for September - October, 2010 was based on a superficial juxtaposition between Melbourne CWG 2006 and Delhi 2010.

The evaluation commission, in 2003, had noted the sufficient availability of quality hotel rooms in Delhi. Surprisingly, Ministry of Tourism remained emphatic about exaggerated additional requirement till 2010 and frequently flagged this at GoM meetings.

The strategy to augment hotel rooms for tourists could not be realised to the extent of 5,453 rooms even after offering several incentives for speedy and timely completion of the hotel projects.

The High Level Committee (HLC) is of the opinion that under the pretext of "shortage of hotel rooms in Delhi", the entire exercise was dovetailed to auction off hotel plots on "fast track" basis coupled with several financial and compliance related incentives. However, Delhi Development Authority (DDA) did not monitor the activities of successful bidders to ensure completion of the hotel projects ahead of the Commonwealth Games, nor inserted a condition to resume the land in case of failure to implement. Thus, DDA land parcels were alienated in the name of the Games. The report states that the general anticipated gap of 3,055 rooms was ignored and overall anticipated shortage figure of 29,800 was rounded up to additional 30,000 hotel rooms.

This figure then was accepted without question and acted upon for taking administrative and operational decisions that attempted to augment tourist infrastructure in the national capital region. Several agencies such as DDA, ITDC, Delhi Government, UP and Haryana Governments and the ministries were pressed into implementing 'urgent' measures to augment the tourist accommodation on priority basis, on fast track mode citing national interest and time constraints. Incentives were held out in the form of tax holiday, interest free loans, compliance clearances on priority, and approval of building plans and completion certificates ahead of the CWG event.

The demand supply gap was projected in a way whereby auction of hotel plots in Delhi by DDA was undertaken on priority basis. According to the PWC (JLL) market research analysis the total number of demands for hotel rooms during CWG 2010 was estimated at additional 29,800 rooms. In order to meet the demand supply gap for hotel rooms, DDA put in place the programme for auction of 33 hotel sites with the expected supply of a total of 5,453 rooms gradually in 2006, 2007 and 2008. The GoM and the COS regularly emphasized the importance of auctioning the hotel sites in various meetings over the period.

To add to this in recent times the Enforcement Directorate and Ministry of Finance have expressed growing concerns about the real estate market in India. They sited the conversion of agricultural land into residential plots as it is available at cheaper rates as the most common issue in this field. Builders and real estate developers such as Emaar-MGF and IREO have been under the ED scanner for using FDI to buy agricultural land-something that is not permissible under the Foreign Exchange Management Act. The ED raided Emaar-MGF's offices twice-in December 2009 for suspected links with former Jharkhand chief minister Madhu Koda, and then in October last year when the developer's name came up in the Commonwealth Games (CWG) Village scam. It had unearthed irregularities in the Rs 183-crore bank guarantee furnished by the realtor for construction of the CWG Village. The Shunglu Committee report indicts Lt Governor of Delhi Tejendra Khanna, the Urban Development Ministry and the Delhi Development Authority of colluding with builders Emaar-MGF and causing a loss of Rs. 314-400 crore to the public exchequer. The DDA's losses are categorised under the following heads: - Estimated loss due to the purchase of 333 flats at a higher rate - Rs. 134 to Rs. 220 crore - Unauthorised payments to Emaar MGF contrary to

PDA – Rs. 64 crore- Nonlevy of Liquidated Damages – Rs. 81.45 crore- Carrying cost of unsold apartments with DDA – 3540 crore per annum.

Apart from the loss of public money in the land scam there is also the loss of the large tracts of the Yamuna flood plains which were illegally taken over by the powerful political mafia of Delhi to build the Games Village, in clear violation of environmental laws. The Yamuna Flood plain is one of the most fertile tracks of land in this region and also responsible for ground water recharge. Building the games village thus is a threat to both the food security and the water security of this region. Large tracts of the Yamuna flood plains were illegally taken over by the powerful political mafia of Delhi to build the Games Village, in clear violation of environmental laws. The hoopla of 'national pride' and the jingoism surrounding the Games gave them a grand opportunity for a massive land grab operation by converting the flood plains of the Yamuna into prime real estate. They didn't care if the Games Village was ready in time for the sportspeople for whom it was ostensibly built. They were just waiting for the end of October so that these flats can be sold for several crores each or gifted to their patrons.

C. GURGOAN: The DELHI LAND AND FINANCE (DLF) STORY⁹

In this city that barely existed two decades ago, there are 26 shopping malls, seven golf courses and luxury shops selling Chanel and Louis Vuitton. Mercedes-Benzes and BMWs shimmer in automobile showrooms. Apartment towers are sprouting like concrete weeds, and a futuristic commercial hub called Cyber City houses many of the world's most respected corporations. In less than two decades, the rural landscape of Gurgaon has taken on an urban identity. Thus Gurgaon is a patchwork of private islands more than an interconnected city.

Kushal Pal Singh has become 8th richest man on the earth with property worth \$ 30 billion. He holds about 87.43% shares of DLF. One of the greatest innovations of Independent India, highly busy, commercial, around ten miles wide township called DLF City in Gurgaon is situated south of Delhi.

Before it had malls, a theme park and fancy housing compounds, Gurgaon had blue cows. Or so Kushal Pal Singh was told during the 1970s when he began describing his development vision for Gurgaon. It was a farming village whose name, derived from the Hindu epic the Mahabharata, means "village of the gurus." It also had wild animals, the "neel gai" similar to cows, known for their strangely bluish tint.

In 1979, the state of Haryana created Gurgaon by dividing a longstanding political district on the outskirts of New Delhi. One half would revolve around the city of Faridabad, which had an active municipal government, direct rail access to the capital, fertile farmland and a strong industrial base. The other half, Gurgaon, had rocky soil, no local government, no railway link and almost no industrial base.

By 1979, Mr. Kushal Pal Singh had taken control of his father-in-law's real estate company, now known as DLF, at a moment when urban development in India was largely overseen by government agencies. In most states, private developers had little space to operate, but Haryana was an exception. Slowly, Mr. Singh began accumulating 3,500 acres in Gurgaon that he divided into plots and began selling to people unable to afford prices in New Delhi.

⁹Adapted from

1. The Gurgaon story: A mirror to India's growth Jim Yardley, The New York Times Thursday, June 09, 2011
2. DLF's real estate story, Rediff Business June 2011
3. How Gurgaon is both a model and dysfunctional city, Economics Times , Jun 9 2011

Still, growth was slow until after 1991, when the government barely staved off default on foreign debts and began introducing market economic reforms. Demand for housing steadily increased, followed by demand for commercial space as multinational corporations began arriving to take advantage of India's emerging outsourcing industry.

Outsourcing required workspaces for thousands of white-collar employees. In New Delhi, rents were exorbitant and space was limited, and Mr. Singh began pitching Gurgaon as an alternative. It did have advantages: it was close to the New Delhi airport and a Maruti-Suzuki automobile plant had opened in the 1980s. But Gurgaon still seemed remote and DLF needed a major company to take a risk to locate there.

The answer would be General Electric. Mr. Singh had become the company's India representative after befriending Jack Welch, then the G.E. chairman. When Mr. Welch decided to outsource some business operations to India, he eventually opened a G.E. office inside a corporate park in Gurgaon in 1997.

"When G.E. came in," Mr. Singh said, "others followed."

With other Indian cities also competing for outsourcing business, DLF and other developers raced to capture the market with a helter-skelter building spree. Today, Gurgaon has 30 million square feet of commercial space, a tenfold increase from 2001, even surpassing the total in New Delhi.

Ordinarily, such a wild building boom would have had to hew to a local government master plan. But Gurgaon did not yet have such a plan, nor did it yet have a district wide municipal government. Instead, Gurgaon was mostly under state control. Developers built the infrastructure inside their projects, while a state agency, the Haryana Urban Development Authority, or HUDA, was supposed to build the infrastructure binding together the city.

And that is where the problems arose. HUDA and other state agencies could not keep up with the pace of construction. The absence of a local government had helped Gurgaon become a leader of India's growth boom. But that absence had also created a dysfunctional city. No one was planning at a macro level; every developer pursued his own agenda as more islands sprouted and state agencies struggled to keep pace with growth.

DLF has outlined a three-pronged growth strategy, which includes strengthening its pan-India presence, building up land reserves at strategic locations, and leveraging its real estate capabilities in related areas be it special economic zones or hospitality.

The company will primarily be a developer and sell its properties retaining limited assets to be leased out. The money raised through the IPO would go towards buying more land (Rs 3,500 crore – Rs 35 billion), developing existing projects and repayment of loans.

Going by the scale of development done so far, DLF is the largest real estate player in the country with land reserves of 10,255 acres or about 574 million square feet (msf) of developmental area. Of this, 171 msf is located in or near developed urban areas while 404 msf is urbanisable.

After being centered around Delhi for many years, the company now has a nationwide presence across 31 cities and towns. It has developed 29 msf of residential, commercial and retail projects and integrated townships spread over 3,000 acres in Gurgaon so far. Currently, some 44 msf of development is under progress and projects involving 524 acres is planned over the next few years.

The company intends to focus on its core competence while partnering with leading global players such as Nakheel (SEZs), Laing O'Rourke (construction), ESP (engineering and design), Feedback Ventures (project management) for better execution.

Right from acquiring low cost land to creating a full fledged township to realise the true potential of the land, DLF has amply demonstrated its success in Gurgaon. One key advantage is that DLF's average cost of acquisition of land is fairly low at around Rs. 274 per sq ft which will enable it sit out the cycles and not indulge in distress sale ever.

A look at DLF's financial performance is hardly inspiring. Last year, the company sold its asset to a group company to get its revenues and profits to a respectable level. Sales to fully owned promoter company DLF Assets Limited (DAL) constituted almost 55 per cent of total revenues and 77 per cent of profits (See table).

DLF Vs UNITECH

(Rs crore)	DLF	Unitech
Land bank (acres)	10255	10332
Developable land (sq ft)	574	472
Net debt	9500	2600
IPO cash	8800	-
Outstanding shares (cr)	170	81
Market-cap	85200/93700	48700
Enterprise value	85900/93600	48700
EV/Square FT (rs)	1498/1631	1032

According to a newly devised strategy, the company would, instead of leasing out commercial projects, indulge in outright sale to potential buyers including DAL. This model rests on the ground that DAL would be able to garner low cost capital by tapping the alternative investment market overseas and pay a higher capitalisation rate for DLF's properties resulting in faster growth in revenues and better margins too.

THE PROJECT PROPOSAL

(Mn Sq Ft)	Completed	Under progress	Planned
Plots	195	0	46
Residential	19	7	375
Commercial	7	27	60
Retail	3	10	44
Total	224	44	526

Though swift disposal of assets can favourably alter DLF's return ratios, DAL's ability to raise cheap funds is still unclear and poses a threat to DLF's cash flows.

Even otherwise, earnings of developers tend to be less predictable with lumpy revenues and cash flows. And after the phenomenal rise in property prices over the past three to five years and the rise in interest rates, analysts expect a property price correction because of the double whammy.

Though demand for retail malls and commercial estates is currently buoyant, huge supplies are yet to hit the market with most builders planning an aggressive ramp-up, again, increasing the risk of weaker property prices.

On the residential side too currently, investors (or the secondary market) are selling residentials at a price lower than the builder's price in most parts of the country and the demand from investors could dry up if cost of funds continue to be high and properties do not turnaround around quickly.

Roughly, a 1 per cent fall in sales realisation cuts DLF's earnings by 2 per cent. If prices were to correct about 10 per cent, a fifth of its earnings could be shaved off meaning stock prices could take a considerable beating.

Builders violating land ceiling laws in Haryana: HC

Indian Express

Fri Jun 03 2011, 00:56 hrs Chandigarh:

Punjab and Haryana High Court takes suo motu notice of 'land grab'; DLF in trouble

Hitting out at the concentration of valuable land in Haryana in the hands of select developers, the Punjab and Haryana High Court on Thursday took suo motu cognisance of the "grave violation" of land ceiling laws by real estate companies, including DLF.

A division bench comprising Justice Jasbir Singh and Justice R K Garg questioned the pace in which "companies in Haryana are mushrooming in a month" and the way a number of companies are incorporated by a single company to buy land from owners.

The Bench said this "indicates the design to defeat provisions of the Haryana Ceiling on Land Holdings Act, 1972 or tax statute".

The development assumes significance because unlike normal cases where landowners approach courts seeking release of their land, 15 companies had moved the High Court in this case.

D. Yamuna Express Way

In an out-of-the-box way of policy-making which creates an urban zone 10 times the size of Noida, the Uttar Pradesh government has decided to convert the entire rural belt along the Greater Noida-Agra expressway into an urban zone, making it the biggest such plan attempted in India. The Mayawati government in the year 2010 issued a notification to 1,187 villages spanning six districts along the Yamuna Expressway under the Yamuna Expressway Industrial Development Authority, cutting short a process that would otherwise have taken years. Thus the plan involved will cover approximately 2,36,682 hectares in 1187 villages, (131 in Gautam Budh Nagar, 40 in Bulanshahr, 105 in Aligarh, 420 in Maha Maya Nagar, 431 in Mathura and 60 in Agra).

The infrastructure building along the expressway may also trigger further private development and buttress the state government's plans to set up an international airport at Jewar.

Though the Mayawati government assured the framers along this expressway that their land will be bought and compensated at fair price and that they will not be left destitute, as the event unfolds in the past year since the declaration this doesn't seem to be the case.

The Mayawati government had handed over the contract for the 165 kilometer

Yamuna Expressway from Greater Noida to Agra to the private company, J P Associates. 2,500 hectares of land have been acquired from the farmers in the districts from Gautam Budh Nagar to Agra for the purpose. But the acquisition did not end here. The Yamuna Expressway Industrial Development Authority is acquiring thousands of hectares of land in the areas adjoining the expressway and selling them to real estate companies at prices 10 to 20 times given to the farmers. The builders and real estate companies in turn are selling the same plots of land at 50 to 100 times the price originally given to the farmers.

An illustration of these works can be seen from what happened to the land acquired for the highway from Noida to Greater Noida. The farmers were paid Rs 50 to 300 per sq metre when the land was acquired. Today in the same place near the Yamuna Expressway, the J P company is setting up a 2,500 acre Sports City. Plots are being sold there at Rs 15,000 per sq metre by the company there.

This is what is angering the farmers. Throughout the Yamuna Expressway area, there have been protests by farmers whose lands were acquired in the past one year. In Tappal

in Aligarh district, three persons died in police firing during protests in August 2010. There have been protests by the farmers in Mathura, Agra and Gautam Budh Nagar.

The Uttar Pradesh government has adopted a model of building expressways by acquiring large tracts of land and handing them over to favoured companies like the J P not only for building the expressway but for construction of townships and malls. The Tappal protests were on the issue of land acquired for a township to be constructed by the company. The other major project is the Ganga Expressway which is from Greater Noida to Ballia in eastern UP covering a distance of 1,047 kilometers. On both sides of this highway are proposed townships and industrial areas for which land would be acquired and handed over to J P and other private companies. A large area amounting to 70,000 hectares of land of farmers is to be acquired. Altogether, 1,250 villages would be affected and people in them displaced. The project has not taken off because of objections filed by Pollution Control Board.

The Mayawati government has handed over the contract in both projects to a single company. In the case of the Yamuna Expressway, not only will the company levy a toll for 35 years but it has been given large plots of land for building townships, sports city etc.

This is naked loot of the land resources of the farmers and handing them over to big business and real estate sharks. It is not enough for the farmers to get fair compensation but also rehabilitation, resettlement as well as a share in the profits in the event of change in land use.

The UPA II government has so far failed to bring the Land Acquisition Act Amendment Bill and Rehabilitation and Resettlement Bill before the parliament. This has to be done immediately. But that alone will not solve the problem of corporate land grab. The policy adopted by the Mayawati government is being undertaken in different degrees by other non Left state governments too. The practice of handing over land cheaply to real estate companies and corporates through State intervention should be put an end to forthwith.

In Bhatta Parsual, (UP) farmers have been protesting since January 17th, 2011 against the unjust acquisition of about 6000 acres of land by infrastructure company Jaiprakash Associates to build luxury townships and sports cities in the garb of building the Yamuna Expressway. Farmer leaders estimate that against official figures of 4, the actual number of deaths is at least 70 in a situation where police terror and repression have been unleashed through bullets, fire and rapes on peaceful and unarmed people demanding justice and respect of their rights. Kishan Bir Chaudary rightfully asks "How much more blood will the Government take before it stops these land wars?"

E. CREATION OF GREATER MOHALI AND ACQUISITION OF LAND FOR URBANIZATION

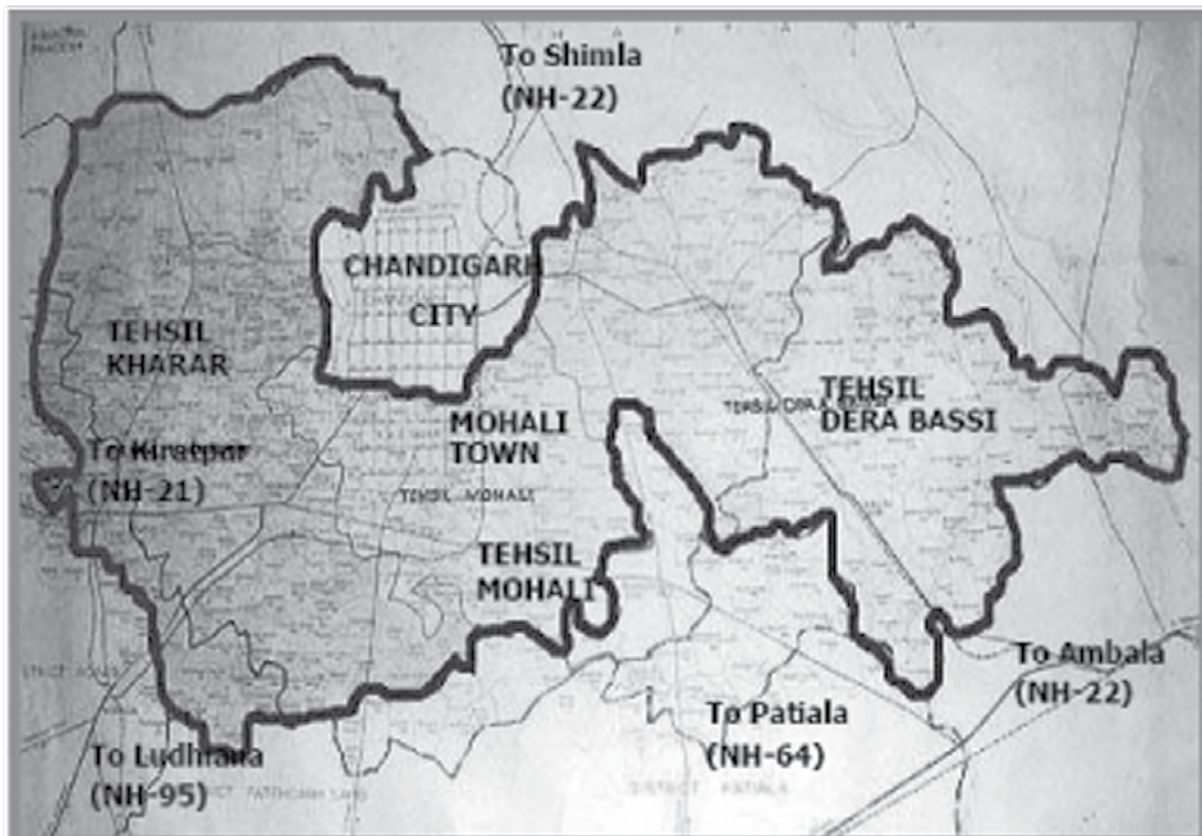
Greater Mohali is the newly carved outdistrict from Mohali and nearby districts, its area is around 1000 Sq Km (around ten times as big as Chandigarh). The main reason behind formation of this new district is to reduce the burden of residential and commercial areas in Chandigarh and Mohali. Most of the region of this new district will be used for construction of residential and commercial areas for the urban elite and upper middle class. In this process the precious land of the farmers will be turned into concrete jungles within a span of few years. In this process the urban elite and the development agency PUDA (Punjab urban development authority) will be earning profit of billions at the cost of farmer's loss of land and livelihood.

Over past few years these has been massive acquisition of land in Punjab on the name of urbanization and industrialization and because of whims and fancies of a few agencies like PUDA (Punjab urban development authority). The vast tracts of extremely fertile lands are acquired under the archaic and oppressive land acquisition act of 1894, which was made by the colonial rulers to have their hegemony over the land and continue the eminent domain of state. Along with the LAA 1894, land is also acquired under the periphery act 1952 and the PUDA act 1952, the farmers are pushed into long court cases for protecting their own land, and their moral is killed so that they finally submitted their land to the authorities. Most of the farming families own 1-1/2 acre of land, which is the only means of their livelihood, but with the compensation given by PUDA a farmer cannot even buy equal amount of land in the nearby area (50 km). so the farmer gets into a trap where he/she has to change his livelihood option and become unemployed. So just for existence they have to go for other menial livelihood options like pulling rickshaws, agricultural laborers and end up becoming a worker from owners. This sort of new life brings with it, disrespect and sense of inferiority and it has been seen that a lot many of them turn towards addictions of different types, and waste their lives.

BASED ON 2003 ESTIMATES THE PROFITABILITY MADE BY PUDA FROM LAND ACQUISITION/ACRE

PERCENTAGE USE (1 ACRE =100%)	USE OF LAND	TOTAL
12%	Commercial 5 RoomsAll made of 605 gaj and price of each one is 1.02 crore so total value goes to 5 * 1.02 crore = 5.10 crore	5 crore 10 lakhs
33%	Residential 1613 gaj= 4 plots of 400 gaj each/price of each plot is Rs.31 lakhs. Thus total value =31* 4 lakhs= 1.24 crore	1.24 crore
36%	Fro roads, parks and other public utilities =1740 gaj	—
17.5%	Private schools, nursing homes etc= 852 gaj Each gaj costs Rs.9000 thus total value = 9000*852=76 lakhs	76 lakhs
1.5%	VIP Quota	—
Total revenue generated by PUDA over each acre of land = 7 crore 10 lakhs		
Cost incurred by PUDA over each acre of land		
100%	Cost of acquisition from the farmer (7-10 lakhs)	10 lakhs
	Cost on roads, sewerage pipes, electricity supply etc	15 lakhs
Total cost incurred over each acre		= 25 lakhs

On the other hand the officials of PUDA have mentioned in the Ropar court that, PUDA buys land at the price of Rs. 7 lakhs per acre and sells it at prices up to Rs. 7 crore and earns profit of Rs. 6.75 crore per acre.(at the prices of 2003). In the year 2004 there was a rise in the prices of land for showrooms in Mohali and thus this profit rose up to Rs. 11 crore per acre. The loot by PUDA is shown in the table below Thus even if we go by the conservative estimates of 2003, the profit made by each PUDA over each acre is 7.10 - .25 = 6.85 crore, while if we add the current trends of hike in real estate the profit has to include another 4 crore , thus PUDA at this date gains around 11 crore per acre of land it acquires.



IS THIS LOOT CONSTITUTIONAL?

According to PUDA Act 1995, PUDA maintains only income and expenditure account, and not profit and loss accounts, this legality shows that it is an institution whose purpose does not include making profit, or working for profit. While the authorities know this very well, they close their eyes towards such hard core facts and realities. As PUDA earns 11 crore profit each acre, this institution does not work for the public purpose, and has become a system in itself for minting money at the cost of poor farmers.

The authorities should stop this blatant misuse of land acquisition act 1894. Due to the periphery act 1952, the farmers are not able to work in their lands as per their wish, they have to work as landless agricultural laborer and the profit coming from this process is pocketed by PUDA, because of its clever plan of buying the land at agricultural land prices while mentioning them as market prices. After this the PUDA act of 1995, brought the era of planned development, and under the garb of this type of development the authorities violated the constitutional right of the farmer of working on their own land according to their own wish. This has put PUDA under the category of land mafia in the eyes of farmers, and it is very difficult to fight against it as it has legal powers. Even the price fixation committee never goes to the site, thus never makes the real market price as their base of price fixation. They fix the price sitting in meetings in the district collector's office, violating the revenue orders and are hand in glove with the PUDA in this loot. Other than this section 70 -78 of the PUDA Act is also violated, by which they are surpassing the periphery Act 1952. In all this process small farmers are the worst hit lot. Their constitutional and fundamental rights are snatched from them, rendering them totally helpless. In other words in the name of development large farmers (corporate farmers) are being given all types of support at the cost of small and marginal farmers. Due to this the farmer community

in Punjab is getting uprooted, but the government is not ready to listen to their hue and cry as it is too busy in planned development for the rich and the privileged which is unconstitutional.

WHY DID THE FARMERS STRUGGLE?

When the government did not paid any attention to the unbridled acquisition by PUDA as they were too busy in accumulating huge funds for their parties from the private colonizers who were taking possession of the land, the farmers themselves came in confrontation with PUDA, as it was a question of existence for them. In March 2001, a decision by the high court in a similar case in Anandgarh was in favor of the farmers, thus this group got some moral strength and decided to file a case. In the case of Anandgarh, seventy six-eighty sectors were suppose to come; these people took the support of the high court—because of which, there is a stay-order on construction. Now these farmers use their farmland for agriculture.

FORMATION OF THE COMMITTEE

In the year 2001, the Sohana Struggle Committee was already resisting against the acquisition and in time more and more people joined in like in 2004 PUDA had issued another section IV notification for sectors 81, 88 and 89, another nine villages became a part of this committee. Now this committee has one hundred villages and is trying to spread awareness against PUDA and its illegal acquisition. This committee was registered in March of 2000 and its working area constitutes them whole of the Punjab. It currently has forty members within the executive and steering branches. This committee works constantly, day in and day out, to prevent the farmers from being uprooted from their lands and livelihoods. Any farmer can become a member and have access to all of the various forms of support provided by this organization.

925 DAYS OF STRUGGLE

Beginning on May 17th 2004, in order to prevent PUDA from forcibly acquiring land from the farmers the “Kisan Hit Bacho” Committee has conducted a direct-action, road-side hunger strike. Happening continuously since its beginning on that day in 2004, five farmer from a surrounding village arrive and conduct the strike each day. On a different day, a different group of farmers will arrive and demonstrate peacefully in opposition to PUDA. Children (ages 4-16), women, and old people (up to 96 years old), continue to arrive and practice the hunger strike with determination regardless of the season or weather conditions. Continuing the strike for 925 days continuously showed the strength and determination of the people—during this period, on the 26th of April, they had a rally. A huge farmer’s convention happened here on the 26th of August and on the 14th of March; they had a rally to block the roads to the PUDA office. This shook the Punjab government. During this period, the farmers observed Independence Day (15th of August) and Republic Day (26th of January) as “Black Days” to show their discontent with the government’s handling of the issues involving the strike. This strike and its interactions has helped to create a public awareness of the situation surrounding PUDA and its behavior. The government tried to hold meetings of the Price Fixation Committee many times; when they did this the farmers showed their resistance by sitting in hunger the hunger strike, naked and sending their clothes to: the President’s house, the Prime Minister, the Supreme Court Chief Justice, the National Human Rights Commission, the High Court Chief Justice, the Rural Development Minister, the Urban Development Minister, the Chief Minister of Punjab, Congress President Sonja Gandhi



Fire still ignited, Farmers on their 925th day of hunger strike

and the CPM general secretary. They also sent ten letters each day to PUDA, but PUDA did not reply to a single one. On August 17th, 2004, the general secretary of the Sohana Committee was called by the Chief Minister for a hearing to propose an amicable solution. In this meeting, the housing development board showed that no available land existed. They did not show the proper documents which would have depicted a

true description of Punjab's potentially usable farming lands—instead offering a vary limited approximation of the possibilities to the farmers in their proposed “solution”. Thus, the meeting occurred only out of futility and up until the present, no real solutions have come from it. Despite many letters of concern coming from all factions of the society (including lawyers, various party members and intellectuals, all of which express concern about the governments anti-farmer rulings), the government pays no heed and continues to attempt to change the state. What once stood as India's greatest pro-farming state has begun to experience a phase of mutation as the government continues to exercise its power to grab land from famers, and not protect the rights of the people it represents.

LANDMARKS FROM THE STRUGGLE

Initially, when the farmers began the hunger strike—on May 17th 2004, they received no respect from PUDA officials and the ministers of the Punjab Government, who thought they would not continue this strike for long. By continuing it for 925 days straight, peacefully, they have created a story which has spread throughout the land. This will stand as an example for future struggles in India of what people can accomplish. Now, the ministers and the PUDA officials have started dialogues about affirming a partnership—but the people struggling will not accept anything until it comes as a legal document that they, as a group, find fair and just.

1. Farmers have been able to save the land from PUDA.
2. Farmers have become aware of the importance of the land and the various processes that organizations like PUDA use to attempt forceful acquisition of their land.
3. Because of continuous struggle, the villages of the peripheral area have shown up in the media numerous times and a mass public opinion in favor of them and their struggle has formed. This has led to an increase in the market value of the land (an increase of ten to fifteen times the original and prices continue to rise). Now the farmers can receive better prices for their land than if they sold it in the market.
4. All of the farmer's unions in Punjab have shown interest in this movement and have built a collective around this movement which has created solidarity and a very powerful collective.
5. Common people, social and political organizations have all come together to support this cause and it has started to become a nationwide cause.

THE POSITION OF COURT CASES

After the historic decision of Anandgarh in March 2001, farmers from Sohana have been able to get stay orders on development from the High Court for the lands in sectors 76-80. Following is a list of court cases against PUDA:

Estate The figures in the bracket are the sector number	Name of the village	Writ number	Orders of the court	Position of the case
Mohali Mohali (76-77-78)	Sohana	Cwp 5510/01 And notice of motion	Stay order on the land	An appeal for hearing.
Mohali (79-80)	Mauli baidwal	Cwp 6604/01 And 7156/01	Stay order on the land	An appeal for hearing
Mohali (88-89)	Ladra	4915/01	Stay order and notice of motion	An appeal for hearing
Mohali (81)	Raipur khurd and mauli baidwal	5466/05	Stay order and notice of motion.	An appeal for hearing
Sector 88-89	Berampur	6224/05	Stay order and notice of motion	An appeal for hearing
Sector 88-89	Manakmajra	942/05	Stay order and notice of motion	An appeal for hearing
Zikarpur	Sinhapura and ramgarh	4032/05 3820/05	Notice of motion Notice of motion	An appeal for hearing
Fatehgarh	—	6214/05	Stay order and notice of motion	An appeal for hearing
Jalandhar	Bhojowal, nangal sama and chohak	6894/05	Stay order and notice of motion	An appeal for hearing

THE AIM OF KISAN HIT BACHAO COMMITTEE

Prior to this committee's existence, the court used to only rule on the land elements of a suit and not on the livelihood factor involved since all compensation was based only on the price of land— relocation, displacement and livelihood issues were never brought into consideration. The small farmers used to get unemployed for longer times with each displacement and to completely relocate in due course. Keeping all of this in mind, the committee has created seven key demands.

1. Due to the phenomena of industrialization and urbanization, agencies like PUDA will have to be prohibited from acquiring farmland under the Land Acquisition Act.
2. To save the farmers from loss and unemployment, they have to become partners in the residential areas developed by PUDA.
3. The laws regarding partnerships of farmers for development purposes have to make it easy for farmers to group together so they can participate.
4. To save the constitutional and basic rights of the farmer.
5. To regularize the houses and shops outside the village area and reserve land for farmers within residential and commercial areas.

6. In the event that some land is acquired for development, this venture should provide livelihood options to the landless farmers who worked in agriculture prior to the acquisition and who should be given first priority to obtain new jobs created by the urban development.
7. To save the environment from the burdens of urbanization and its pollution.

EXPLAINING THE PARTNERSHIP

To save the farmers from loss of land and livelihood, it is important to compensate them with other livelihood options. They demand commercial and residential plots so they (displaced farmers) can start their own business.

Land acquired	Percentage	Scale
One acre	100%	4840 gaj
For roads, parks and other public facilities	36%	1740 gaj
Rest of the developed area for use	64%	3100 gaj

Out of the 64 percent of land that is developed, now it takes three equal parts within the 64 percent. One part has to be taken by PUDA for the cost of development. The last two parts are to be taken by farmers/landowners so that they can use the land as to their own will. These two parts will be developed according to the master plan and will have residential and commercial plots.

Until the allotment actually happens, the farmers will be allowed to cultivate the land according to their own will. During this whole process, whatever agreement happens, it must take all the farmers' confidence to occur.

PUDA'S RED TAPE AND MISUSE OF PUBLIC FUNDS

In the year 2001, the High Court recommended to PUDA not to develop sectors 76-80. PUDA spent around 200 crore rupees on developing this land, disobeying the high court's ruling. Now PUDA has started to develop this land so farmers cannot cultivate agriculture there and the high court has prevented further development which has created a chaotic situation where the land cannot be developed and cannot be used for cultivation. If the high court were to cater to the farmers' requests this issue could be sorted out swiftly. This partnership program gives a very clear and feasible path for resolution of the chaos created by PUDA's greed. PUDA points a finger to the farmers' struggle and says that "these people are the blocks in development," while its own policies are actually inhibiting the uses, livelihoods and activities within this area's potential capability.

FARMER'S APPEAL TO THE CENTRAL UPA GOVERNMENT

In the name of industrialization and urbanization, different government agencies throughout the country are acquiring land of the small and marginal farmers at prices below the market value. These agencies use the Land Acquisition Act of 1894 to justify the prices they pay farmers. This is in violation of the Article 31-A of the Constitution. In the section 23 of the Land Acquisition Act, it is not mentioned that the farmers should be given compensation at market prices. So, this act is relentlessly used for acquisition all throughout the country. To save the small and marginal farmers from this unjust acquisition, the Land Acquisition

Act has to be repealed. A new act that considers the market price has to be brought into the Constitution in order to save the whole country's farmer community.

To lure farmers, GMADA revises acquisition rates

June 17, 2011

Three years after it was introduced in Punjab with an aim to make farmers partners in the development process, the Land Pooling Scheme (LPS) has been revised to woo those who found the incentive provided in the original scheme “inadequate”.

In a significant decision taken at its Executive Committee meeting, chaired by Punjab Chief Secretary SC Agrawal in Chandigarh recently, the Greater Mohali Area Development Authority (GMADA) decided to increase the incentive under the LPS.

Henceforth, the farmers will get 2 kanal (1,000 square yards) of residential plot and 4 marla (100 square yards) of commercial site against each acre of acquired land under the LPS. The LPS was providing 968 square yards residential and 60 square yards commercial sites against each acre of acquired land.

The development assumes significance as the revised LPS will be applicable for Mullanpur urban estate Phase I and II, Medicity (a health facility coming up in Mullanpur), IT City near the upcoming international airport in Mohali and all other future land acquisitions in Greater Mohali .

Confirming the development, GMADA Land Acquisition Collector (LAC) Hargunjit Kaur said the LPS was revised with an aim to attract more and more farmers towards LPS and discourage those who took cash compensation. For Mullanpur urban estate Phase I, which is all set for launch shortly, the LPS will be much more lucrative than cash compensation. While the LPS offer will fetch Rs 2.35 crore per acre at the tentative allotment rate worked out by GMADA, the cash compensation has already been fixed at Rs 1.36 crore per acre.

Indian Express

2.5 BANGALORE- THE SILICON VALLEY OF THE EAST

Bangalore is today known as the ‘Silicon Valley of the East’ because of the number of software and software services companies located in the city. Bangalore has become the hub of many multinational and prestigious software companies of the world. Of the 1600 IT firms in Bangalore over 622 are MNCs and over 3 lakh IT professionals are working in the city. In the initial stages of IT boom in Bangalore the government has given huge tracts of land to establish their offices in the city. The favourable STPI (Software Technology Park India) policies of the state have attracted the companies to flow in to Bangalore and the government was also determined to make Bangalore a major IT destination of the country.

Over fifteen years ago Bangalore was the city of Gardens, an innocent small town with cosmopolitan ambience. It was a city of awesome trees. But after the IT boom the environs of Bangalore have changed. The grand trees, lakes and ponds have succumbed to high rises, shopping malls and residential complexes. The roads are unprepared for the IT boom and are clogged by the explosion of vehicles. The number of vehicles in Bangalore has increased manifold and the roads in Bangalore Bangalore’s losing gardens are definitely not able to take the pressure on its road. The high rises in Bangalore had led to the temperatures in the city to steeply increase. The residential areas which had sprawled after the IT boom had scant regard for the basic amenities and they lived with poor garbage and sewage disposal systems. Bangalore’s numerous water bodies had been made into landfills thus making a lot of lakes in Bangalore to dry up. The infrastructure in Bangalore has not improved with the increase in population, increase in the vehicles and the increase in the buildings. The nasty rains and the subsequent rains had taken the citizens by surprise and it has clearly exposed the poor infrastructure the city has. People have realized that unpleasant things can happen to not just lesser places but in happening cities like Bangalore also.

BANGALORE- ITS HISTORY

Bangalore's current population is estimated at around 6 million. Its metropolitan area is a conurbation of 439 square kilometers and the "green belt" of 839 square kilometers. The entire metropolitan area is covered by a comprehensive development plan of the Bangalore Development Authority.

The Bangalore City Corporation, with recent extensions of urban limits, has about 224 square kilometers under its control. With its cool temperate climate and concentration of information technology industries, it has been dubbed India's "Silicon Valley". It has also been one of India's fastest growing large cities. Much of its economy is centered on distinctive local economies that cater to poor and middle-income groups. These economies evolved in the late 1970s to mid-1980s, spurred by public investment in industrial and defense establishments in the late 1960s and early 1970s. Bangalore was brought to the country's attention in the late 1980s to middle-1990s when it experienced a significant real estate boom. Developers from India's two wealthiest cities, Mumbai and Delhi, entered Bangalore's real estate market to convert large plots with colonial bungalows into multi-storey apartment blocks. These were specifically aimed at high-income groups from other metropolitan areas investing for the purpose of future resale, although they were sold also to the local elite. Thus, the early 1990s, heralding the liberalization of the Indian economy, distinctly shaped the corporate image of Bangalore. Its central city areas changed, with new up-market stores, international banks, and renewed attention to its pubs and international fast food chains – although not without reaction.

The state government also promoted several mega development projects, such as sports stadium and exclusive mass housing, which resulted in the demolition and resettlement of several poor settlements to distant peripheral locations. These changes had other impacts on poor groups. Rapidly rising land prices pushed poor and middle income groups to seek housing and work in even more distant locations, many of them in-service. The late 1990s saw a turn-around in Bangalore's boom. This was linked to the industrial stagnation (if not recession) across all of India, with a regressive multiplier effect on various dependent service sector activities. In particular, the construction industry, with its widespread employment effects, was seriously affected. The mid 1990s had seen the rapid growth of the information technology industry which peaked in 1999-2000. The spectacular boom in software share prices attracted funds in otherwise cautious money markets. In contrast, shares from even well-known blue chip manufacturing companies (which boomed in the early 1990s) face uncertainty, if not falling profits. Employment prospects in almost all other sectors, especially the public sector, have shrunk rapidly or face unstable prospects. Thus, the granite, steel and tinted glass offices in Bangalore, most of them belonging to software companies, pose a stark contrast to ill maintained factories facing falling orders and tighter credit conditions.

THE IT BOOM AND THE CHANGED URBAN MANAGEMENT

1991 was a key turning point, as a result of the liberalization of the Indian economy and, with this, the opening up of new political processes. This situation has had a direct impact on urban management, especially in regard to the demands for large-scale infrastructure development and promotion of a corporate-led economy. A significant development here was the emergence of large financing institutions to support this that drew on national funds and funds from international funds from bilateral and multilateral agencies. At the national level, financing institutions moved away from their traditional role of funding projects to funding large scale infrastructure Programmes as financial intermediaries.

Responding to the changes the Karnataka Government set up the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) in August 1993 under the Companies Act. This has a high powered board under the chair of the chief minister and was created to channel institutional finance for large infrastructure projects. Access to relatively cheap and state government-secured funds has in turn generated new demand. The concept of the information technology sector as a basis for modernization has captured the imagination of Bangalore's political and bureaucratic elite. The state of Karnataka's recently elected chief minister, who also holds the portfolio for Bangalore's development, has publicly declared that public policy and investments will work towards this vision. Slogans claim that Bangalore will be India's Singapore and will compete not with Hyderabad (the state capital of Andhra Pradesh) but with the real Silicon Valley in California. These are not just slogans, for they relate to very large public investments and to fiscal policy, as discussed later in the paper. The main justification is to make Bangalore "globally competitive". Corporate information technology groups are quick to point out the deficiencies in infrastructure in Bangalore and to demand ever more dedicated investment by the state to promote growth. Their views are amplified, both nationally and internationally, by the corporate media. State government response has focused on instituting dedicated investment for mega-projects, most significantly, perhaps, in infrastructure which forms the basis for these types of projects as, for example, the Rs. 1.35 billion "mega-city project" jointly financed by the government of India, the state government and financial institutions. These funds, channeled through the Housing and Urban Development Corporation (HUDCO) at the national level and the Karnataka Urban Infrastructure Development and Finance Corporation (KUIDFC) at the state level, focus on modernizing Bangalore by urban renewal and urban design. These funds, allocated to the Bangalore Development Authority or the Bangalore City Corporation, focus on shifting the iron and steel market to decongest central areas, and on the construction of ring roads, fly-over bridges and truck terminals. There is also a Rs.3.1 billion Asian Development Bank funded project to decongest Bangalore by promoting four "satellite cities". The funds do not necessarily go towards improving conditions within the towns but, rather, towards acquiring land to promote large corporate residential and work environments and related infrastructure such as multi-lane highways and dedicated water supply and electrical power systems. Another mega-project is the development of the Bangalore- Mysore expressway which involves large-scale land acquisition for four exclusive satellite cities by the Karnataka Industrial Area Development Board to make the project financially viable. But all these have been at a cost. The development that had happened till now has been lop sided and taken a toll on the environment and the marginalized section of the city.

THE SILICON CITY AND ITS SLUMS

Bangalore in every sense is a divided city. The glass walled computer-ready office Complexes, exclusive shopping malls and entertainment facilities that rival the best in the country contrast with the dense squatter settlements and their very poor services in central areas of the city. Bangalore's urban periphery has also been transformed. In the 1980s, the city's peripheral areas evolved as "revenue layouts" with minimal infrastructure and civic amenities. They catered mostly to low- and middle-income groups and small-scale enterprises. In the early 1990s, however, the southern periphery of Bangalore came to be known as the "non-resident Indian layouts". These are exclusive "farmhouse" clusters and apartment blocks with their

own swimming pools and health clubs, walled in private security, 24-hour electrical power backup and exclusive club facilities. Unfortunately, poverty issues are seen as separate from the city by the Elite. Most documents relating to the poor centre on the number of slums and estimates of their population. These estimates range from the official 401 slums (housing 1.35 million people or 25 per cent of the population) to unofficial reports of more slums. Some NGO groups working in slums and other low income areas suggest that there are between 800 and 1,000 of them. A sharper picture of inequality emerges from the data on access to services. Access to water is a useful indicator.

Most slums are concentrated in the middle and peripheral zones of the city – areas experiencing very high growth rates. At present, almost one-third of the population has only partial or no access to piped water. If current growth trends continue, up to half of the population could end up with partial or no access to piped water. Poor groups in the central part of Bangalore, who are usually missed out in slum surveys, face particularly serious problems. According to the study conducted by US AID more than half of Bangalore's population depends upon public fountains, many of which supply contaminated water because of poor maintenance and broken pipes. This is exacerbated by serious land conflicts that make the extension of infrastructure very difficult. The very limited data available on slums suggest particularly serious problems. A 1996 study of five slums showed that two had no water supply, one had water supplied via bore wells, and two had to depend on public fountains. One to two bore wells and one tap served a population of between 800-900. Slum residents had to walk between 20-1,000metres to fetch water – and women and children were particularly affected by the poor environmental condition.

Access to other services such as toilets is just as bad if not worse. An official report for 1994 stated there were some 113,000 houses without any latrines, while 17,500 had dry latrines. In a study of 22 slums, conducted by Sanbergen, Loes-Schenk (1996), "Women, water and sanitation in the slums of Bangalore: a case study of action research" in Schenk, H (editor), *Living in Bangalore's slums*, nine (with a total population of some 35,400) had no latrine facilities at all. In another ten, there were 19 public latrines for 16,850 households or 102,000inhabitants. The fee charged for the use of public latrines was a serious constraint on the poor families, and a further serious problem in some of the public latrines was poor maintenance. Women would have preferred to save the fee money and build a private toilet but the lack of sewer connections made this difficult. Most women were forced to use open fields to defecate – but this often led to harassment. In 12 slums, women reported facing harassment, particularly from drunken men. In nine slums, women felt that it took too long for them to reach an open space.

CASE STUDY OF THE LAKSHMAN RAO NAGAR SLUM

Lakshman Rao Nagar Slum is one of the largest slums in Bangalore. It stretches over three kilometers between Hosur and Koramangala roads and was originally the Koramangala tank bed. During the sixties in an effort to accommodate the expanding railway network of the city the people living near the railway station were moved to the tank bed. They were not given any support or a proper rehabilitation package and were left to themselves to rebuild their lives. They were forced to rebuild their own shelters and matters only turned worse as they moved into the place during the monsoon. The area today is densely populated with one storey and two storey buildings with thatched structures. A single street that runs along the slum is the main link to the highly developed neighboring area. And along this road runs a two inch water pipe that serves



The Lakshman Rao slum

all the water needs of the population which is close to 70,000. So water has become a scarce commodity for the residents over the last 30 years. They have staged innumerable Dharnas in front of the Bangalore Mahanagara Palike (BMP) head office.

After repeated requests to the authorities the water pipelines were laid last year. There were water supply for 10 days and after that the residents were asked to pay a sum of Rs 800 to install individual water meters. Some 700 of the households have paid for the money but the BWSSB is yet to install the meters and provide water. The residents have given various representations to the slum development board to give them decent housing facilities. The slum development Board was negative in its response citing the reason of lack of money. But there was no dearth of money when the government built the National games Village of over 2000 flats that was built in violation of land use planning and snatching away the only open space available to the slum dwellers. The slum dwellers had protested against this, but despite that the construction proceeded and their resistance was sabotaged by setting their slums to fire on 1995.

ENCROACHMENT AND LOSS OF WETLANDS

Bangalore once boasted of over 400 lakes which was the primary or the only source of drinking water for the city habitants. It has now dwindled to just 64. The ones that remain are being encroached upon and they too shall vanish from the map of the city. When it rains the drains overflow and the water has no where to go except in to the city dwellings to the low lying areas thus causing floods like the once witnessed in Bangalore in 2010. It was imperative for the founders of Bangalore to discover a source of water to fulfill the needs of the habitants of the city. There were no major rivers flowing through the district. While Cauvery flows 90 kilometers southeast of Bangalore, Vrishabhavati has its source near Basavanagudi and joins the river Arkavati. The district geography is such that it had no natural wetlands. Consequently many square-shaped ponds with



The dried up Hebbal tank

granite steps were erected. The great Kempe Gowda, a local chieftain who architected a new township called Bengaluru had erected lakes like the Ulsoor, Dharmambudhi, Sampangi, Siddikatte and also a tank inside the old fort (now in ruins). All these tanks were the only source of drinking water. But except for the Ulsoor Lake the rest of the lakes have been turned into majestic bus stand, Kanterava stadium and the city market respectively.

By 1950s the city began to grow industrially and there was a sudden influx of people from different parts of the country which again caused water scarcity. It was only after the starting of the Bangalore Water supply and sewerage board (BWSSB) that Cauvery a dependable source was tapped. Bangalore got fresh water from January 1974 which proved to be a new life line for the city.

However the rapid development put a great toll on the lakes and tanks. In 1985 an expert committee headed by N Lakshman Rao was set up by the state government to suggest ways to preserve and restore the pristine glory of the near extinct lakes of Bangalore. The committee suggested that the forest department, City Corporation, BDA and BWSSB be given an active role in restoring the deteriorating lakes. Many dry tanks in the outskirts have been encroached for real estate developments or for agricultural purposes. By losing its lakes Bangalore is 'losing its soul' and within a few years the lakes of Bangalore may sound like a cooked up story for its new generations.

TREE FELLING

Bangalore the 'Garden city' once boasted of skylines of trees. They were a source of pride to Bangaloreans. But with the urbanization and the fast growth rate taking a toll on the city it is now common to see more and more buildings and structures poking out above the trees. Bangalore has changed its image from the 'garden city' to the 'silicon city'. According to the state forest report, Bangalore city has only 7.4 % of its total geographic area as forest cover. The haphazard growth has typically ignored the ecology of the city which has been seriously damaged with this rapid urbanization. The result is that the once lush avenues are now slowly but surely losing the tree cover in the guise of road space, highways, housing, transportation projects and technical infrastructure to match the growing needs of the city. The foresight planning developmental projects is lacking. Trees face the axe when these projects are executed with little thought given to protecting and replenishing these resources. Bangalore city's flyovers have accounted for cutting more than 10,000 trees and more are threatened to make way for the expanding metropolis. The extent of the urban sprawl and the ineffective management of forests neighboring Bangalore had threatened wildlife and their habitats. As a result of the decreasing forest cover, increasing density of animals,

large herbivorous were forced to come in search of forage into human settlements. There have been growing cases of large herds of elephants, for instance making their way deep into the cities woodlands. This created human / elephant conflicts and the animals face the risk of getting killed as humans resort to any methods to injure them or kill them. The Bannerghatta National Park was increasingly under threat because of the city's growth.

BANGALORE'S FAILED INFRASTRUCTURE

The Infosys chief mentor N.R Narayan Murthy warned the state government that it would shift to other states and even other countries if the state government does not fix the crumbling infrastructure. Bangalore has over 3 lakh IT professionals working in Bangalore alone. But the IT companies have not realized that they also have a role in adding to the woes to the crumbling infrastructure.

With the beginning of the IT boom in Bangalore the companies have received various sops from the government and the land in Bangalore had been given to the IT companies without any regulations. So they also definitely have a role in adding to the woes of the city. The IT companies of Bangalore in particular and India in general have been lucky enough to come under the Software Technology Park India (STPI) scheme that dates back to the early years of IT industry. It allowed for a 10-year exemption of corporate tax, sales tax, customs duty, excise duty. Back in the day the infant IT companies could not deal with the astronomical cost of telecommunications, archaic customs duty rules and a high rate of taxation. So the initial ten year tax holiday helped an infant industry attain critical mass. Companies like Infosys are 20 years old, but they still continue to be under the STPI scheme. For companies outside the STPI scheme the corporate tax rate alone is 36-37%. The contribution of the STPI tax holiday to the overall success of the IT story cannot be underestimated. So the corporates also have the responsibility of contributing back to the city, the people and the government instead of just blaming the government, though the lackluster response of the government is uninspiring. Now the SEZ policy has to be seen in this context when the corporate tax exemption gets over after the end of 10 years and there comes the SEZ policy with more and more sops.

ATTEMPTS AT PUBLIC PRIVATE PARTICIPATION

It is not that there have been no moves at all from the side of the government and corporates at cooperation in some levels. The government and the corporate honchos have come to the talking tables several times to thrash out a solution to the problems plaguing the city. The outcome was the announcement of the three phase package which mainly included up gradation of road network in major corridors of the city along with a host of traffic related solutions. On its part, the industry announced that it would come out with a comprehensive proposal on infrastructure reforms, identify time bound projects and publish a white paper on these proposals for public awareness. The government also made it clear that public-private participation would continue as the industry big wigs would be roped in to design and implement long term projects. It now seems that all is not well with the public-private partnership model.

DEVELOPMENT PLAN FOR BANGALORE: NURM

The ministry of Urban Development, Government of India has selected Bangalore as one of the top seven eligible cities to granting funds under its National Urban renewal mission (NURM) plan.

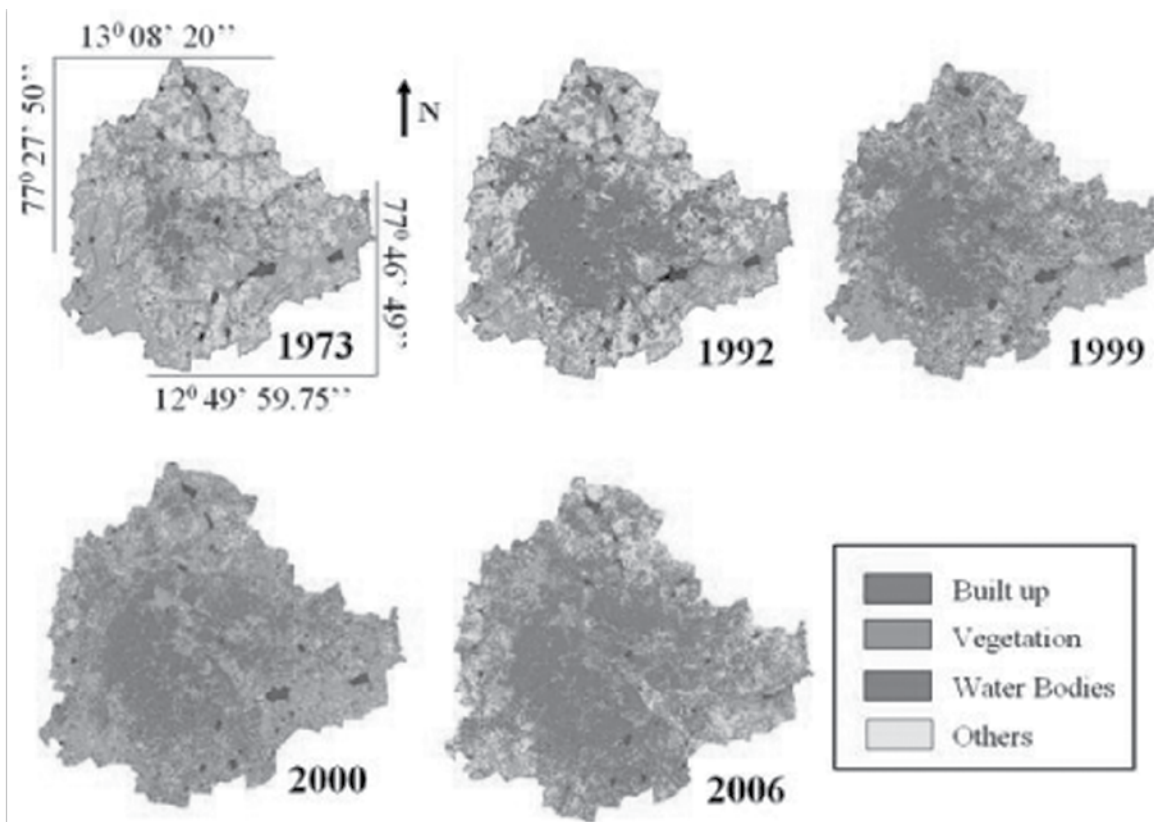
One of the first steps envisaged under the NURM is the preparation of the city Development Strategy Plan (CDSP) identifying the infrastructure gaps and investment plans over the next five to seven years. The Bangalore City Corporation commissioned the services of Urban First Systems private Limited, a Chennai based consultant to prepare the CDSP document for Greater Bangalore area. The CDSP captures the state of the city, covering city profile, key problem areas economic base analysis and sector statements. The primary focus of the CDSP will be to identify the gap in infrastructure provisioning and assess the investments required to provide services at acceptable levels. Enabling features like e-governance, application of GISs to create and maintain infrastructure related database and information architecture are included. The state government has chosen the Karnataka Urban Infrastructure development and finance corporation (KUIDFC) as the nodal agency for NURM projects in the state.

Bangalore contributes 6535.54 crore of the states commercial tax of Rs 10,225 crore. It contributes Rs 881 crore of the state's excise of Rs 2,831 crore. Rs 1,325 crore of the states stamp duty of 1,919 crore. But the city gets less than half percent (0.4%) of the resources it generates from the state. The government should take efforts to place things in order to come out with long term solutions to its infrastructural problems. The problems are not just for the corporates who complain about the lack of good roads to ply their expensive vehicles but also the people who live in the fringes. There was a lack of a conception of coherent planning strategy during the sixties and the seventies and the willful violation of land use policies and laws by the planning agencies, corporates, commercial groups and individuals. Such a dismal state is largely due to the unwillingness of the bureaucracy and political leadership to take steps to mitigate the negative impacts of past mistakes, and initiate progressive action to remedy the situation in consultation with the communities and experts. The IT sector rather than just complaining, should not forget that they have something to give back to the people and the government. They have used the infrastructure of the city to churn out huge profits and have the responsibility to plough back some of their earnings to help the state cope with the problems its own growth has caused.

The Bangalore-Mysore Infrastructure Corridor project (BMICP)

The Bangalore-Mysore Infrastructure Corridor project (BMICP) — whose MOU was signed in 1995 between the Government of Karnataka and Nandi Infrastructure Corridor Enterprises (NICE), a consortium consisting of Kalyani Group (Pune), SAB Engineering (Pennsylvania, USA) and Vanasse Hangen Brustlin (VHB) (Boston, USA) — is a vast land scandal. 29,258 acres of land were notified for acquisition for the project, an excess of 10,945 acres beyond what was needed. "Land Acquisition notifications were issued based on the requirement indicated by the promoter company and not on the basis of any technical drawings/maps as approved by the Government in PWD [Public Works Department] or the project report." NICE shall no doubt seek to exploit commercially these highly valuable lands, obtained courtesy of the Government of Karnataka at minimal cost, to their own profit. Even assuming a nominal commercial value per current rates, the excess acres handed over to NICE amount to a largesse of Rs. 10,000 crores [1 trillion]. To this should be added the benefits accrued by NICE on account of various tax and cess [tax] exemptions, and the advantages gained in possession in perpetuity of lands. These profits are not one time, but astonishingly large and recurring. On the other hand, according to various reports, the project will affect almost 200,000 people, mostly agricultural laborers and farmers. Only those who can show proof of title will be eligible for cash compensation, a minority of the total affected population.

Temporal Land Use Changes in Greater Bangalore



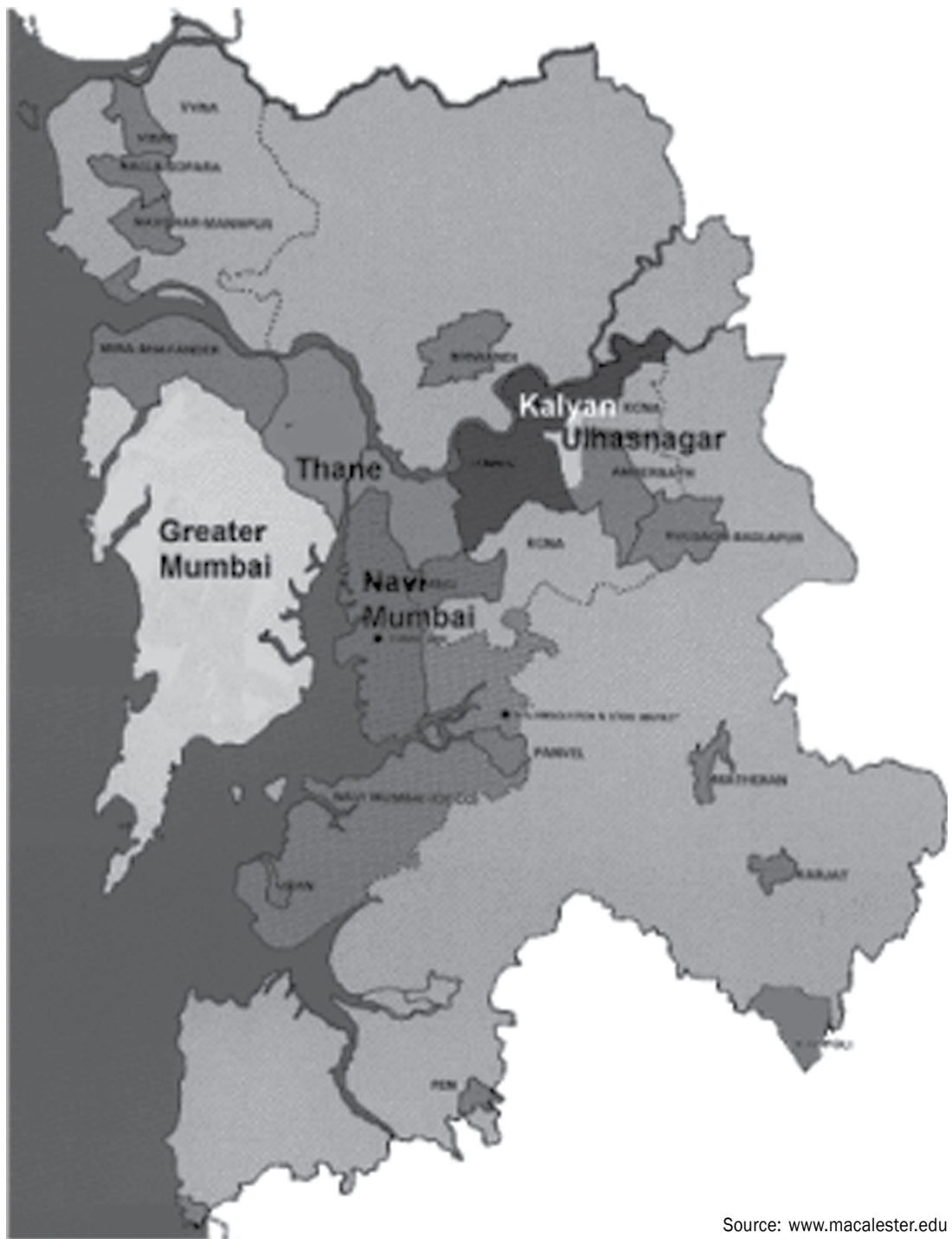
Source: Ramachandra T. V., and Uttam Kumar¹⁰

Greater Bangalore is a planned expansion of the City of Bangalore. In January 2007, the Karnataka Government issued a notification to merge the areas under existing Bangalore Mahanagara Palike with seven CMC's, one TMC's and 111 villages around the city to form a single administrative area. The process was completed by April 2007. As one can see from the maps below this expansion has been at the cost of water bodies, vegetation and the villages in this region. Leaving us with the question whether planned or unplanned is this rapid urbanization without and ecological sustainability perspective can continue on?

2.6 MUMBAI METROPOLITAN REGION & PUNE

According to Prof. S Parasuraman Director of Tata Institute of Social Sciences "Mumbai has evolved from being a fishing hamlet to a colonial node, subsequently to being the cradle of textile civilisation, and in contemporary times is has become the hub of India's commerce and finance. The most widely held popular perception about Mumbai is that of a city of opportunity for people from across South Asia, and now even beyond. These opportunities have of course been distributed unevenly, with Mumbai's rich and poor co-existing, and not always peacefully, with fundamentally differing entitlements to basic services – water and sanitation, health care and nutrition. In some of its large slums – the suppliers of cheap labour – children from poorer homes die because these slums exhibit malnutrition, morbidity and mortality levels closer to those current in

¹⁰Ramachandra T. V., and Uttam Kumar, 2009. Geoinformatics for Urbanisation and Urban Sprawl pattern analysis, Chapter 19, In: Geoinformatics for Natural Resource Management (Eds. Joshi et al.). Nova Science Publishers, NY. Pp 235-272



Source: www.maclester.edu

the states of Bihar or Orissa. About 60 per cent of Mumbai’s population lives in such slum areas, occupying a mere 8 per cent of land, and their lives are characterised by degraded housing, poor hygiene, congestion, inadequate civic services and yet expanding peripheries of its slumming suburbs – with Dharavi as its epicentre.”

Modern planning in Mumbai began in 1864 under the sanitary commissions appointed by the British. Shortly thereafter, in 1898, improvement trusts were founded to oversee land reclamation projects. The creation of the Study Group on Greater Mumbai in 1958 marked the first time that Mumbai was formally taken into account in a regional context. Nine years later, from 1967, the Bombay Metropolitan Regional Planning Board (PMRPB) was charged with overseeing the regional plan for 21 years.

The availability of physical space for people living in the city can be understood as a key factor in the quality of life of the city's residents. The population density defined as number of persons living within an area of 1 km² presents the most striking feature about Mumbai. In 2001, the average population density for Mumbai city was 27,000 people per km². Ward C is one of the most densely populated areas with a density of 114,001 people per km².

The year 1970 marked the creation of the City and Industrial Corporation of Maharashtra (CIDCO). According to the CIDCO website:

"CIDCO was given a mandate to undertake all development works and recoup cost of development from the sale proceeds of land and constructed property."

These objectives have resulted in a polynucleated region to draw pressure off of central Mumbai and the creation of 'Navi Mumbai', or New Mumbai, to the east of Mumbai. Despite this planning, environmental pollution from the industries and traffic, the lack of strict zoning, and rapid suburbanization taxing the rural areas remain municipal problems.

A. Adarsah Housing Scam 2010

Adarsah Housing society scam in Mumbai was one of the biggest scam in Mumbai in 2010. Congress party politicians, bureaucrats and military officials have been accused of taking over land meant for building apartments for war widows. When pressure was mounted by opposition parties in Parliament, a CBI begin to investigating the case. The apartments with a value of USD 1.8 million were sold for as little as USD 130,000 each in the apartment block, which faces the Arabian Sea in one of the world's most expensive stretches of real estate in Mumbai.



The 2010 Adarsh housing scam in Mumbai got murkier as questions were raised on the manner in which apartments in the building were allocated to bureaucrats, politicians and army personnel who had nothing to do with the Kargil war. The exposure of the infamous nexus between politicians, bureaucrats and builders in this scam. The 13 accused include six retired top army brass, four ex-IAS officers, two politicians and a former defence estates officer. Former city collector I A Kundan, who was earlier reported as being among the 13, is not among the accused. Former civic commissioner Jairaj Phatak is being treated as the 14th name whose role will be investigated under provisions of the Delhi Special Police Establishment Act. Phatak holds the rank of joint secretary, government of India, and anyone of that rank or above cannot be investigated for allegations under the Prevention of Corruption Act without prior approval of the Centre. Until then, Phatak remains just a suspect.

Due to opposition the government sacked the chief minister of western Maharashtra state, Ashok Chavan, who is a member of Congress. The apartment block is also being investigated for several violations of norms, including environmental laws and land-use rules. The government has now effectively taken back permissions allowing owners to

occupy the apartments, which are required for water and power supplies, leading to the disconnection of these services.

Just as land for Adarsh in Colaba had been acquired on citing Kargil widows, heroes and war veterans, Adarsh II was proposed as low-cost housing for servicemen and the poor. In both cases, the lands fell in the Coastal Regulation Zone. In fact the Adarsh II plot, during high tide, goes under water. While Adarsh Housing Society totally bypassed environmental clearances the Adarsh II claimed that the Urban Development department had strongly advocated development of this land- a claim not backed by documents.

B. Pune

Lavasa Corporation, a subsidiary of the Hindustan Construction Company (HCC), is spending Rs. 140,000 crore to 'clean out' the villages in the hills of Pune. This land belongs mostly to the tribals and marginal farmers and is now under threat as a world-class city in its place is to be built.

As summarized by Rifat Mumtaz¹¹ in her article How government agencies fast-tracked Lavasa this project "was approved under Section 20 (3) of the MRTP on July 15, 2000. Accordingly, the Maharashtra Urban Development Department declared 18 villages in Mulshi and Velhe block – a total of 25,000 acres of land – part of the project. Since then, the inhabitants of around 20 villages have faced eviction, land alienation, harassment by project officials, cheating by the land mafia and company agents, denial of community access to freshwater bodies, river, temples and common roads. And the destruction of their natural habitat and forests."

Those pushing the project argue that urban India, bursting at its seams, just cannot cope with the large-scale migration from rural areas till there are more cities. The solution to cater to this demand then according to the government and real estate companies is to extend public-private partnerships (PPP) to the building of cities as well, and give the builders ownership rights. The first of these, Lavasa City, is to be built along 60 km of lakefront near the Varasgaon dam near Pune. On 12,500 acres will come up a cutting-edge centre of education, health and business, a business school launched by the UK's Oxford University, a medical facility run by the Apollo group, and a business hub with Accenture and Deloitte as central players. The city's two lakh citizens will be provided studio apartments, exquisite villas – the works.

According to a report by Tarsh Thekaekara¹² "Critics of the project say the plan violates a host of statutes and laws, such as Article 46 of the Constitution, the Maharashtra Land Revenue Code and Tenancy Laws (Amendment) Act, 1974 and the Maharashtra Restoration of Lands to Scheduled Tribes Act, 1974. They cite the company's 2004 annual returns, which show Union Agriculture Minister Sharad Pawar's son-in-law, Bhalchandra Sadananad, and daughter, Sadanand Surpiya, jointly holding 7.49 lakh equity shares and 29 lakh redeemable preference shares. Gulabchand has donated £7.4 million to the University of Oxford for creating an Ajit Gulabchand chair."

The original population of Mulshi-Maval region is scheduled caste and scheduled tribe families. They have languished for decades without caste certificates to support their legal entitlements to the land, or access to basic services. The ignorance of these poor families – nomadic tribes (Dhangar) and tribal communities (Koli, Katkar, Thakar and Marathas) residing in these small community hamlets – worked in favour of Hindustan Construction Company (HCC) and the state of Maharashtra.

¹¹Rifat Mumtaz, How government agencies fast-tracked Lavasa (www.infochangeindia.org)

¹²Tarsh Thekaekara, City Without Soul, Tehelka Magazine, Vol 7, Issue 06, Dated February 13, 2010.

The speed shown by the government to change its hill station policy and master plan could be because the Lake City Corporation has strong political backing. The company had influential board members—Supriya Sule, daughter of Union agriculture minister and NCP leader Sharad Pawar, her husband Sadanand Sule and their close business associate Aniruddha Deshpande. The Sule couple owned 21.97 per cent share in the company which was rechristened Lavasa Corporation in 2004 (see ‘Who owns how much’). The Sules sold their shares in 2004 and withdrew from LCL, but the company did not lose political patronage. Vitthal Maniyar, who serves in the trusts run by the Pawar family, continues to be one of LCL’s board of directors.

Construction work at Lavasa was on full swing till November 25, 2010 when the Union Ministry of Environment and Forests (MoEF) intervened and issued a stop-work order and notice to Lavasa Corporation Limited (LCL). An expert committee constituted by the ministry on the directions of the high court at Mumbai, comprising Central and state EAC members and MOEF officials, had visited the project site in January. The committee’s report, dated January 13, 2011, confirms the violations of environmental laws, including haphazard cutting of hills. The company then applied for post facto clearance for phase one of the project, which covers 3000 hectares. This may be considered and passed by the Ministry of environment. Even though the local population and tribal leaders stand tall against the project the with such deep political ties only time will tell if corporate greed will defeat the Indian farmers and tribals once again or will the people’s voices prevail.

A common saying in India goes “My countries land reaps, gold reaps diamonds and pearls” this was said primarily by the farmers referring to the fertility of the land. Today the real estate mafia, the corporate realty companies and the politicians have given this phrase a new and more literal meaning, as they grab land to make their millions. This understanding of land as a commodity rather than the revered Mother Earth which feeds her hungry mouths has changed the very fabric of society in India. As poor become poorer and rich amass wealth like never before, land becomes the center of this battle for survival against greed.

Land Grab for Mining and Industries

Mining in India has come to the forefront for opposing reasons: on the one hand, presented by the Government as a fundamental bedrock to the country's economic growth and greatly promoted in the recent decades, the activity has intensified decisively after economic liberalization of 1991; on the other hand, as the pace of mining picked up considerably, a trend of "plunder and profit" became more evident and shocking. A handful of local and foreign players have crowded the Indian mineral landscape accumulating disproportionate profits favoured by the domestic liberal policy regime and by a general laxity in regulatory enforcement and compliance, in the face of massive environmental disasters and of increasing human tragedies.

The country is well endowed with several minerals such as iron-ore, manganese ore, chromite, bauxite, copper, silver and gold; across the states of Gujarat, Andhra Pradesh, Jharkand, Rajasthan, Karnataka, Orissa, Chattisgarh, West Bengal, Tamil Nadu, Maharashtra there are operational mines for a total of 2954 officially declared till 2009.¹

Minerals are non-renewable, finite natural resources that are used as raw materials feeding most of a country's industries. Being scarce and fixed in supply, their commercial value is set to rise as demand in the global market is ever increasing because of industrialization, urbanization, overconsumption and of the less often cited military-industrial complex fed by wars and armed conflicts.

The Government of India through the Ministry of Mines, the Ministry of Steel applauds mining and metallurgy as the backbone of industrial developments of a country and commits to an increase in efforts of mineral exploration, extraction and exploitation. India is set to pace up mining and related industries: the country is set to become the world's **2nd largest steel producer** by 2015-16; total value of mineral production in India (excluding atomic minerals) has increased by **11,83% in 2010-11** over the previous year. Global Aluminium output has reached its peak since 1999: rising market prices are pushing producers to raise capacity multifold. In India too, Mines Minister BK Handique pointed to increased production set to touch 5 MT production by 2015, as all major primary metal producers are expanding capacity. Foreign and domestic private investment has been flowing into the industry, with 222 memorandums of understandings

India's Position in Minerals & Mining Sector² India produces 86 minerals include 4 fuels, 10 metallic, 46 non-metallic, 3 atomic and 23 minor minerals (including building and other materials); it is 2nd in barytes, chromite and talc/steatite/pyrophyllite; 3rd in coal & lignite and bauxite; 4th in iron ore and kyanite/sillimanite; 5th in manganese ore and steel (crude); 7th in zinc; and 8th in aluminium.

¹Indiainbusiness.nic.in : Mines

²Indiainbusiness.nic.in

(MoUs) for planned capacity of around 276 MT signed between investors and various State Governments, mostly in Orissa, Jharkhand, Chhattisgarh and West Bengal. The Government has thus made it clear that it sees mining as a direct propeller of growth and development, and that it is set to push it forward.

ANNEXURE 3.1
Production of Selected Minerals, 2006-07 to 2010-11 (Value in ₹ Crore)

Mineral	Unit	2006-2007		2007-2008(R)		2008-2009(R)		2009-2010(P)		2010-11(E)	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
All Minerals			104490.49		121682.47		174240.31		179384.01		200609.38
Fuel			66158.29		70397.31		115371.31		124088.33		135243.81
Coal	M.Tonnes	431	34836.79	457	38464.56	493	45537.02	532	49081.52	537	49011.64
Lignite	M.Tonnes	31	2626.03	34	2960.88	32	3687.79	34	3878.58	38	4240.19
Natural Gas(Utilised)	M.C.M.	31747	9764.16	32417	9968.70	32849	10107.71	47510	14780.03	58982	18488.83
Petroleum (crude)	M.Tonnes	34	18931.32	34	19003.17	34	56038.79	34	56348.20	38	63503.15
Metallic Minerals			18285.81		29179.89		36067.76		32274.29		41828.44
Bauxite	th. tonnes	15733	384.78	22462	566.16	15460	470.32	13952	456.36	13363	502.66
Chromite	th. tonnes	5296	1450.17	4873	2142.19	4073	2263.36	3413	1183.41	3865	2089.76
Copper Conc.	th. tonnes	150	311.71	150	347.13	138	409.11	124	362.54	161	486.34
Gold	Kg.	2488	229.09	2969	301.74	2438	315.26	2106	331.39	2214	400.97
Iron Ore	th. tonnes	187696	14204.31	213246	23379.04	212961	28544.40	218639	26864.84	212613	34852.37
Lead Conc	th. tonnes	107	133.14	126	144.39	134	136.27	136	174.34	136	181.70
Manganese ore	th. tonnes	2116	557.37	2697	1206.04	3620	2765.47	2440	1269.54	2901	1428.49
Zinc Conc.	th. tonnes	947	971.47	1036	939.42	1224	946.66	1277	1290.85	1342	1641.02
Other met. Minerals			43.76		153.60		216.88		341.02		245.12
Non-Met. Minerals			3351.46		3370.85		4066.79		4286.94		4802.69
Ball Clay	th. tonnes	627	13.87	796	14.04	998	20.08	898	18.88	1021	20.13
Barytes	th. tonnes	1681	94.71	1076	57.01	1686	96.64	2138	234.97	1774	196.45
Diamond	Carats	2180	1.47	586	0.57	536	0.45	16810	11.59	71381	54.45
Dolomite	th. tonnes	5172	112.57	5852	146.12	5504	155.41	5182	144.79	4724	154.22
Fire clay *	th. tonnes	497	6.59	545	8.69	496	8.34	410	6.62	285	5.02
Garnet Abrasive	th. tonnes	859	25.92	1276	52.37	1151	56.59	1566	74.09	2724	144.78
Gypsum	th. tonnes	3006	49.42	3404	72.29	3877	99.35	3422	95.86	4557	137.38

ANNEXURE 3.1 (CONTD...) (Value in ₹ Crore)

Mineral	Unit	2006-2007		2007-2008(R)		2008-2009(R)		2009-2010(P)		2010-11(E)	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Kaolin	th. tonnes	1460	162.22	1350	29.15	2084	64.17	2578	69.89	2488	56.64
Laterite	th. tonnes	1373	15.76	1479	21.74	1237	16.24	1221	17.32	915	10.36
Lime shell	th. tonnes	104	7.29	128	8.44	96	7.33	62	4.86	23	1.88
Lime stone	M. Tonnes	197	2405.01	193	2399.95	222	2921.98	229	2986.23	240	3220.21
Magnesite	th. tonnes	239	34.17	253	33.43	253	36.35	286	42.26	291	42.17
Phosphorite	th. tonnes	1587	218.46	1849	212.57	1804	308.76	1547	312.01	1651	423.21
Pyroxenite	th. tonnes	302	8.27	289	9.07	282	13.91	279	15.39	303	14.61
Sand (Other)	th. tonnes	1770	6.71	1804	7.90	1808	10.70	2159	10.20	2457	11.86
Silica Sand	th. tonnes	2663	37.79	4304	50.73	2832	36.57	2283	29.82	3861	41.15
Sillimanite	th. tonnes	26	10.13	41	17.67	34	23.69	31	25.50	32	33.03
Stellite	th. tonnes	740	40.12	923	59.29	888	59.82	835	52.74	1006	66.16
Wollastonite	th. tonnes	132	11.41	119	10.64	112	12.60	132	11.19	200	16.74
Other Non-Met.Min.			89.59		159.18		117.80		122.73		152.23
Minor Minerals			16694.93		18734.45		18734.45		18734.45		18734.45

M.Tonnes - Million tonnes

th.Tonnes - Thousand tonnes

M.C.M. - Million cubic metre

Kg - Kilograms

(P) Provisional and based on monthly returns to the extent available with BBN.

* Excludes the production of fireclay, if any, recovered incidental to coal mining

(R) - Revised figures (E) Estimated figures

NOTE : (1) The value figures pertain to pithead value.

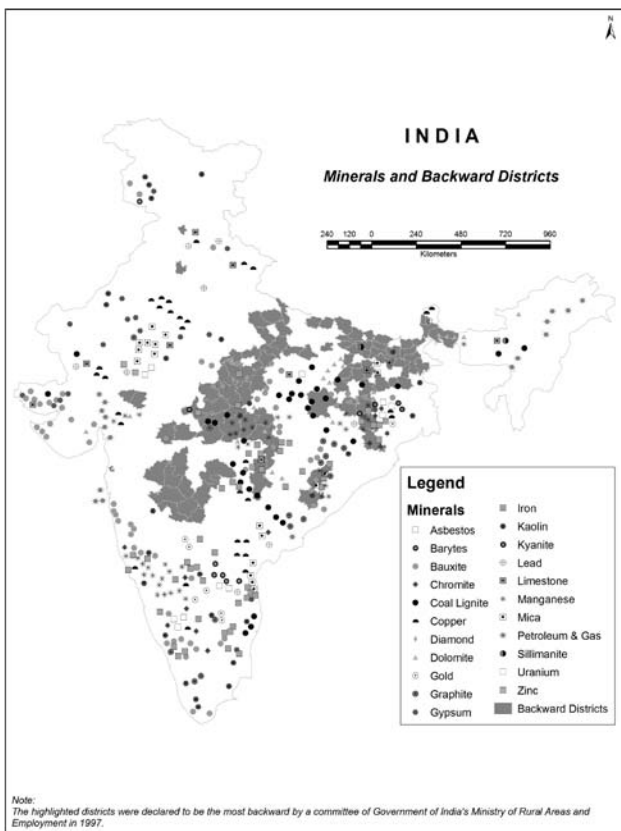
(2) Data based on the returns received under MCDR, 1988 except coal, lignite, petroleum (crude), natural gas (utilised) and minor minerals.

(3) Value of Petroleum (crude) is revised for the year 2008-09 & 2009-10 on the basis of the data received from the Ministry of Petroleum and Natural Gas.

Source : (a) Coal and Lignite : Coal Controller, Kolkata

(b) Petroleum (crude) and Natural Gas : Ministry of Petroleum & Natural Gas, New Delhi

(c) Minor Minerals : State Governments



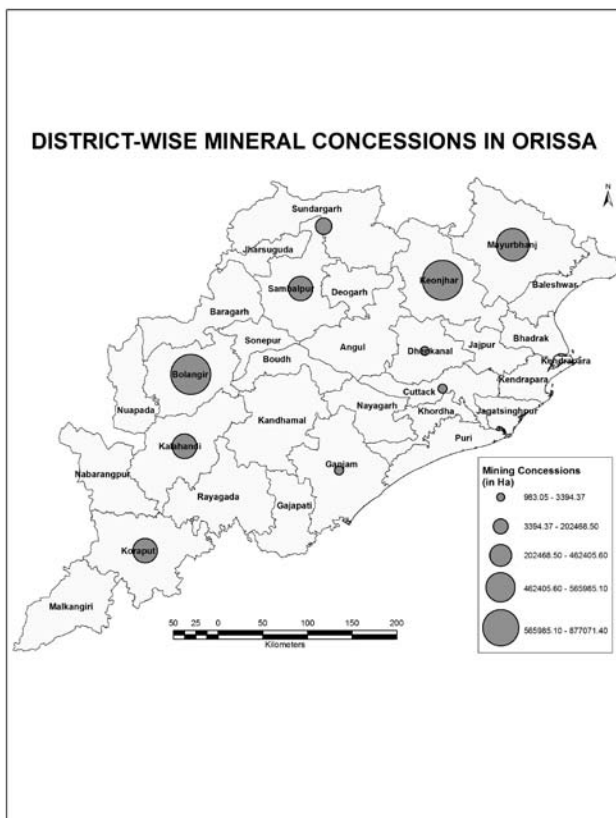
The neo liberal consensus preaches that growth trickles down, reducing poverty hence implicitly justifying unbalanced zero-sum scenarios, where a few reap unprecedented benefits at the expense of the lot. Ground reality defeats the trickle down assumption, with mining as one of the starkest examples of the poor getting poorer and the rich richer: in India, it is the most mineral rich States to be the most impoverished, affected by the devastation that mining brings with it: people are displaced and lose their livelihood and their ecology, the ecosystem – balanced and sustainable – which they were part of, is destroyed; pollution of the air, soil and water render life miser, badly affecting public health.

Most mineral reserves to be explored by mining projects also happen to be demarcated on tracts of pristine forest land and inhabited by SCs and STs, Adivasis and agricultural and fishing communities: in four and a half decades since India's independence, mining has displaced **two and a half crore** people,

with hardly 25% of them rehabilitated; industrialization has displaced around **60 million people**, 2 million in Orissa alone, 75% of which are Adivasis and Dalits. Over **1.64** lakh hectares of forest land has been diverted; 77 million tones of water – enough to

satisfy the daily need of 3 million people – have been used up for iron ore mining only in 2005-06. Mining of major minerals has generated about 1.84 tonnes of waste only in 2006³.

Orissa is the top State for diversion of forest land to mining, with a whopping 15,386 hectares. It is also the background for increasingly violent "land and resource wars". The Patnaik led Government in Orissa was asked by the Supreme Court to explain why 215 out of 341 working mines were allowed to operate without government clearance or without a mining plan. Mr Rabi Das filed a PIL in the Supreme Court stating that the State has looted wealth at a rate of 7000 crores per annum since 1999-2000. Yet, the State Government is still proactively and incessantly lobbying to attract more mining MoUs.



³Frontline: Plunder and Profit, 16th July 2010

Orissa is one amongst the many: across the country, there are 15,000 illegal mines as compared to 8,700 legal ones. The distinction between legal and illegal doesn't really apply to great extents; mega-projects are cleared by the Government ministries in disregard of the existing legislation and norms. Political patronage and corruption make so that legal and illegal go hand in hand in a business that is generating huge profits for corporations and bureaucrats while costing the country displacement of millions, loss of lives, environmental degradation and depletion of resources.

As against the usual claims of linkages to the economy and employment generation, mining activities are mostly closed in themselves, a model known as "enclave economies": localized, capital intensive, and non renewable clusters with hardly any backward linkage to the broader economy. As far as the employment is concerned, several considerations are due: 1. the claims have always been countered by evidence of abysmal job creation; 2. these are of a casual, contractual nature violating all minimum standards of workers and human rights; 3. overall, because of mechanization, computerization and of the consolidation trend that rules the industry (M&A) the rate of employment in the mining sector has seen a **30% decrease between 1991 and 2004**, all while the value of mineral production was rising multifold⁴. Forced industrialization ultimately translates in an involuntary shift from traditional sustainable primary occupations to lowly industrial work; it is imposed on the displaced to train in one or more technical skills in a top-down manner, at a point where locals bargaining power has been reduced to zilch.

Mining represents the "non-inclusive" growth model par excellence, as its costs are widespread and its benefits extremely concentrated to a small constituency. Actually, it takes it a step further, as against general understanding, the relationship between mining and economic growth and development is highly controversial. Firstly, the contribution of the mining sector to GDP is minimal (**2010-11: 2,6%**). Secondly, for every 1% contribution of mining to GDP, the activity displaces 3 to 4 times more people than all other development projects all together. Thirdly, being borne by illegality, mining leads to more corruption than what it contributes to the general economy by way of returns, affecting and in places subverting the very democratic texture of a country.

Furthermore, in recent times many of the mining related projects have been promoted in the form of Foreign Direct Investment (FDI towards mining has totaled **3,416.62 crores Rs from 2000 to 2011**⁵) at the hand of huge international companies with much to gain from the vast mineral resources India has to offer, and increasingly favored by the laxity of the country's regulatory law enforcement and concessions. In sight of attracting investments from abroad, State Governments are bending backwards, actively facilitating and promoting mega projects in total disregard of human displacement and, for that matter, of the rule of law.

The latest cases of **Vedanta** and **POSCO** in Orissa, **Lafarge** in Meghalaya and Chattisgarh, are only few notorious examples red-signaling firstly the misconception that mineral wealth and mining bring welfare to the affected communities, and secondly stand as evidence of an increasing trend of plunder and profit masked under the name of national interest, trade and development.

The issues arising from this are several and severe and they underlie the fundamental question of what path each country and the global community choose to follow. In this chapter, we present some case studies that illustrate the rampant illegalities, overwhelming destruction of people and the environment which mining brings about,

⁴CSE

⁵Department of Industrial Policy & Promotion Annual Report 2010-2011www.dipp.nic.in

while also presenting victorious cases which reinforce the commitment to support local movements against forced displacement.

3.1 Development, inclusive growth and democracy

What is development, actually? development of what, for whom? Who decides what is the “national interest”? And how does this fit into a democratic society?

Much of political debates around policy prescriptions, government and private initiatives and national development revolve around the notion of “inclusive growth” rather than “development”. There is a fundamental difference between growth and development, one of the pillars of the entire debate around development, democracy and sustainability: while growth centers around a quantitative element, development has an inherently qualitative component i.e. while achieving growth for a country has mostly to do with increasing GDP, development on the other hand must contain a qualitative improvement – in standards of living, health, education and so on.

Development, in the words of **Amartya Sen**, means “increasing the possibilities for more people to realize their potentials as human beings through the expansion of their capabilities for functioning” that in other words means, the enrichment of human lives by means of having the freedom to choose between different ways of life⁶. Intrinsic in the idea of development is hence a strongly democratic feature of “freedom to choose”. This fundamental and characteristic element of the notion of development has been totally discarded in today’s policy discourse. The coupling of the word “inclusive” to the word “growth” has managed to blur the fundamental demarcation between development and growth, removing the focus from the democratic element of freedom of choice inherent in development.

Inclusive growth as it stands professed by the Government – specially in the use and abuse of the eminent domain - has hence very little to do with what should be the ultimate objective of social policy, that is improving the quality of life by creating the conditions for realizing an individual’s potential, in the realm of democratic freedom to choose what shape this will take. Inclusive growth has increasingly come to mean a model by which the liberal capitalistic paradigm autocratically chosen as “optimal” is forcefully and violently imposed on those who aren’t already part of the growth story. The underlying ideology of pushing the market forward, increasing commercialization, spreading the industrialized, urban, commodified way of life has translated in a constant and violent attack on the country’s indigenous, tribal and rural communities who have preserved a particular way of life that is less predatory, non consumeristic and community-centred and have been termed as backward, poor, and worse, as categorically unfit to decide what’s best for themselves – in need of rescue.

Anthropologist **Felix Padel** criticizes this attitude that flows from the “evolutionist” approach to anthropology, which sees development in fixed stages from “primitive” to “modern, industrialized”⁷, rather than more contemporary approaches which see tribal societies as different but “no less sophisticated than mainstream society” with aspects such as the art of sustainable living definitely more developed in the former. The rationale that indigenous people are backward, regressive, poor, overall ‘anti-development’ and must be brought into mainstream is not only false, but undemocratic and setting the stage for criminal violence and repression. Worryingly though, it is the State and Central Governments are peddling invasive projects, lobbying for corporations as opposed to people.

⁶Managing Development, Harriss, Hewitt, Robinson, 2000: pg 2

⁷Padel & Das: Anthropology of a genocide: tribal movements in central India against over-industrialization

3.2 The State as a corporate agent: Resource exploitation, resistance and repression

The natural wealth of Central India's States has become nothing less than a curse for the country's original inhabitants agricultural and marginalized communities: their customary and constitutional rights come to stand in between of corporate greed and hence are constantly done away with. Mining projects increasingly resemble the colonial model of the East India Company of dispossession and accumulation accompanied by dodgy manipulations of the law and finance.

Despite having introduced specific legislations and Constitutional amendments (see PESA, Forest Rights Act) to supposedly undo the historic injustices committed against India's Adivasis, the autocratic mindset has only gained momentum, functional to the liberal paradigm of growth and globalization. After India's economic boom, the mainstream rationale is that more and more resources must be channeled into this double-digit growth; that we must industrialize and urbanize more, we must embrace the market more – at any cost. This in turn has meant the acceptance – not the questioning – of the notion of “someone losing out” in the process as the price to pay for the country's growth.

The Government still avails of the colonial **Land Acquisition Act** through which it entitles itself to dispossess the indigenous original landowners, laborers and local communities to make place for mining, plants and industries, in the name of the public good; all while rampant land speculation happens in front of the eyes of the dispossessed: landowners, farmers, landless laborers and Adivasis are forced to give up their lands for few hundreds Rupees, land which is then sold at lakhs to private mining and developers' companies who stand to make tens of times the profit from their mining or real estate activities per square metre of the land⁸.

Deregulation and speculation have benefitted the mining barons, who're registering record profits under the nose of or often in collusion with local governments; an unreasonable amount of wealth in the hands of the few is unavoidably corrupting the apparatus which becomes more and more alien to the realm of the State and of the national laws – in other words, it places itself beyond legality and beyond democracy.

The mining elites are created by a collusion of power between rich local and foreign industrialists, corporations and government officials. They are formed on tight networks of patronage, where the spoils are shared amongst the power-holders but in no way flow back into the economy or society, less than all to the real stakeholders. They often rely on the bargaining and financial power of International Financial Institutions⁹ which provide funding or positive ratings on the stock markets.

The different cases of land grab for mining and industries follow an almost identical pattern where the State is an agent acting on behalf of privates, while the local administrative apparatus is similarly geared at the disposal of the company's needs. The public institutions which are born and designed to support and preserve democracy are the very perpetrators of illegality, acting in disregard of the law and of policies they have often themselves implemented. The mining lobby in particular has grown in power and influence so much so that in many instances, it has gone beyond the purport of the State, which becomes a subordinate, an agent to accomplish the lobby's objectives.

The former **Union Minister for Environment and Forests**, Jairam Ramesh, recently confessed to having been “under pressure” and having given in by clearing and

⁸See also the case of Bhatta Parsaul and the Yamuna Expressway, Greater Noida, UP

⁹See The Global Connection: international players, finance and resource plunder

“regularizing” projects laced in illegalities and violations. He was later removed from the Environment Ministry, to make approvals easier for the mining industry. In Karnataka, the political clout enjoyed by the Reddy Brothers has prevented the State Government from taking significant action against rampant illegal mining; instead, bureaucrats and ministers which came in the way were removed from their posts¹⁰. Recently, Swami Nigamanand lost his life after fasting for 4 months against the illegal mining and quarrying in the Ganga, amidst governmental apathy and inaction.

More overtly, for the sake of granting POSCO clearance, the Minister of Forests and Environment ignored its own previously issued **Circular of 2009** which required compliance with the **Forest Rights Act** provision of obtaining the Gram Sabha’s consent to diversion of land. Similarly, the amendment of the **Coastal Zone Notification Act** to make way for industries and power generating units, an increased superficiality in conducting **Environmental & Social Impact Assessments** most commonly sponsored by the interested companies itself are cause of worry, as the political and economic influential strength of industrial lobbies increasingly allows them to place themselves beyond democracy. The collide between the private and public sector has increasingly translated in laxity in enforcement of existing legislation related to environmental or human rights standards, along with an increase in corruption and conflict of interest.

Meena Gupta, heading one of the Centrally Empowered Committees appointed to review the POSCO regulatory violations, was MoEF Secretary at the time of granting the company’s Environmental Clearance, and appeared as a dissenting member in the group of 4 whereas the remaining 3 members testified unanimously to Posco’s infringements.

In his recent book **“Reliance: the real Natwar”** Arun Agrawal sets out to uncover the nexus between politicians and big business houses which he identified as a corrupting force of the very democratic texture of our country. Before taking office again in 2004 as **Finance Minister, P. Chidambaram** was on **Vedanta’s Board of Directors** alongside high profile **Naresh Chandra** who was India’s Home Secretary in 1990, Cabinet Secretary in 1990-92 and Senior Adviser to the Prime Minister between 1992-95. P. Chidambaram’s role is also questioned in allegations of having favored the mining lobby by allowing the accumulation of unbridled profits without any corresponding return to the country’s exchequer: failing to revise the royalty on minerals as predicted by the **Mines and Minerals Development & Regulation Act** to reap benefits from the much inflated market prices of minerals, has resulted in a huge loss of revenue to the country and disproportionate profits for the benefit of the mining lobbies alone. P. Chidambaram in his role as Home Minister is also leading the most intense campaign against the Naxal threat in mineral rich Central India, Operation GreenHunt, an analysis of which is also presented below adding an important dimension to the debate.

In such a context, more and more players are entering the mining business enticed by super profits amidst a general absence of the rule of law if not when instrumental to the business itself. The recourse to police forces, the always more common imposition of prohibitory Sec.144 to effectively curtail any democratic and peaceful resistance on part of the people are evident of the instrumental role that law and order assume in furthering corporate agendas.

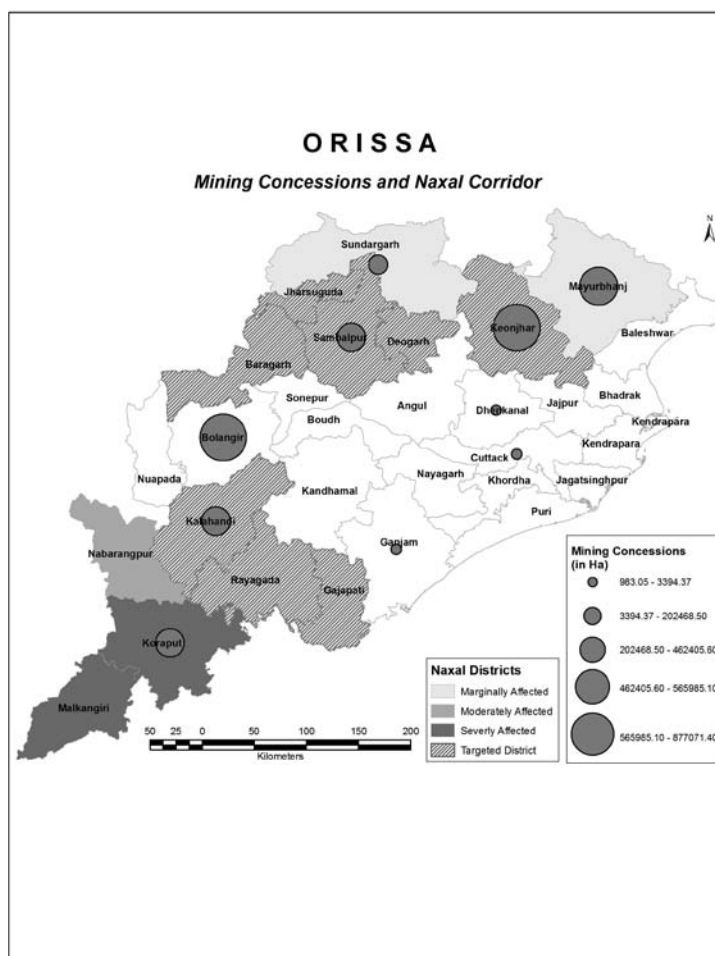
Anyone who stands in the way of the absurd race to exploitation and accumulation must be done away with: as their customary and constitutional rights come to stand in between of corporate greed and private accumulation, they are increasingly violated.

Even more worryingly, the Government consistently delinks conflicts arising due to undue, unfair exploitation from the underlying causes stopping at framing them as an

¹⁰Unscrupulous mining lobby, EPW July 17th 2010

issue of “national security and interest” setting the stage for a violent and consistent attack on the human rights and life of local communities. The mineral rich States of Chattisgarh, Jharkhand, Orissa and West Bengal stand as the testimony of this resource curse and the violence it has bred in the name of development: it is in these regions that mineral exploitation, naxalism and State repression are visibly interrelated.

A virtual information blockade has prevented information from coming out of these States where, under the name of Operation Greenhunt, paramilitary, police and State militias are spreading terror and violating the fundamental human rights of citizens and Adivasis justifying this repression as necessary to defy the Naxal movement. Tribal and indigenous communities are caught in the crossfire, be this by the hand of Government sponsored militias or of the Maoists; their freedom of movement, expression and right to life are threatened amidst gross human rights violations. Such actions both by state and non state actors must be reprimanded and stopped.



3.3 The Independent’s people Tribunal on Land Acquisition, Forced Displacement and Operation GreenHunt¹¹

To investigate the nexus between resource exploitation, displacement, resistance and repression, the collide between private corporations and the public sector and to hear testimonies from affected citizens from Chattisgarh, Orissa, Jharkand & West Bengal the coalition “**Citizens against forced displacement and war on people**” of which Navdanya was a core part organized an Independent People’s Tribunal on Land Acquisition, Forced Displacement and Operation GreenHunt. The jury of the Tribunal was composed by eminent members **Justice P B Sawant** (Former Justice Supreme Court), **Justice H Suresh** (Former Justice Mumbai High Court), **Dr V Mohini Giri** (former Chairperson, National Women’s Commission), **Professor Yash Pal** (Former UGC Charipman), **Dr P M Bhargava** (Founder of Centre for Cellular and Molecular Biology and former Vice Chairman, Knowledge Commission) and **Mr. K S Subramanian** (Former IPS officer).

The Tribunal representing different civil society groups was entrusted to examine the issues of human rights abuses, involuntary and forced acquisition of tribal land and mining in these regions, where corrupt corporations joining hands with State officials are destroying India’s natural heritage and extrapolating unprecedented rents from mineral exploitation.

¹¹Adapted from Navdanya Report on Independent People’s Tribunal

Arun Agarwal in his presentation specifically uncovered the nexus between resource grab, mining and profits in these regions which are now facing the brunt of operation Green Hunt and Maoist violence. He said “It is a universal fact that the map of naxal movement is virtually a carbon copy of the mines and mineral map of this country, it is also a fact that this movement came into prominence with the increase in price of iron ore and other mineral from 2000 onwards. The position in 2000 was iron ore used to sell for rupees 300 a ton and the cost of extraction was rupees 250 a ton. There was marginal profit of 50 rupees per ton and hence there were not too many takers. Around 2002 down to now, except for the period of the economic depression the international price of iron ore shot up to 110 dollar FOB from India and 150 dollars spot for selling to China which is a major importer of iron ore. So suddenly the profit margin increased from 50 rupees to 5,000 rupees. It was at this point of time that the race for mines began.” It becomes quite clear that the money that these companies are to make out of the royalties has a lot to do with who gets heard in this democracy and what we deem as development.

Prafulla Samantra too had a similar observation from his region in Orissa. He told the jury that “Vedanta is in company with the local officials and the Orissa government. They are trying to secure 10,000 acres of land to build a university. But, people have been resisting. These companies control not only politics, but they are also controlling the judicial system of this country. The people are resisting. However, in the last year 14 people have been shot dead.”

Abhay Sahu, President of **POSCO Pratirodh Sangram Samiti (PPSS)** framed the struggle as a defence against private control over common resources “The state government signed an agreement with Posco. Immediately since then, the people have been resisting the setting up of these mega steel plants. Posco is about to acquire 4004 acres of farming land, they will extract 600 million tons of iron ore. These 4004 acres of land include forest, state government land, and private owned land. The Forest land is about 3000 acres. The main thrust of the struggle is for this forest land.”

Advocate **Sudha Bhardwaj** contextualized this unfair takeover and accumulation of resources in the state of Chattisgarh: “When Chattisgarh was formed, the idea was that the rich resources would be used for the common good of the people. A lot of aspirations were attached to the creation of the state. For example, 68% of the iron ore in the country belongs to Chattisgarh. But actually what has happened is that the corporations have taken over control in cooperation with the state government.”

Pravin Patel from the Tribal Welfare Society spoke about the situation in Dantewada: highlighting the connection between State operations and corporate interests, he said “The MoU with Tata’s for a steel project in Dantewada was signed on 4th June 2005, and less than 24 hours later, the first rally of Salwa Judum was held. The reason is that under PESA, the approval is required from the Ghram Sabha—but the purpose of the Salwa Judum is to clear out the villages, so that gram sabhas can be easily manipulated. Of the 3.5 lakh people who were displaced by the salwa judum, a vast majority went into the forests and have joined the naxals.”

Former Union Secretary **SP Shukla** shared serious concerns about operation Green Hunt and the implication this has for broader society: “There is something rotten about this state of being. The stink is going to high heavens. The perception of this in the ruling classes is zero. I am not exaggerating it is clear when one reads the press coverage both English and vernacular. The articles are only repeating the government handouts about the ‘security threat number one’ and the terms being used such as – extermination of the security threat number one makes one wonder. When we read our political theory long ago Harold Laski told us about revolutions being foot notes

to the theory of sovereignty. Today we are hearing about the monopoly of force being that of the state and any challenge to that has to be ruthlessly put down. That is the theory however we must also remind ourselves that this kind of reductionist approach to the theory of monopoly of force by the state has also its footnotes. The acquiescence by the ordinary people, by the deprived people in the armed uprising in their areas is a matter that should worry us. That should worry the ruling classes. Unfortunately I don't see much evidence of that."

According to tribal rights activist and writer **Gladson Dung Dung** Operation Green-Hunt is a strategy to squeeze tribals off their land, as any economic activity done by the villagers is put under the suspicion of Maoism. He said "Operation Green Hunt (OGH): first launched in East Singhbhum on 5th of March. On 7th of March, we witnessed the first case of human rights violation when the forces entered a village, went into the house, took all the rice grain and threw it on the floor. Took all the clothes and threw them on the floor. Took away the son of the family for questioning about being a Maoist. Next case, they went to a house and took away all their belongings including the BPL card, and now they have nothing to survive on. Third case that of a man buying rice and bringing it home, but was waylaid by security forces and taken away to the police station and harassed for carrying rice to the Maoists. Thus there are villages where no outsiders are allowed by the forces, so your family also cannot visit you."

The plight of the local communities in Central India was reiterated by **Dr Binayak Sen** of PUCL who highlighted how structural violence in these areas has deprived a sizeable population in these areas of not only their human rights but also their most basic human needs. He said "The Home minister is giving arguments that unless naxals "abjure violence", how can we develop these areas? But I will talk about an area where there is no violence at all. In Bilaspur the Jan Swasthaya Sahyog (JSS) is a group of highly trained doctor and it, also has an epidemiologist amongst them. We have surveyed 10,000 people in these villages in Bilaspur—and measured the BMI (Body Mass Index). If the BMI in a population is 18.5, it signifies chronic under nutrition in the population. In Bilaspur villages, the mean BMI is 18.5. If you look at it over the year—in August, September, October and November, when the rice stored from the previous year runs out, the BMI of the entire population takes a dip. It is already low, but it gets precariously low in these 4 months. This is the situation in the state with cheap rice. In Bilaspur, the malaria incidence rises precisely when the BMI takes a dip. The most important reason for acquired immunodeficiency in India is not HIV, but malnutrition."

The many depositions presented at the tribunal thus reframed Operation Green Hunt as not merely a hunt for 'exterminating security threat number one' as much as violent repression arisen in the context of a hunt for India's mineral resources by private corporations aided by the State and Central Governments. The jury after hearing the testimonies of a large number of witnesses over three days from the States of Chhattisgarh, Jharkhand, West Bengal and Orissa as well as some expert witnesses on land acquisition, mining and human rights violations of Operation Green Hunt came up with following observations:-

"Tribal communities represent a substantial and important proportion of Indian population and heritage. Not even ten countries in the world have more people than we have tribals in India. Not only are they crucial components of the country's human biodiversity, which is greater than in the rest of the world put together, but they are also an important source of social, political and economic wisdom that would be currently relevant and can give India an edge. In addition, they understand the language of Nature better than anyone else, and have been the most successful custodian of

our environment, including forests. There is also a great deal to learn from them in areas as diverse as art, culture, resource management, waste management, medicine and metallurgy. They have been also far more humane and committed to universally accepted values than our urban society.

It is clear that the country has been witnessing gross violation of the rights of the poor, particularly tribal rights, which have reached unprecedented levels since the new economic policies of the 90's. The 5th Schedule rights of the tribals, in particular the **Panchayat Extension to Scheduled Areas (PESA)** Act and the Forest Rights Act have been grossly violated. These violations have now gone to the extent where fully tribal villages have been declared to be non-tribal. The entire executive and judicial administration appear to have been totally apathetic to their plight.

The consultation with the Gram Sabhas required by the PESA Act has been rendered a farce as has the process of Environment Impact Assessment of these industries. This has resulted in leaving the tribals in a state of acute malnutrition and hunger which has pushed them to the very brink of survival. It could well be the severest indictment of the State in the history of democracy anywhere, on account of the sheer number of people (tribals) affected and the diabolic nature of the atrocities committed on them by the State, especially the police, leave aside the enormous and irreversible damage to the environment. It is also a glaring example of corruption – financial, intellectual and moral – sponsored and/or abetted by the State, that characterizes today's India, cutting across all party lines.

The development model which has been adopted and which is sharply embodied in the new economic policies of liberalization, privatization and globalization, have led in recent years to a huge drive by the state to transfer resources, particularly land and forests which are critical for the livelihood and the survival of the tribal people, to corporations for exploitation of mineral resources, SEZs and other industries most of which have been enormously destructive to the environment. These industries have critically polluted water bodies, land, trees, plants, and have had a devastating impact on the health and livelihoods of the people.

Peaceful resistance movements of tribal communities against their forced displacement and the corporate grab of their resources is being sought to be violently crushed by the use of police and security forces and State and corporate funded and armed militias. The state violence has been accentuated by Operation Green Hunt. Even peaceful activists opposing these violent actions of the State against the tribals are being targeted by the State and victimized. This has led to a total alienation of the people from the State as well as their loss of faith in the government and the security forces. The Government – both at the Centre and in the States – must realize that its above-mentioned actions, combined with total apathy, could very well be sowing the seeds of a violent revolution demanding justice and rule of law that would engulf the entire country. We should not forget the French, Russian and American history, leave aside our own.

Arun Agarwal and the economics of mining (Intervention at IPT)

Friends it has been a pleasure and honor to speak today on the issue of economics of mining. There is a famous saying follow the money and you will get to the crime. It was said in the context of the Watergate scandal an advice given by deep throat to Bob Wodworth. It is my endeavor to do the same here.

It is a universal fact that the map of naxal movement is virtually a carbon copy of the mines and mineral of this country it is also a fact that this movement came into prominence with the increase in price of iron ore and other mineral from

2000 onwards. The position in 2000 was iron ore use to sell for rupees 300 a ton and the cost of extraction was rupees 250 a ton. There was marginal profit of 50 rupees per ton and hence there where not to many takers.

Around 2002 down to now except for the period of the economic depression the international price of iron ore shot up to 110 dollar FOB from India and 150 dollars spot for selling to china which is major importer of iron ore. So suddenly the profit margin increased from 50 rupees to 5,000 rupees. It was at this point of time that the race for mines began.

Why did it begin? And how did it begin?

The royalty which was the only revenue coming to the state, this royalty varied from 4 rupees to 27 rupees with the average rate 15 rupees for less then 62% finds. So the state was getting only 15 rupees as royalty where as the private miner/baron/mafia calling him whatever you like was making 5,000 rupees a ton.

It is undisputed that under the constitution these mines and minerals belong to the people of the country. If it is my land and if I find gold in it, if there is a gold mine underneath that land it does not belong to me. That is the legal position. Further Article 39 B of the constitution clearly states that the material wealth of the country will be used for common good and the state will take control of it and distribute it for common good. The word material resources was used so as to include other resources than mines and minerals. It was under this particular article that airlines where nationalized, banks nationalized, coal industry was nationalized and the oil companies where nationalized. Thus there was a conflict between this right Article 39 B and C and Article 14 and 19. However when it come to mines there is no dispute you cannot even claim these mines should be nationalized because what belongs to you how can it be nationalized. Yet there has been a bi-partisan unity whether Congress of BJP in allowing these material resources belonging to the people of this country and giving it to these people for paltry earlier royalty of .3% and now last year after Mr Chindabram left the office of the finance ministry it was increase to though to 10% but the actual rate was brought down so instead of 5000 the rate was shown as 690 rupees. So you get only 69 rupees even now you get 1.4% of total profit of the iron ore. What is worse? I would like ask which decision maker would sell his flat or land worth 1 crore for 1.4 lacs? If do not do that then why do they do this?

When the constitution mandates that this profit will be used for the common good, then why hasn't it been used for the common good including the good of the tribals? This has led the tribals to be converted into being a part of the ultra left movement by the circumstances they where left in.

If you look at the figures you will find that India has been exporting 100 million tones of Iron ore in the period in which Mr. Chidambaram was the finance minister (2004 - 2008). A further 60 million tones where produced for captive consumption in side the state. Lot of illegal mining took place. There is report by Santosh Hegde Committee (lok Ayukta of Karnataka) in which various forms of illegal mining and encroachments have been shown. I am referring to this to show that if a person obtains a license for 100 acres he converts that into a license to mine in whatever area he wants and if you calculate at the rate at which I have calculated that is rupees 5000 per ton on iron ore it will be 2 lac crores in 4years, now to this if you add bauxite, other minerals and illegal mining it will come to at least 3 lacs crores. This was the kind of money that was generated in the past 4 to 5 years. My question is this how was this money distributed where did it go?

Under the law the state government recommends in class A mineral for giving a license to a particular person. These laws mining laws have not been amended since 1999, to be fair they are in the

process of being amended but one can't say how long it will take to do so. When prices rose up they did not revise the royalty. Royalty cannot be revised for 4 years and they deliberately kept it low.

The mining companies today are gaining deep profit thus they hire goons to clear up these resource rich areas so that they can mine, further more they make pay off to the local administrations, forest official to everybody so that they can mine more areas.

What is worse that these mining mafias are the biggest contributors to the ultra left movement because they want safe passage for their mines.

This is the economics of the entire thing.

Recommendation:

It is with this back ground that I propose to the house:-

- That Mr Chidambaram and his colleagues in government and the leaders of the opposition party are guilty of violating the provisions 39 B and C of the constitution by handing over the mining wealth worth hundreds of billions dollars belonging to the people of the country to mining barons and industrialist for paltry royalty of 1.4% of the profits.
- That the above violation of the constitution- includes the distribution of mineral wealth is directly responsible for the various atrocities faced by the people living in the mining belt of the country and the growth of the ultra left movement.
- That during the tenure of Mr. Chidambaram as the finance minister around 3lac crore of profit from mineral wealth of the country through legal and illegal mining was diverted various people which include the politicians, state, center, the local officials, forest official, hired goons and also the ultra left movement.
- That laws relating to FIRA violation and criminal liabilities repealed earlier and the amendments made to section 13 D of the Prevention of Corruption Act passed by bi-partisan unity to protect the looters of public wealth should be reintroduced.
- That the state in order to establish its credibility and bona-fide should ensure the following before force of any time is used against people who have directly or indirectly been displaced by the mining interest, and who have been forced by their circumstance to adopt the ultra left ideology:-
 1. Re-assume all mines handed over to the private sector and declare all mining by private people as illegal and punishable penal provisions. The word nationalization is not being used as you cannot nationalize something which already belongs to the state.
 2. Where ever mines have already been allotted to the industry the reality should be revised to international price of ore not less than 50% of this price should be royalty.
 3. At least 25% of the mining profit should be spent in the development of the area in consultation with the local authorities in transparent and participatory manner of these areas where the mines are. Ensuring them the basic necessitates of life. The surplus will not be appropriated by the state of central government. Further more this act should not be done as charity, this is their entitlement under the constitution.
 4. All the mining companies who have made windfall profits by virtue of captive mines allotted to them due to payment of less than 1% royalty should be made to contribute substantial sums if they want to retain the mines and this money should be used for the benefit of the people who have been forcibly displaced or have suffered on account of the mining industry these include – Jindal, Hindal Co, Bal Co, Sail, NMDC, Nal co etc and the mining companies belonging to the Vedanta group.
 5. The amount of interest will not be less than 100-200 crores per company this is the many which will come immediately. This diverted to the welfare of people can help de-escalate the violence in this region. I hope the house adopt the motion that I have proposed.

The Nine Imperatives for defending tribal rights against land and resource grab

1. The Tribals/Adivasis are the first citizens of India. They have a natural right and the first right to the resources in their homeland.
2. The Constitution of India has recognized the sovereignty of tribal communities to their land and resources through PESA. There is thus a constitutional obligation to respect the rights of tribals to their resources. The militarized intervention in tribal areas is a violation of the Constitution.
3. The government has passed an act to recognize the rights of the tribals and forest dwellers to correct the historic wrong of non recognition of tribal rights to their land and forest habitat. In uprooting the tribals from their homes, the government is violating these laws.
4. Tribal communities are the custodians of our biodiversity the catchments of our rivers and waters and our minerals. Protecting their rights is an ecological imperative to protect our natural capital.
5. The diversity of our tribal cultures contribute to the rich cultural diversity that makes India. Defending the integrity of the diverse tribal cultures is defending the living diversity of india's pluralistic civilization. Destroying this living diversity on grounds that it is a cultural museum is amputating India and destroying her composite culture while violating the rights of tribal communities to their distinctive cultures
6. There is an urgent democratic imperative to stop the militarized resource grab in tribal areas. As we have already witnessed the threat to democratic rights of the tribals to their homes and resources is translating into a threat to the democratic rights of all citizens defending democracy
7. The resource grab in tribal areas is leading to conflicts over natural resources. And as tribals defend their democratic and constitutional rights militarized violence is being unleashed against them the imperative for peace demands a respect for democracy and respect for the rights of tribal communities recognized by the Indian constitution.
8. The imperative for equity and justice demands a stop to the plundering of the natural wealth that supports the lives and livelihoods of the tribals and its undemocratic and violent appropriation by corporations for mining and industry
9. Tribal and indigenous communities are not museum pieces from the past. They are the bridge to the future. Their sustainable lifestyles can teach the rest of India and the world how to live sustainably – with a light footprint on a fragile planet. Future justice demands that instead of plundering their resources and threatening their existence, society makes a collective commitment to protect their resources territories and living cultures.

3.4 Liberalization and the scramble for resources: Accumulation by encroachment, displacement and the creation of Indian billionaires

The current paradigm of sustaining double digit growth by means of industrialization and resource exploitation lies on the foundations created by a policy framework of liberalization and deregulation implemented since the 1990s, with the abolition of the license raj and the end of India's socialist planning approach. The opening of India's economy translated in the private sector finding a sudden new role, entrusted as the new fundamental and central actor in the creation of a strong Indian industry.

Industrial reform was drastically introduced with the dismantling of the licensing regime; **foreign equity investment** and participation and partnership in business was also encouraged; **trade tariffs** were considerably brought down; **foreign direct investment** steeply increased. The conditions were created for domestic and foreign private companies to enter and exploit largely uncharted territories. The **New Mineral Policy, 2008** was deliberately amended to allow for increased private involvement in mining and related activity; the practice of allotting captive mines for example has precisely this effect: it is a form of privatization of rich mineral reserves for the benefits of a company and its stakeholders without any corresponding return to the wider society.

Overtly, privatization has being argued as a way out of public inefficiency in service provision: the neo-liberal paradigm proposes the private sector as the alternative provider

of what are intrinsically public goods. Increasingly, privatization is masked under the nomenclature of **Private Public Partnerships**, with traditional functions of the State devoluted to the private sector yet maintaining the “public” participation as a means to ensure legitimacy while actually pushing private sector delivery under a different, politically less controversial name.

While many argue that liberalization and the removal of the State as central propeller for development created the conditions for a level playing field, allowing anyone a chance for richness, the political economy of this liberalization actually meant that the benefits – in terms of profit – would accrue to a selected and very restricted group of people who exploited their early rise in a market that they soon would come to dominate. Much along the LPG paradigm that such opening creates “winners” and “losers” liberalization in India, far from being an equalizing phenomenon, meant creating avenues for private accumulation of wealth at the expense of other sections of society.

Reforms of any kind have distributive effects; often following and building upon existing power structures, reforms can be shaped in a way that reinforces inequalities and power imbalances, creating further scope for domination by the already better off.: in a situation where gross inequalities also signify heterogeneous and divergent interests for different sections of society, it is those who enjoy networks of influence, patronage and political clout to influence most successfully the shape of reforms and hence undoubtedly the ones to benefit from them, at the expense of less affirmed groups.

This well applies to the reforms of the 1990s: in the wave of liberalization, it was the urban social elites to further their interests advantaged by suitable government policies, reaping all benefits at the most prominent expense of the Indian countryside. Through **pro-business policies**, the focus on an urban-industrial model of development laid the grounds for great wealth creation, while replacing the socialist ideals of social justice and redistribution with an individualistic, market centred often ruthless capitalistic regime that prioritizes business and trading interests over social investments¹². This paradigm intrinsically justifies the “pursuit of individual wealth” and as Rajni Kothari observes an inclination to see the poor as a drag on society and as responsible for their own fate.¹³

It is in this backdrop that the attack on India’s indigenous, tribal and agricultural communities as much as weaker sections of urban society, can come to be seen as quasi-institutionalized: the policy framework which has accompanied India’s entry in globalization has allowed the perpetuation of a colonial trend of exploitation for very private profits, in disregard or worse acceptance of “someone losing out” all carried out in the name of a supposedly national interest – the country’s economic growth - which practically was and is very skewed and concentrated.

While advocates of privatization claim it will break the public monopoly benefiting everyone, this is in practice giving rise to private oligopolies dominated by a handful of families. The clearest evidence of this unbalanced pattern is given by the number of newly created Indian billionaires in the midst of swaths of landless, dispossessed, hungry and poor people. Practically unchallenged in the newly opened market, a handful of firms and families soon came to control huge resources: the foundations were laid for the rise of the Indian oligarchs. The Forbes list of 2011 counts 50 billionaires of Indian origin: famously, **Lakshmi Mittal** (6: \$31.1B), the **Ambanis, Mukesh** (9: \$27B) and **Anil** (103: \$8.8B), the **Ruia** (42: \$15.8B) the **Jindal** (56: \$13.2B), **Sunil Mittal** and family (110: \$8.3B) **Anil Agarwal** (Vedanta) (154: \$6.4B).

¹²Reinventing India, S. Corbridge and J. Harriss, 2006 p.146

¹³Ibid, p.121

The process of accumulation that builds on unequal power relations between sectors in society is known as “accumulation by encroachment”, the snatching away of resources from the traditional, petty sector for capitalist production.¹⁴ Liberalization and privatization have indeed served the interests of a selected few who managed to extrapolate huge and disproportionate profits from resources which are originally born as common property. It is because privatization allows for private monopolies to replace public ones, that well connected families achieved primacy allowing them to accumulate unprecedented wealth.

The majority of Indian billionaires wealth derives more or less directly on the exploitation of natural resources: Anil Agarwal thrived on mining and metals, Lakshmi Mittal, the Jindals and Singan on steel, Mukesh Ambani’s Reliance on petrochemicals, oil, natural gas as well as SEZs; similarly, infrastructure and real estate fed by the fast paced urban-industrial sprawl have allowed the creation of billion dollar worth empires – all based on at least one fundamental common property resource that is land. Arcelor Mittal, Jindal Steel, Essar, Tata and Vedanta amongst many others all have been involved in forcible acquisition of land for their industries.

Globalization is also making of this a cross border phenomena: the Ruia family behind the **Essar** group is buying coal mines in Mozambique and half an oil refinery in Kenya; along with **Sunil Mittal**, chairman of **Bharti Airtel**, the **Godrej** and the **Marico** group, they have initiated an almost \$ 16 million buying spree in Africa.¹⁵ This expansion and accumulation happens through displacement and dispossession of weaker groups in society: the industrial/real estate urban sprawl is eating up their living space while creating thriving empires for private benefits in its place.

While in the realm of the market, people are consumers and exercise rights through purchasing power; in the realm of the State, people are citizens and should exercise rights irrespective of financial status. Instead, as the notion of citizenship is replaced by that of consumerism – rights become a function of financial status. The ones who have exploited liberalization and deregulation of the economy have accumulated huge capital in short periods of time, capital which in turn has allowed them to reinforce their status and influence, initiating a cycle of power generating wealth and wealth generating power – above and beyond common invisible citizens. Government policy unfortunately has been playing to the tune of business as opposed to defending basic fundamental rights of the most disadvantaged.

As a result, in India as in many parts of the world people are fighting to defend their inalienable rights to the commons: an attempt to privatize Delhi waters was stopped by popular resistance, though over the years International Financial Institutions are strongly pushing it forward through financing, PPPs, water reforms. Food distribution is under threat of being privatized by way of dismantling the PDS; seeds - the very givers of life - are being privatized through patents by agri-business and biotech companies. Land is consistently being grabbed by stealth, removing it from the common property of people and from its original inhabitants for it to be dug up, covered with cement and gated within wall boundaries - beyond the reach of the poor and as an ostentatious declaration of the accumulation by the rich.

Ambani’s billion dollar 27 storey residence Antilla in Mumbai can be taken as a symbol of the dichotomy and inequality that the current growth paradigm is bringing about. A few weeks ago, TATA’s chairman Ratan Tata found himself in the midst of a media controversy after defining Antilla as an example of Indian rich’s lack of empathy to the poor. Stung by the comment, Ambani went out to declare that while his fam-

¹⁴EPW: Prabhat Patnaik, Accumulation by Encroachment 28th June 2008

¹⁵Farmlandgrab.org: Indian billionaires on a buying spree in Africa

ily would only require one floor, he would now rent out the remaining 26 to Mumbai slum-dwellers as part of **Reliance CSR**. This proposal was welcomed by the public with great awe: some people even compared this to true Gandhian spirit, laying it as a foundation to turn India into a more egalitarian society. If business seriously resents from one factor, that is bad publicity; business tycoons are well aware of it – especially if criticism has to do with an undue display of wealth and power for admitted ego pandering in the face of a starving country. As Ambani himself said: “The rest of the floors were built to pander to my ego. But now I have been stuck by a severe case of moral conscienceitis– with over 60% of Mumbaikars living in tawdry slums, my big house does stand out like a sore thumb.”

Mukesh Ambani is the 2nd richest man in Asia and 9th in the world as per Forbes 2011; Reliance of which he is the Managing Director is the biggest private sector company in India and one of the biggest private conglomerates in the world. The origin of Ambani’s wealth derives primarily from business in Petrochemicals oil and gas. Through Reliance Retail, the company is involved in supermarkets, food, automotive, telecommunications industries amongst many more; it was recently announced that Reliance would be soon launching Wal Mart style cash and carry outlets, taking over an even bigger portion of the retail market. At the same time, other arms of the company operate in the fields of biotechnologies with Reliance Life Science. Ambani is also behind a 35,000 acres SEZ proposal for Raigad, Maharashtra, a mega power project in Dadri, UP, a 10,000 hectares refining facility in Jamnagar, Gujarat 2671 at Jhajjar, Haryana for which it required an additional 1000 hectares and so on.

While land is hence just a profitable avenue for Reliance’s business enclaves, for those set out to lose it to the SEZ it is much more, a giver of life and livelihood:

“Do not sell your precious land. Even if you are offered millions of dollars, do not sell. It is your only source of livelihood. [...] “We want to be sure our fertile land that gives us three crops a year does not end up as part of the Reliance empire. We don’t want Reliance to colonize us. Land is what sustains us farmers with food, respect and dignity”. “Sell your land and you will lose your identity”¹⁶ says a group leader in U.P. capturing the enormous difference in the value of land for a company and for a farmer.

The company is known for its political influence and successful lobbying towards more suitable legislation. Despite having always dismissed allegations of unfair business practices, Reliance has come to be seen as a company with the right connections in the right places. It is this nexus between private companies with strong economic and political lobbying faculties and Government’s officials that creates the biggest threat: as the private sector is by definition bound to maximize profits of a company, the public sector is ideally supposed to counter unbalanced accumulation through policies which ensure redistribution and social justice.

In the corporate-industrial hierarchy, Adivasis, Dalits, forest dwelling and agricultural communities inevitably stand to lose as their traditional skills and values are not recognized or considered “primitive” and worthless, placing them at the bottom of a power pyramid that weighs heavy on their shoulders: it is built at the price of their livelihoods on their land and their resources, in line with accumulation by encroachment. As Padel and S. Das explain, indigenous’ people economic and political systems are fundamental to their culture, and when dispossessed of their land, these systems are effectively broken down in what has come to be defined a cultural genocide.¹⁷

¹⁶Transnational Institute: Great Landgrab sidelines India’s farming industries, www.tni.org

¹⁷See Out of this Earth, Chapter 13

Companies go out of their ways to show that their operations are not only self serving for profit accumulation, but hold beneficial returns in the form of employment generation, linkages to the economy and improved standards of living for local communities. CSR commitments most times amount to nothing more than PR exercises and even when genuine, these initiatives imply a very narrow understanding of the costs borne by the communities and the environment while also typically being top-down and not demand driven. When a village is displaced and a way of life destroyed does a computer training compensate for that? When an entire ecosystem is subverted, the creation of a biodiversity park seems adding insult to injury.

The **Tata** company for instance has been generally upheld as one of the best performer in its commitments to social and environmental responsibility; Ratan Tata's comment towards Ambani was also fuelled by the position earned by his company as one committed to social justice. Yet in the industrialization drive, Tata too has become a controversial actor involved in different cases of forcible acquisition of land, whereas resistance was met by repression at the hand of police forces and CSR & rehabilitation seen as adequate compensation. The loss of land and dispossession is hence seen under the paradigm of "needed modernization" and as a step towards higher standards of living, resting on the assumption that agricultural and tribal communities are in need to be saved from the land and brought into the market economy. The Vice President of **Tata Steel Mr H. H. Nerurkar** stated in an interview that

"These people have never seen anything positive in life. So we'll give them training. It will be a residential course. We'll take them and give them 10 days of attitude improvement training. We'll get them to kick their habits - guthka, smoking. We'll tell them "Don't be disappointed with life. It can be better." We'll finish the first batch of 30 in three weeks. In all, we'll train about 1100. About 200 or so are ITI trained. I'm obliged to train only 1100, but personally I want to train another 400 to 500 more. Empty mind is devil's workshop, you know.

"Tata Steel has improved the standard of living. There are many special initiatives for tribal development. In spite of doing all this, tribals have not reached where they ought to have, even in Jamshedpur. Tribals have to be looked after much more."¹⁸

The Singur debacle initiated with the proposal to set up a factory for the creation of the world's cheapest car: the Tatas promoted this as a milestone towards providing affordable transportation for the common people of India. Yet, for what was presented as a laudable initiative, land was acquired forcibly from farmers who clearly resented the takeover; when only few days ago the new West Bengal Government under the leadership of Mamata Banerjee set out a Bill which envisioned returning the grabbed land to the original owners, the farmers, Tata challenged the move in the Court labeling it unconstitutional: the Counsel for Tata complained to Justice Pal that.

"The notice in effect said 'the land is the government's, so you will have to vacate it. If you do not hand over possession, you can be driven out by force'." And "We went there and they (the district administration) started dispossessing us of the land throughout the night"¹⁹.

These complaints are often moved by dispossessed farmers after deceitful and forceful acquisition; interestingly, the company doesn't share similar sentiments when it finds itself on the receiving side of the fence.

¹⁸Corpwatch: Interview with Mr H.H. Nerurkar, Vice President Tata Steel

¹⁹TATA Motors moves HC over Mamata's Singur Act, the Economic Times 23rd June 2011

3.5 Institutionalizing Loot: Policy amendments and the commodification of nature

In this light, we also understand the subsequent shape of policy reform: while it was convenient to introduce legislation tailored to the needs of foreign investment and domestic private industry, in line with neo-liberal preachings, it was equally convenient to leave ancient and outdated policies like the Land Acquisition Act practically untouched.

While some of the recently introduced provisions can be seen as an attempt to curtail unbridled exploitation at the expense of people and the environment, the shape these reforms are taking is often misleading and to say the least, counterproductive. The consequences of several regulatory amendments (or lack of) have spelt more disaster for both the environment and indigenous communities by seemingly benevolent processes.

The **National Mineral Policy** was instead amended in 1994 consistently with a liberalized economy, to allow for private domestic and foreign investors exploring and exploiting of mineral resources; while proposals were assessed on a case-to-case basis, from 1997 onwards the automatic route for approval came into force with a 50% foreign equity allowance permitted, further liberalized upto 100% for certain minerals and mining activities. While the NMP is framed to allow for exploitation of Indian mineral resources hence openly favoring domestic and foreign business interests at the expense of the environment and people, the Government mystifies public opinion by offering as counterpart amendments to the **MMDR Act** and the **National Rehabilitation and Resettlement Act** while also introducing environmental regulation.

Once we analyze the relevant legislations, we also understand the catch:

1. The promotion of mining and industry inevitably spells doom for India's environment agricultural and tribal communities– mining and extractive industries are polluting and unsustainable, and they are predominantly carried out in or near forest areas, traditional habitat of tribal and indigenous communities
2. The emphasis on FDI attraction by means of deregulation initiates a race to the bottom, by which environmental, labour and human rights standards are removed, reduced or simply not enforced in a race between and within countries to attract investment – hence implicitly triggering and allowing for the non-implementation and non compliance with said standards
3. That at a deeper level, implicit in these regulations is a process of commodification of nature by which all it takes if you want to pollute, destroy the environment or displace thousands of people is paying a compensation – hence, cash effectively buys nature, life, anything.

During the 1980-1990s international environmental standards were introduced in India's Constitution, with legislation drafted for the protection of the environment – recognized as part of the right to life. If this was supposed to lay the basis for a less predatory approach to Nature, basing this on the principle that “polluter pays” has instead created a new threat: with the introduction of the **Net Present Value** of forests, a monetary value is attributed to environmental goods making it seem that financial compensation, compensatory afforestation and alike are worthy solutions.

Instead, this principle further aggravates the situation by setting the stage for “regularization” i.e. condoning of illegalities and regulatory violations by means of “additional conditionalities” often including compulsory reforestation or CSR commitments. Some of the richest companies worldwide, owned by Indian and foreign billionaires are amongst

those with the lowest record in terms of regulatory compliance with domestic legislation and also internationally accepted standards of business and human rights.

In the last few years, such stratagems have been used to clear almost all big mining and industry projects despite proven and outstanding environmental violations. The clearances initially revoked from **Posco, Lavasa, Jaitapur** and the likes have eventually all been granted through the route of regularization. Additional binding conditions in no way make up for past violations; they cannot be seen as means to circumvent the democratic laws of the Country.

Similarly, the entire debate on compensation for the displaced revolves around “monetary compensation” and resistance to displacement is countered by offers of cash or financial stakes in the mining/industrial projects. While some of such initiatives are welcomed as progressive and as welcome improvements, it is misplaced to deem them as an appropriate response to displacement.

This process is nothing but commodification of natural resources and commodification of life. It fails to take into any account the real, intrinsic and actual value of the land, forests and environment per se and for the dependent communities²⁰. It fails to appreciate the relationship between the communities and their ecology. It does away with the traditional way of life and culture which is to be replaced by market values of wealth and well-being intended as financial worth, with devastating impacts on customary values and social structures. On a practical level, the imposition of alien and unsuited models of governance and resource control such as the introduction of private property translates in tribal alienation, land alienation leaving room for private powerful actors to exploit the broken system for appropriating land and common properties, often not officially categorized. Felix Padel rightly identifies this process as responsible for a cultural genocide, operated through the forceful imposition of a materialistic notion of life and property that threatens the very existence of indigenous models of life. By reducing natural resources and livelihoods to a monetary value, provisions which are presented as preventing tribal alienation, actually induce it and support it even more.

3.6 The global connection: International players, finance and resource plunder

Liberalization has also meant a huge increase in the presence of foreign players: in particular, the focus in recent times on Foreign Direct Investment as a means to growth has enforced policies that aim to attracting more and more of such investments translating in a multitude of mining and industrial proposals from foreign corporations, operating independently – through subsidiaries – or through joint ventures with Indian companies. The late realization that the world is running on scarce resources and the recent crisis food crisis and financial crisis have given new impetus to powerful international players’ scramble for the control of natural resources: land for mining and land per se - is probably the most sought after.

The liberalization of the mining sector with automatic approval and upto 100% foreign equity allowed has initiated a global rush to control scarce and precious mineral resources still much unexplored in India: minerals such as iron ore, bauxite, gold are relatively abundant and cheap in India, but sell on the international markets for much higher prices.

The role of IFIs in dubious projects has come to the forefront as another byproduct of the LPG mantra, by them embraced, promoted and sponsored, indicating a partisan interest: eventhough the IFIs present themselves as “promoters of development” and “committed to poverty alleviation” the evidence from developing countries has time and

²⁰Out of this Earth, p. 191

again refuted the claim that LPG propel growth – yet this is the very core foundation of the **World Bank's** programs as well as that of **ADB** projects and others.

In some cases, IFIs directly sponsor privatization projects (**ADB** in Assam – electricity); in others, they lobby the Government to create the setting for privatization through deregulation and liberalization; in yet others, IFIs are overtly or covertly responsible for funding projects which are socially and environmentally destructive and which the local people very clearly oppose. In 2007, the World Bank was publicly indicted of meddling with India's sovereignty: as the lending to India raised by a staggering 169%, the Bank's conditionalities also became more obviously inclined towards bringing about economic reforms which were unsuited to local conditions and needs, favouring instead private and corporate interests²¹. In Orissa, World Bank is the main lender of foreign loans, either directly financing or arranging loans for other IFIs and lobbying on behalf of extractive projects; the debt trap that the State has fallen into further aggravates the problem by making investments seem the only way out of debt²².

The **IMF** was similarly responsible for much of public sector's units privatization in South Korea: Posco itself was run as a successful state enterprise till the country was pushed to privatize it due to IMF loan conditionalities²³ as is well articulated in Ha Joon Chang's *Bad Samaritans*.

Big international banks are the biggest financiers of mining (read the *Real Face of POSCO*). POSCO is officially a South Korean company, but its shareholders are mostly foreign financial institutions and banks based in US with renowned billionaire **Warren Buffett** owning 5.2% and other top institutional owners such as **Citi, JP Morgan** etc. Jaitapur nuclear park is again to be financed by a consortium of international lenders inclusive of **Standard Chartered, BNP Paribas, JP Morgan; Lafarge** is financed by big international banks including the **World Bank's IFC** and most shockingly it is a flagship project for the **ADB**. International banks more than often finance projects which would be unseen in their home countries.

It is important to trace and raise awareness about the source of funding and investments. If Vedanta's project of mining the sacred mountain of the Dongria Kondh was halted by the MoEF on ground of the Saxena Committee findings, the national and international advocacy campaigns raised enough awareness successfully putting pressure on shareholders to disinvest. It is so that the **Church of England, The Norwegian Government, the Joseph Rowntree Charitable Trust, Marlborough Ethical Fund and Millfield House Foundation**, amongst others, disinvested from Vedanta on grounds of human rights abuse and ethical concerns, giving impetus to the campaign.

Lafarge's limestone mining operations in Meghalaya are as shocking as revealing about the modus operandi and nexus between IFIs, corporations and land grab.

The LSC project is critical as it is one of the first under the aegis of SASEC foreseen as an instrument of regional cooperation in South Asia and funded by the Asian Development Bank as a means to "a borderless Asia".

1. Limestone and Cement:

1a. Lafarge's operations and land alienation in Meghalaya

Lafarge is a French based leading cement manufacturing TNC with operations in over 70 countries worldwide. In India, Lafarge has substantial presence with factories and operations spread across the country from the North Eastern Meghalaya to West Bengal, Chattisgarh, Jharkand and Himachal Pradesh. Despite a strong emphasis on high

²¹Down to Earth: World Bank indicted for meddling with India's policies, 31st Oct 2007

²²Out of this Earth, p. 458

²³Ha Joon Chang: *Bad Samaritans*, 2007

environmental standards and CSR initiatives, Lafarge has been accused to be involved in gross wrongdoings related to the land acquisition for its mining and processing operations, raising substantial questions over the nexus between transnational corporations, mining and industries, land grab and displacement.

The company is operating through a Joint Venture between **Lafarge (51%) and Cementos Molinos of Spain, under the name Lafarge Surma Cement (LSC)**. In line with the current growth model and the promotion of globalized business, Lafarge is involved in a transnational project involving India and Bangladesh for extraction of limestone and production of cement; while limestone is to be mined in Meghalaya's Khasi Hills, it is then transported through an 18Km conveyor belt to Chattak, Bangladesh, where cement is produced.

As LSC was set up for the Bangladesh operation part, two more companies were created in India, namely Lum Maushum Minerals Private Ltd. (LMMPL) And Lafarge Umiam Minerals Private Ltd. (LUMPL). LUMPL is a 100% subsidiary of LSC. LSC owns 74% share of LMMPL. The remaining 26% is owned by two Khasis Mr S.G. Lyngdoh and late B. Roy. These companies, despite being separate entities, are interconnected and functional to achieve Lafarge's objectives. In this light, we start understanding the modus operandi of corporations accessing land in remote protected areas.

The project area falls under Shella Confederacy, association of nine village durbars from Shella, Nongtra, nongwar, Tyngnger, Mustoh, Lyngkhom, dewasaw, Umptlang, Rumnong.

The Khasi Hills of Meghalaya where the mining is taking place are populated by the Khasi Tribe; according to the 2001 Census, 85.9% of the population of Meghalaya belongs to **Scheduled Tribes. Khasi** constitute more than half of the total ST population of the state (56.4%) followed by **Garo** tribals with 34.6%. The **East Khasi Hills** particularly account for 25.7% of the total ST population of the state.²⁴ A matrilineal society, Khasis and other STs in Meghalaya have a sex ratio higher than the national average (Khasi 1017); levels of literacy are also above national average for STs with Khasis registering the highest in the State at around 66%.

Tribal land is protected against alienation by the Meghalaya Land Transfer Regulation Act as well as by the Constitution of India through the Sixth Schedule, to ensure that it remains under tribal ownership and control. The neoliberal growth paradigm which India is following though, by removing the notion of "community" and replacing it with that of "individual" (inherent element in privatisation) has severely impacted the political economy of land creating the premises for - rather than preventing - land alienation.

The conflict between the traditional land tenure and customary ownership pattern of tribal communities and the regime of laws based on individual rights to it superimposed by the Government is in fact according to **Walter Fernandes** amongst the major culprits of tribal land alienation: the non recognition of Community Land and Community Rights²⁵ has led to a small elite usurping rights while more and more tribal land was lost by means of privatisation and takeover in the name of development projects²⁶.

Lafarge's modus operandi in Meghalaya is a point in case. Lafarge circumvented regulations by exploiting this conflict as well as the existing power structure within the community itself, dividing the community by pitting locals against one another, usurping the customary community rights over **Common Property Resources**. This practice finds root in the commodification of land that has taken place since non-tribal institutions

²⁴Census 2001 www.censusgov.in

²⁵Compare with Vedanta case study

²⁶W. Fernandes, S. Barborá: Land, People and Politics: contest over tribal land in northeast India, 2008

(from the British to local authority bodies) introduced the notion of 'land valuation' by which land was given a market value, disrupting tribal customs. In the Khasi Hills too, it is the elites who have appropriate community land and turned it into private.

"Taking advantage of the fact that there is no transparency of land ownership owing to the absence of the land rights, Lafarge through its subsidiary companies have clandestinely acquired lands by colluding with... certain office bearers... who have no authority to enter into a lease agreement and issue a certificate of land ownership," the Shella Village Action Committee said in its affidavit.

It follows that Lafarge operated through its several arms: the two Khasis Mr Lyngdoh and Mr Roy who hold 26% of **LMMPL** were instrumental to the company for acquiring land otherwise inaccessible given its tribal status. Lyngodh leased the land from fellow locals; he then transferred the lease deeds to **LUMPL** – which is wholly subsidiary of LSC, in practice resorting to an escamotage to get past the Land Acquisition laws of the country and state. The transaction exposes the room for manoeuvre still available to powerful players to dispossess tribal population while taking away their land.

The leases were then mortgaged to obtain a loan of \$153 Million from international lenders:

- **ADB**
- **Intl Finance Corporation (WB)**
- **European Investment Bank**
- **Deutsche Invest.**
- **Arab Bangladesh Bank**
- **Standard Chartered**

The issues with the land transfer firstly have to do with the fraudulent sale of land: the land of the Tynger village has been sold off by people in Nongtraï without the actual owners' consent; the land of Shella has been sold by people within the village but again without consent. Further, the land so acquired being transferred from subsidiary to subsidiary to eventually be leased in exchange for finance from International Financial Institutions. It also happened that LUMPL mortgaged the land in March 2006, even before the title was transferred to it. The entire transaction exemplifies on the one hand, that despite specific legislation, avenues still exist for private companies to circumvent them, and secondly, that more often than not, the private actors do exploit these avenues to achieve their objectives at almost any cost. More specifically, it also raises serious questions as to what will happen to the land in the event the loan is defaulted.

In 2006, the **Shella Committee** sued the Khasi Hills Autonomous District Council for allowing such illegal transfer of land and land alienation instead of defending tribal rights as it is supposed to. The entry of Lafarge in the remote hilly area has undoubtedly corrupted the local apparatus, subverted traditional social institutions and created conflict amongst the villagers allowing the company to 'divide and rule'. The Nongtraï village is now supporting Lafarge against the neighbouring Shella, claiming it has brought them employment and well being; the village has received payment of rupees 3.15 crores from the company as royalty fee, which the locals say has been shared amongst everyone. The case is being fought in a local court. On their part the Nongtraï has moved allegations against Shella Action Committee that they are opposing the project as they are illegally mining limestone themselves and if the company is allowed to stay, they will run out of business. As Lafarge has colluded with local authorities, these claims are now seen as an attempt of a few locals who stand to reap some reward to defame SAC.

International finance, land acquisition and displacement in Meghalaya

Why was the ADB's own Indigenous People policy not implemented?

- ADB Policy on Indigenous People was passed in 1998
- The loan agreement to Lafarge was signed in 2001, construction in 2003.
- WB has Operational Directive 4.20 on indigenous people, substantively equivalent to ADB's IP policy. This standard was applicable to the Lafarge project. Yet no IPDP was prepared before Board Approval.
- ADB's Policy on Involuntary Resettlement 1995 was in effect. The loan agreement of 2001 required Lafarge to comply with WB Operational Directive 4.30 on involuntary resettlement, which largely resembles ADB's Policy on Involuntary Resettlement.
- At the time of Board approval, in Dec 1997, no plan was presented for rehabilitation and resettlement of people of Shella, Khasi.

*Inputs on this case taken from "the Negation of Indigenous peoples territory: The case of Lafarge Cement in Meghalaya, NE India" forum for indigenous perspectives and action 2007

The loan agreement between Lafarge and Asian Development Bank was signed in 2001, 3 years after the formulation of the ADB's Indigenous People Policy in 1998; why wasn't the policy applied in Meghalaya? It took another 2 years before construction of the plant started, so why wasn't the policy applicable in retrospective? ADB officials have argued that the policy wasn't in vigour at the time of approval of the project; they also stated that a circular in 1994 informed ADB staff to follow the World Bank's Operational Directive 4.20 which was substantially equivalent to ADB's own Indigenous People Policy. Yet, the project received approval without the creation of an Indigenous People Development Plan.

Similarly, the loan agreement between Lafarge and ADB foresaw complying with the **World Bank's Directive 4.30 on Involuntary Resettlement**, fundamentally equivalent to ADB's Involuntary Resettlement Policy of 1995. Yet, the project received Board Approval even before an Environment Impact Assessment, Social Impact Assessment and Resettlement Plan.

In 2008, an ADB Mission visited Meghalaya to review the status of the project with special reference to social and environmental aspects. Below a statement on the visit by ADB officials (emphasis author's own):

"A mission of the ADB visited Meghalaya, India in March 2008 to review the environmental, social safeguard and legal aspects of the Project.

The Mission did not find any environmental non-compliance issues of significance related to the exploitation of the Limestone Mine and operation of the conveyor belt. The Mine is still in early stage of operation however, and the Mission has recommended improvements to allow LSC to further strengthen its Environmental Management System for the Mine.

In relation to the Involuntary Resettlement, the Mission recommended that LSC address the following issues: (i) maintain the schedule of reviews of the RP implementation; (ii) ensure full compliance with the requirements of the livelihood restoration plan; and (iii) improve internal documentation to ensure adherence to the grievance redress mechanism.

Regarding the indigenous peoples policy, the Mission acknowledges that despite the absence of a formal IPDP, all stakeholders confirmed that LSC/LUMPL employed for its communication and interaction with the Khasi a culturally appropriate avenue. The documents and work that LSC/LUMPL is doing is substantively adequate.

From the legal perspective, the Mission found no indications that any of the transactions related to transfer or lease of land were in noncompliance with existing laws and procedures. Representatives of the local communities confirmed to the Mission that they were consulted and involved in the land transfer. In addition, local authorities verified to the Mission that the Government approved the said transfer and mortgage as provided under the Meghalaya Land Transfer Act and issued the necessary permissions.

It was agreed between the Mission and LSC/LUMPL to further enhance its annual monitoring reports to cover all technical, financial, safeguard and legal aspects of the Project covering both the Bangladesh and India sites of the Project.²⁷

If the absence of a IPDP is itself a violation of ADB/World Bank guidelines, the statement that LSC/LUMPL has employed a “culturally appropriate avenue” in not reassuring enough. Companies have in enough instances proven that self-regulation is a myth, even in the presence of binding and enforceable regulations; the reported word of stakeholders similarly does not suffice to ensure fair practice. There is a valid reason behind having passed specific legislation in this regard, and that regulation has not been implemented-as acknowledged by the Mission itself.

The Mission also affirms that local Representatives have reassured them of being consulted and involved in the Land Acquisition process. While public consultation has been found to be predominantly vacuous, even this being the case, the effects of the entry of private corporate players as well as international institutions have been proved to disrupt the traditional institutional patterns of local communities often emphasizing imbalances in power structures, isolating and ostracizing opposition to projects involving large sums of money.

Local authorities colluding with the company and lobbying for the project are not uncommon. In Meghalaya’s East Khasi Hills, local officials colluded with Lafarge representatives to make way for a land transaction otherwise prohibited under the **MLTRA, 1971**; in the Jantia Hills too the **Dolloi and Chief Executive Member of the District Council** were instrumental in converting community land (CPR) into private lands for the purpose of effectuating a transfer of land to the company, as an offer for cash compensation to the Dolloi divided the community. Local authorities are accused of having colluded with project authorities and even granting ownership certificates to non owners for additional land to be acquired for Lafarge’s conveyor belt. The Dorbar of Nongkhlieh Eleka lodged a complaint to local authorities refuting the validity of the NOC granted exclusively by the Dolloi without any public consultation, amidst the community’s wide disapproval.²⁸

Local conflicts are arising as a result of the breach of the traditional land tenure institution and the blatant illegalities committed in the land acquisition process.

In *Out of this Earth*, anthropologists **Felix Padel and Samarendra Das** describe this phenomena as part of a wider, more devastating process: as remote tribal communities are invaded by large mining or industrial projects, as they are dispossessed from their lands and traditional livelihoods, they begin to lose their culture – originally based on the relationship with the soil, customs reliance on Nature and the community which is swept away by the intrusion of corporate culture, top-down hierarchies and financial power.²⁹

²⁷ADB website, project details

²⁸The Shillong Times, April 1 2010

²⁹*Out of this Earth* p. 367

Flawed and partial Environmental impact assessments:

In May 2011, the Supreme Court decided to stay its verdict over Lafarge's mining operations in the East Khasi Hills, after having stopped the same in February 2010 as it has found the site was lying in an ecologically sensitive area, and hence could not be allowed. Lafarge obtained environmental clearances by presenting the area as waste land or non forest land; in reality, it is thick forest, covered with tall trees and dense vegetation. Mining is carried out through blasts that are not only destroying the environment (the mining site shows intense deforestation), leading to fauna and flora extinction, loss of water and geological concerns – they are also severely affecting the livelihood of the local population which now lives in conditions of perennial, man created earthquake. A Rapid Environmental Impact Assessment was conducted by Centre for Eco-Development, Shillong but sponsored by Lafarge, as the Supreme Court noted and pointed out during a hearing over the company's mining. This blatant conflict of interest is more and more apparaentin most cases related to environmental clearances.

The Supreme Court recently accused the Environment Ministry of turning a blind eye to evident conflict of interest in granting favourable Environmental Reports (see POSCO and NCAER). A Special Bench led by Chief Justice S H Kapadia — while hearing a petition challenging the approval granted to Lafarge to mine limestone in Meghalaya — asked the Environment Ministry whether it had ever wondered as to how a consultant hired by a company would give an adverse impact assessment report after getting “its packet of money”.³⁰

In April 2010, the MoEF granted revised environmental clearance, as the land was forest land; the villagers represented by the Shella Committee are protesting the revised EC in ongoing court litigation as Lafarge has originally obtained the clearance based on false information, and a revised clearance does not undo the past misrepresentation. The Shella Action Joint Committee has also initiated a **PIL** against 17 respondents including the **Government of Meghalaya and Lafarge**, as the Land Acquisition violates the MLTRA 1971 implemented exactly to prevent tribal land alienation. (PIL of Shella Action Joint Committee vs 17 respondents including GoM, Lafarge).

Back in 2010, the Supreme Court questioned the Government on how it had granted environmental clearance to the site which was in the midst of thick forest, going by the wrong information provided by the local authorities. The MoEF was asked to explain as to why no independent assessment had been carried out as it declared to the apex court that it had granted clearance in the belief that the site lied in non-forest area. As is happening with the POSCO case in Orissa, the MoEF put forward the reliance on State Government's assurances and wrong reports of local authorities: Lafarge as well as the MoEF are defending the case on the basis of a report by the **Divisional Forest Officer**, given on June 30, 2000, stating that it was a waste land and there was no forest there.

The apex court reproached the Ministry in this regard by saying:

“When you have doubts regarding the project, you should send a team there... can you say that it was not a forest without going there. Was MoEF not aware that there was a forest. You must have enquired from your regional office there also.”³¹

To which the counsel appearing for the Centre vaguely responded there was no mechanism in place for such a check. The Shella Committee has also submitted that despite

³⁰<http://www.indianexpress.com/news/cos-pay-experts-for-favourable-green-impact-report-sc/758064/1>

³¹Business Standard, 18th Feb 2011: SC questions Govt stand on clearance to Lafarge mining project

having its clearance revoked, Lafarge continued with the mining during the night, permission which the Counsel had sought from the Supreme Court but failed to obtain.

The Centre lobbying for Lafarge: Diplomacy and power politics

The Union Government at the Centre has been lobbying incessantly for the project to be given the green signal despite the ongoing investigations into alleged violations against tribals and regulatory laws. The justification repeatedly given by the Central Government's Attorney General Goolam E. Vanavati in Supreme Court is that stopping the project would sever diplomatic relations with Bangladesh. Recently, the pressure intensified as the Prime Minister's visit to Bangladesh approaches and in sight of a diplomatic incident involving the two countries. Such kinds of political pressure are often seen to be influencing decisions in other realms; in international relations, it is common for players to strategically adjust their moves in function of not one but other arenas.

The Government Counsel also requested the court to allow Lafarge to continue mining during the time it applied for a new environmental clearance, in clear violation of the laws. What kind of precedent does this set? If the own Government's Counsel requests special treatments in violation of the law for the sake of a corporation, what does this tell us about the state of our democracy? This is a clear indication of the power and influence that industry, mining and corporate lobbies exert on the State and on its Ministries going beyond themselves not only protecting but actively pushing ahead the corporate agenda at the expense of the country's own citizens.

On similar lines, the Rapid Environmental Impact Assessment carried out by the Centre for Eco-Development, Shillong and sponsored by Lafarge points out the following "benefits", which reveal a lot about the assessments objectivity and seem instead perfectly aligned with the Company's and Government's argumentations:

- economic benefit to the village community
- improvement of trade relations with the neighbouring country
- community development work such as establishment of educational and health care facilities
- success of the project may encourage more investment/international collaborations in the region
- increased economic activity due to forward and backward linkages of the project

If the forward and backward linkages can be discarded as an old adage that no longer finds many believers – mining leads to enclave economies with hardly any linkages – the other benefits include only supposed "economic benefits" or "economic activity", a CSR commitment that is fairly miser and the much touted good relations with a neighbouring country. Two considerations are due: firstly, though such instances have an impact on economic and trade relations, they are also fairly common and nevertheless, it is a Government's role to serve the country's needs and priorities foremost. Second, the emphasis on economic benefits and activity – and further investments confirms that the present model of forced industrialization is imposing a lifestyle paradigm from above, in line with the notion of inclusive growth as opposed to development. Cash and local communities are being displaced by being flooded out with cash³².

Final environmental clearance

In a twist of events, on 6th of July 2011, the Supreme Court through the Special Forest Bench led by Chief S H Justice Kapadia annulled its stay, allowing Lafarge to resume

³²Out of this Earth: Dai Singh Majhi a Dongria Kondh's analysis on compensation packages

its mining operations in Meghalaya. The Court stated it was satisfied with the Revised Clearance granted in April 2010 by the Ministry of Environment and Forests, also adding that the Ministry had performed its due diligence – despite having earlier reproached the Ministry in the same regard, revoking the said clearance. The Bench also added that it believed limestone mining to be intertwined with the culture and land tenure and holding system of the Nongtraï Village.

In the eyes of the affected locals from the Shella Confederacy who have been resisting the destructive blast mining in an attempt to save their environment and livelihoods, this is surely a major setback, as it is for all those who have lost their land because of fraudulent land acquisition which has indeed already majorly affected the land holding and tenure system. The decision allows for diversion of forest land to mining: if we even forget entering into the already much articulated debate over the common practice of compensatory measures, what is forgotten in the debate are the broader and deeper implications that such decisions bring with them: diverting forest land to mining means replacing clean air and vegetation with blasts, pollution and desolation. It means attacking an ecosystem and affecting it dramatically, to the point where it becomes barren and inhabited, with ripple effects on the broader environment and on the local tribal and agricultural or forest dependent affected communities. Failing to account for issues such as sustainability and food security is already threatening the future of the country, as well as of the world. The appropriation and exhaustion of common property resource will only exacerbate the already severe crises of hunger, insecurity and conflict which are plaguing the country. We need to start including these debates into the policy discourse and the governance system, if we want the country to survive ecologically, democratically and peacefully.

1b. Integrated Cement Plant & Mining in Jaintia Hills

Lafarge has been attempting to set up a Rs 1,000 crores 1.1 Million Tonnes integrated cement plant in the Jaintia Hills of Meghalaya. The Jaintia Hills come under the Sixth Schedule of the Indian Constitution; they are populated by the Pnars (Jaintias) that are a Scheduled Tribe, governed by the Jaintia Hills Autonomous Council.

The local livelihoods are dependent on agriculture and forests; Elaka is famous for Pynthor Le Tein, the most fertile valley in the hills which has earned it the name of the “rice bowl of India”. This valley is also admittedly recognized by the Government as a unique natural hotspot too beautiful to be described:

The gently rolling downs of the southern slopes of Jaintia Hills are so beautiful that they can hardly be adequately described. Only those whose vision have been feasted in bewilderment of the uniqueness of the beauty of these areas can fully appreciate their panoramic magnificence. Even the well known English countryside would find it hard to compare itself with the beautiful, dancing valleys which exist of either side of the River Kwai in Sutnga and Nongkhlieh elakas of Jaintia Hills district. This area better known as Letein Valley can be best seen from the tableland on which Shnongrim village in Nongkhlieh Elaka is located. Shnongrim is easily accessible from Sutnga village which is sixteen kms off NH-44 and connected with a good tarred road. The letein valley looks like a well watered and well tended, endless golf-course with smooth green turf, bewitching glens and heavenly pleasant dales which disappear into the distant haze of the horizon under a clear and azure sky.³³

³³<http://jaintia.nic.in/PlaceInt.htm>

The proposed land is **community land** which can be used for cultivation by any member of the community as per customary right; the forests too are community managed as commons. The proposed plant site is perilously close to two reserve forests – Narpuh and Saipung – set to become wildlife sanctuaries.

“The area already has eight cement plants within a 5 km radius. Obviously, the norms must have been flouted in setting up of these plants,” said the save-cave organization’s Raipur-based president Jayant Biswas. One more would add to air pollution and contamination of the groundwater system in the area, he feared.

Around 500 hectares of land in Nongkhlieh village have been transferred to Lafarge India for the construction of the plant. Local villagers are protesting this transfer, which they say was done “undemocratically and forcefully” by the Dolloi or local chieftain.

Supporting these claims, an activist involved in the case states that the land is community land; the **Dolloi** with the **Chief Executive Member** of the District Council secretly converted the land into private land so to transfer it to Lafarge; this led to the removal of the CEM and the suspension of the Dolloi.

“The land on which the plant is to come up is community land that includes besides forest paddy fields. Our land is as important as the air we breathe, and we will cease to exist without it,” the villagers’ petition read³⁴.

“The transferring of our land to Lafarge India Pvt. Ltd by the Doloi of the Nongkhlieh Elaka and the Jaintia Hills Autonomous District Council was undemocratically and forcefully done without the consent of the people of the elaka. This has led to some violent incidents in our villages, as minor pro-Lafarge groups are carrying out intimidation against the majority who is against the company,” the women expressed. “As women and mothers of Nongkhlieh elaka, we do not wish to see our sons lose their lives over this transgression by the Doloi, the District Council and Lafarge.”³⁵

An overwhelming 95% of the population is opposed to the project. The entry of Lafarge has though created a rift within the community: the offer of cash compensation to anyone who would part with the land has given rise to violent clashes between a minority group pro-Lafarge and the broader local population against it in an otherwise quiet and peaceful area.

The environmental clearance is also controversial as the Jaintia Hills are part of a dense cave system with some of the deepest caves in Asia. The National Cave Research & Protection Organization that has joined the villagers in protesting the project explains that Lafarge’s proposed site comes under one of the world’s most sensitive cave systems. “The Jaintia Hills system is considered the **Mecca of cavers the world over**. Some are listed among the longest and deepest caves on earth. We have already seen how over-extraction of limestone for a cement plant has led to the caving-in of the Mawmluh cave system (also in Meghalaya, near Cherrapunjee),” Biswas said in an email to HT³⁶.

In November 2010, the Meghalaya Government spoke on the matter by saying it would evaluate the project’s merits and base its decision on this; while acknowledging the concerns about environmental destruction, it failed to question the legality of the clearances obtained or the opposition to the plant being a majority. The Minister of Mines B Lanong stated that “While giving any clearance, we will see the merits. The local district council, the district administration, the local village council and land owners have given clearances”.³⁷

³⁴Petition by the womenfolk of Nongkhlieh

³⁵Women petition Meghalaya Chief Minister against Lafarge www.aggregateresearch.com/articles/20756/500-Women-petition-Meghalaya-chief-minister-against-Lafarge-plant.aspx

³⁶Cavers join Meghalaya villagers against Lafarge cement plant, HT November 16th 2010

³⁷Governance now: Grant of NOC for Lafarge cement plant only on merit: Meghalaya

1c. Proposed Greenfield Project, Mandi, Himachal Pradesh³⁸

In Himachal Pradesh, since the 1980s almost 1700 hectares of forest have been diverted towards limestone mining; the State possesses rich limestone reserves mostly concentrated near or in forest areas. This wealth has attracted several national and international big players involved in the cement business amongst which Jaypee, Ambuja and Lafarge. Limestone has a variety of commercial uses; it is predominantly utilized in the preparation of construction materials and it is mixed with shale for making cement.

The HC Government has been pushing forward mining proposals, announcing almost **20 new Greenfield cement projects** and signing MoUs with mining companies. Local resistance is intensifying as mining is carried out through blasting, with a devastating impact on the environment and local communities who suffering from water, air and sound pollution, waste and overall decreased standard of living.

The Lafarge project too faced strong resistance; eventually, popular movements have succeeded in this case in halting the project and saving their ecology and livelihoods. Lafarge planned to set up a 3MTPA cement plant with captive limestone mines over an area of **800 hectares** and, with an 8Km conveyor belt to transport the limestone crushers, residential areas and more in the Mandi district of Himachal Pradesh. The project was estimated at Rs 900 crores. The affected area covers 171 villages with a total population of over **40,000 people**. The land at the site is classified as Demarcated Protected Forest, Reserved Forest and Un-demarcated Protected Forest with a smaller part of agricultural land.

The land at the mining site near the Shaungi village ensures the locals stable and decent livelihoods, providing fodder, fuel wood and grass to 7 villages and ensuring that even the most disadvantaged landless communities make a living. Locals also believe that their Gods reside in the forest, as the Devbadeyogi temple stands to witness. The land around this area is densely vegetated with natural forests and grassy slopes. this land is predominantly fertile and dedicated to agricultural production; local residents cultivate both food crops (vegetables, lentils etc) cash crops, horticultural produce making a good living out of the sale of the produce which includes mushrooms, walnuts, chestnuts. Only the vegetable and lentil sale is reported to accrue an yearly income of Rs. 60,000; the sale of French beans in a season makes locals Rs. 25,000.

Lafarge submitted an Environmental Impact Assessment showing the requirement for 910 hectares of land, with only 2 hectares being of agricultural use. Following this, in March 2009 the HP Government issues notices for acquisition of around 62 hectares from both the plant and the mining site. The EIA while acknowledging a 40,000 strong population residing in a 10 Km radius of the project, fails to account for the baseline economy which is fundamental to reveal the current dependency of people on the land for livelihood. Instead, it projects half the population to be unemployed. This in turn has allowed it to move forward with its claims of employment generation, which are nevertheless considerably small, as only 2000/2500 jobs would be created over 5 years construction phase.

Aware of the destruction that mining and cement plants bring, the locals soon organized in the **Paryavaran Bachao Sangharsh Samiti**, initially demanding for a relocation of the project and moving their petition to the Prime Minister, President and other authorities. In response to this, the PMO ordered an enquiry into the matter.

On 4th December 2008 a Public Hearing for the Environmental clearance was organized: locals expressed their resistance which only grew stronger after the oracle of the deity **Deo Badeyogi**, widely worshipped by the population, spoke against the project.

³⁸Adapted from Manshi Asher, La farce: a report on Lafarge proposed greenfield project Mandi, HP

Only a few people issued NOCs in favour of Lafarge. This opposition was though downplayed in the report submitted to the MoEF by the **Pollution Board**: luckily the Joint Action Committee foreseeing this eventuality had gathered video evidence of the meeting through which it put forward its complaints. The MoEF decided for a site inspection; during the same though, no consultation was carried out nor was the actual mining site visited, and the project was granted final clearance on 8th June 2008.



Top: Arasmeta cement plant; Bottom: Arasmeta grazing land



Strong in their resolve, the locals filed an appeal with the **National Environment Appellate Authority** on the grounds of severe environmental and socio economic consequences had the project to move forward, also challenging the granting of Environmental Clearance in contravention with standard practices. The NEAA agreed to make a visit to the site, which took place on 23rd June 2010. Despite the local authority's attempts to discourage an inspection of the real affected area, Shri Kala carried out a thorough assessment and consulted local population. As a result, in September 2010 the NEAA rejected clearing the project and stayed its decision to a later date. Finally in November 2010, it ruled to revoke the EIA on grounds of the hugely detrimental impact the project would have on the local environment and livelihoods, which had been conveniently overlooked in the EIA as had been the reliance of locals on the rich abundant forests. While Lafarge pleaded the the Himachal High Court against the cancellation of the environmental clearance, the petitioner's case was made stronger by the company's failure to declare the proposed area as closely lo-

cated to the Majathal Wildlife sanctuary that falls within 5 Km of the plant site. This is forbidden without the permission of the **National Wildlife Board** which Lafarge hadn't sought.

This case doesn't only serve as another confirmation of the modus operandi of mining companies often based on misrepresentation and concealment, but it also provides another proof that Environmental clearances are increasingly granted without due consideration of the facts, in a hurried and superficial manner that can only come to be interpreted as an attempt to avoid resistance and democratic debate. While in some ways private sector enterprises are by definition considered a profit making machine, people still wish to have faith in the public bodies established for democratic decision making.

Yet violations and shoddy implementation are becoming more the rule than the exception, all by the hand of the very democratic institutions that are supposed to ensure respect of the law and regulatory compliance.

1d. Testimonies from Chattisgarh³⁹

Mining and big industries most often justify their operations and huge profits on grounds of bringing development to remote areas, and on CSR commitments. The Lafarge group too has used this paradigm, faced with criticism over its operations in India, Meghalaya in particular, disrupting tribal livelihoods; on the one hand, it has claimed to bring in facilities, jobs and higher living standards, on the other it has strongly banked on CSR commitments to present itself as a green company with care for people and the environment.

In another region of India, Lafarge has been operating its cement plants for years now. In Chattisgarh, Lafarge holds a 0.55 MTPA cement plant and 1.4 MTPA clinker in Sonadih and a 1.6 cement grinding unit and 1.6 MTPA clinker in Arasmeta. The Cement plant located near Arasmeta was originally set up in the 1980s by Raymonds Cements Ltd. and subsequently taken over by Lafarge in 2001.

The land required for the plant included 4 villages of Arasmeta, Parsada, Sonsari and Amora and was initially purchased by Raymonds; at the time of the Lafarge takeover through the application of the Land Acquisition Act the Government acquired 450 more acres of land, intended for the company's mining operations. Since 1982, about 500 acres of land have been grabbed in Arasmeta, approximately 90% of the total village land, 75% of which was tribal land as more than half the population of Arasmeta is tribal.

The Chattisgarh Revenue Code prohibits the transfer of tribal land to non tribals to avoid alienation, but just as in Meghalaya, it hasn't being successful in halting the land grab. Without prior consent of the original landowners, the Government leased what effectively was lush, agricultural land where soon, Lafarge began mining at the behest of the unaware locals, often in the middle of the night. A visit to the affected area confirms that the local environment has been destroyed and what used to be fertile irrigated land cultivated with double crops is now either allocated to mining or losing productivity due to pollution and dust from mining blasts.

Only 10% of the agricultural land has remained in the hands of the locals who now struggle to make a living, while half of the land grabbed has been left unused for Lafarge to access it at a second stage – yet the villagers say they are not allowed to even access it. The land grab has had direct consequences on local livelihoods and employment: deprived of agricultural land and of their means of sustenance, employment and income, farmers are left with no choice but to migrate or accept contract, casual work in the mines, which provides no security and has an atrocious effect on health standards. Respiratory and skin diseases are on the rise, land is turning infertile and water is polluted.

Despite an intensive CSR campaign which Lafarge has enacted to promote itself as a socially responsible corporation, the locals complain that the company is completely unaccountable in its operations. Local residents testify that because of no



³⁹From qualitative research carried out by Navdanya collaborator

transparency, it is impossible for them to monitor the extent to which Lafarge is investing in implementing the much publicized CSR: evidence in front of their eyes stands contrary to the company's claims: the so called health centre is practically in dismay and the in house doctor (appointed by Lafarge) only visits sporadically, once in 2 weeks. Even then, people from Arasmeta don't trust him as he is not an independent doctor and prescribes the same treatment for irrespective of the disease; patients are forced to buy medication at their own expense from the city, losing the little income they have on costs and in sick leave.

As part of its CSR Lafarge also started a sewing and embroidery program, which only worked for a month and was later emptied of all machineries, similar fate encountered by its mobile dispensary, computer training and combustion plant for waste reusal in Bilaspur. Most importantly, what the villagers contest is the futility of such programmes: what they want and need is not arbitrary training and courses, but the livelihoods lost because of land grab. Land is a productive asset, a source of income and food and gainful employment. Compensation does not replace any of the intrinsic values of land as livelihood guarantor, as it is firstly not proportionate, and secondly not in kind – not giving up their land, or if so, land for land is what the farmers demand.

In the words of Arasmeta Sarpanch:

"Ideally we would want our land back because it is our livelihood and it was an unlimited capital for our children. With irrigation and without the pollution of the factory we could cultivate our lands and live in dignity".

In the least, left without a choice, they demand equal treatment in employment, medical and canteen facilities for all and decent working conditions, whereas so far employment has been only contractual, local workers have been discriminated against in terms of pay and forced to operate in inhumane conditions. The locals demand that the minimum they expect after being displaced and severely impacted by the devastating effects of mining on their environment and health, is for the social initiatives to be based upon their actual and fundamental needs: sewing and computer trainings are of no use in a scenario when basic health and livelihood provisions are not in place. What they are justly demanding is to be treated as real stakeholders with a say in their own development, which is clearly not happening.

The conduct of Lafarge in Chattisgarh raises an important point about accountability which the locals understand well: whenever they raise demands for the company to follow appropriate standards and comply with its responsibilities, they are answered that it is the head office in France to make all decisions – which in turn, they feel they can't influence. Lafarge India is accused to decline responsibility by shifting the focus on its French counterpart, declaring that what they are bound to follow is not otherwise specified "French rules", the locals report.

This behaviour is not uncommon for companies operating through subsidiaries across the globe; TNCs are increasingly unaccountable as the very accountability route is stretched to no end and far off plants behave in increasing lawlessness exploiting the low visibility far away from home. This is not to say that the company's management does not play its role in the company's offshore activities, nor to justify the claims of the local subsidiary that it has no jurisdiction over local conduct. It is though implicitly easier to conceal dubious practices far from civil society watch and public opinion in the home country. Arasmeta villagers feel helpless as the management of Lafarge in India responds to their complaints by shifting the blame onto France:

"Why can Lafarge treat French and Indian people differently?" Ask the locals.

Similarly in Sonadih, Lafarge is acquiring tribal land for its mining and plant operations; to circumvent provision against tribal land alienation, they are acting through agents and

middlemen who buy the land under fake names for miser amounts and sell it to Lafarge for huge profits. Locals receive 25,000Rs/acre for land which is sold off at Rs 10 lakh/acre, while tribal population is rendered landless and jobless: a mere 5% of jobs has been given to locals, against tall claims of priority employment, while the company appoints the locals for casual and contract labour at below minimum wages.

Women are amongst the most affected: losing the land as productive and employment asset, they are forced to seek temporary work as domestic help or landless farm labour, whereas before the entire family could work, eat and sustain itself through the land.

“Today they are forcible poor daily wagers, whereas they used to be proud farmers!” reports an activist from Sonadih.

In the meantime, the mining operation has even here rendered cultivation impossible as pollution, dust and stones are contaminating water and destroying land fertility.

As in Arasmeta, in Sonadih too Lafarge’s CSR seems more of a façade: as part of a reforestation initiative the company is planting trees in both locations to show its commitment to environmental conservation. What good does it make to destroy hundreds of acres of forest or fertile land and plant a few hundred trees? These are anyways planted in semi-urban areas alongside the road to create good publicity for Lafarge, and often they are exotic trees with high water requirements, totally misfit to the area and local climate. All this said, only 20% of the mandatory forestation has been carried out – and it is to be noted that the process is mandatory as per Central Government policy.

List of Cement Plants in India⁴⁰

Producer	Total number plants	Plant Name	Location
Andhra Cements Ltd	2	Vizag	Vishakhapatnam, AP
		Nadikude Durga Cmt	Nadikude, AP
Binani Cement Ltd	2	Binani Cement-Sirohi	Sihoria Road, RAJ.
		Binani Cement-Sikar	Neem Ka Thana, RAJ
Birla Corporation Ltd	7	Birla Vikas	Satna, MP
		Satna Cement	Satna, MP
		Birla Cement	Chittorgarh, RAJ
		Chandaria Cement	Chittorgarh, RAJ
		Birla Cement-Raebareli	Raebareli, UP
		Durgapur	Durgapur, W.B.
		Durga Hiltech Cement	Durgapur, W.B.
Cement Corporation of India Ltd	10	Adilabad	Adilabad, AP
		Akaltara	Akaltara, CTG
		Bokajan	Bokajan, ASSAM
		Charkhi Dadri	Charkhi Dadri, HAR
		Kurkunta	Kurkunta, KAR
		Mandhar	Mandhar, CTG
		Neemuch	Neemuch, MP
		Rajban	Rajban, HP
		Tandu	Tandur, AP
		Delhi	Tughalakabad, DELHI
Cement Manufacturing Co Ltd	2	Cement Manufacturing Co Ltd	Lumshnong, MEG.
		Megha T & E Ltd	Lumshnong, MEG.
Century Textiles & Industries Ltd	3	Century Cement	Tilda, CTG

⁴⁰Annual Report Cement Manufacturers Association, 2009-2010

		Maihar Cement	Maihar, MP
		Manikgarh Cement	Manikgarh, MAH.
Chettinad Cement Corporation Ltd	3	Chettinad-Karur	Karur, TN
		Chettinad, Karikkali	Karikkali, TN
		Chettinad, Ariyalur	Keelapaluvur, TN
Dalmia Cement (Bharat) Ltd	3	Dalmia-Dalmiapuram	Dalmiapuram, TN
		Dalmia-Kadapa	Jammalamadugu, AP
		Dalmia-Ariyalur	Thamaraikulam
Grasim Industries Ltd	11	Rajashree-Malkhed	Malkhed, KAR
		34 Rajashree-Hotgi (G)	Hotgi, MAH.
		Rajashree-Hotgi (G)	Jawad Road, MP
		Aditya Cement-I&II	Shambhurpura, RAJ
		Grasim Cement-Raipur	Raipur, CTG
		Grassim South	Reddipalayam, TN
		Grasim-Bhatinda	Bhatinda, PUB
		Grasim-Dadri	Dadri, UP
		Grasim-Panipat	Panipat, HAR
		Grasim Cement-Kotputli	Kotputli, RAJ
		Grasim Cement-Aligarh	Koil, UP
HMP Cements Ltd	2	Porbandar	Porbandar, GUJ.
		Shahabad	Shahabad, KAR
Heidelberg Cement Ltd	4	HCIL-Ammasandra	Ammasandra, KAR
		HCIL-Darnoh	Damoh, MP
		HCIL-Jhansi	Jhansi, UP
		HCIL-Dolvi	Rajgad, MAH
The India Cements Ltd	9	Sankarnagar	Talaiyuth, TN
		Sankaridurg	Sankaridurg, TN
		Chilamur Works	Chilamkur, AP
		Dalavoi	Trichy, TN
		Visaka Cement	Tandur, AP
		Yerraguntla	Yerraguntla, AP
		Raasi Cement	Wadapally, AP
		Vallur	Vallur, TN
		Parli	Parli, MAH.
J.K. Group	7	J.K.-Nimbahera	Nimbahera, RAJ
		J.K.-Mangrol	Mangrol, RAJ
		J.K.-Gotan	Gotan, RAJ
		J.K.-Muddapur	Mudhol, KAR
		J.K. Lakshmi Cmt Ltd	Sirohi Road, RAJ
		J.K. Lakshmi-Kalol	Kalol, GUJ
Jaypee Group	14	J.K. Udaipur Udyog	Udaipur, RAJ
		Dalla	Dalla, UP
		Chunar	Chunar, UP
		Jaypee Rewa	Rewa, MP
		Jaypee Bela	Bela, MP
		Jaypee-Sadva Khurd	Sadva Khurd, UP
		Jaypee Ayodhya	Tanda, UP
		Jaypee-Panipat	Panipat, HAR
		Jaypee-Sidhi	Sidhi, MP

		Jaypee-Kutch	Sewagram, GUJ
		Jaypee-Wanakbori	Sonipur, GUJ.
		Jaypee-Roorkee	Roorkee, UTK
		Jaypee-Baghere	Bagheri, HP
		Jaypee-Baga	Baga, HP
		Bhilai Jaypee	Babupur, MP
Kesoram Industries Ltd	2	Kesoram Cement	Ramagundam, AP
		Vasvadatta Cement	Sedam KAR
Lafarge India Pvt. Ltd	4	Arasmeta Cement	Bilaspur, CTG
		Lafarge-Sonadih	Sonadih, CTG
		Lafarge-Jojobera	Singbhum, JHK
		Lafarge-Meji	Meji, W.B.
Madras Cements Ltd.	7	Ramasamyraja Nagar	R.S. Raja Nagar, TN
		Jayantipuram	Jaggayyapet, AP
		Alathiyur Works-I&II	Alathiyur, TN
		Madras Cmmts-Ariyalur	Govindapuram, TN
		Madra-Ulthiramerur	Uthiramerur, TN
		Madras Cmmts-Salem	Valapadi, TN
		Madras Cmmts-Kolaghat	Kolaghat, W.B.
Malabar Cements Ltd	2	Malabar Cements	Palghat, KERLA
		Malabar Cements (G)	Alappuzha, KERLA
Mangalam Cement Ltd	2	Mangalam Cement	Morak, RAJ.
		Neer Shree Cement	Morak, RAJ.
Mehta Group	2	Saurashtra Cement	Ranavav, GUJ
		Gujarat Sidhee Cement	Veraval, GUJ
OCL India Ltd	2	OCL India-Rajganpur	Rajganpur, ORISS
		OCL India-Kapilas G	Kapilas, ORISS
Orient Cement	2	Orient Cement	Devapur, AP
		Orient Cement-Jalgaon G	Jalgaon, MAH.
Penna Cement Industries Ltd	3	Penna-Tadipatri I&II	Tadipatri, AP
		Penna-Ganeshpahad	Ganeshpahad, AP
		Penna-Boyareddypalli	Boyareddypalli, AP
Rain Commodities Ltd	2	Rain Commodities Un-1	Ramapuram AP
		Rain Commodities Un-II, Ln 1&2	Racherla, AP
Tamil Nadu Cements Corporation Ltd	2	Alangulam	Alangulam, TN
		Ariyalur	Ariyalur, TN
UltraTech Cement Ltd	11	Ultratech-ACW	Chandrapur, MAH.
		Ultratech-JCW (G)	Jharsuguda, ORISS
		Ultratech-HCW	Hirmi, CTG
		Ultratech-Gujarat	Pipavav, GUJ.
		Ultratech-APCW-I&II	Tadpatri, AP
		Ultratech-ARCW (G)	Arakonam, TN
		Ultratech-WBCW (G)	Durgapur, W.B.
		Ultratech-Ginigera G	Ginigera, KAR
		Jagrabad	Jagrabad, GUJ.
		Magdalla (G)	Magdalla, GUJ.

		Ratnagiri (G)	Ratnagir, MAH.
Zuari Cement Ltd	2	Zuari Cement	Krishna Nagar, AP
		Sri Vishnu Cement	Sitapuram, AP
Other	16	Shree Digvijay-Sikka	Sikka, GUJ
		Shree Cement	Beawar, RAJ.
		Prism Cement	Satna, MP
		Lemos Cement	Khalari, JHK
		Kistna	Kistna, AP
		Bagalkot Cement&Ind Ltd	Bagalkot, KAR
		J&K Ltd	Khrew, J&K
		Kalyanpur Cement	Banjari, BIHAR
		K.C.P. Ltd	Macherla, AP
		Mawmluh Cherra	Cherrapunji, MEG
		Panyam Cements	Bugganipalle, AP
		Sone Valley	Japla, JHK
		Shriram Cements	Kota, RAJ
		Sanghi Indus. Ltd	Abdasa Taluka, GUJ
		My Home Industry Ltd	Mellacheruvu, AP
		Meghalaya Cements Ltd	Lumshnong, MEG.
TOTAL	136		

2a. Bauxite and Aluminium: The Case of Vedanta in Niyamgiri

Niyamgiri means the mountain (Giri) that upholds the Earth and the law of the Universe (Niyam). These Mountains constitute the ancestral domain of the Dongaria, Kutia and

Jharania Kondh tribes categorized as 'the primitive tribes' under the Constitution of India. They live in about 200 villages, scattered throughout this range, which is situated in the Kalahandi District of Orissa.

These tribes have been living with the animals amidst rich vegetation sharing the earth's bounty collectively. They are thus the custodians of nature and use nature sustainably.

As a result, the area still boasts of more than 300 species of plants, trees, etc, six of the species are listed in the IUCN Red Data Book. The mountain is rich in biodiversity with 112 medicinal plants. The most significant contribution of these bauxite hills like Niyamgiri is provision of water. Bauxite being a porous mineral helps retain water and has a deep connection with abundant plant-life, and Bauxite-rich areas include most of the world's best tropical and sub-tropical Forests. One river and 32 streams originate



in these bauxite hills. Niyamigiri is thus the exemplar of and upholds our rich natural cultural heritage which the Forests Rights Act is supposed to protect.

In 1997 **Orissa Mining Corporation** enters into an MOU with **Sterlite Industries Ltd.** For setting up an alumina refinery and captive power plant in Kalahandi district. In 2003 Vedanta signed a Memorandum of Understanding with the Orissa State Government regarding the construction of a refinery for alumina production, a coal-based power plant, and a mining development at Lanjigarh in the district of Kalahandi. In 2003 Vedanta applied to the Ministry of Forests and Environment (MoEF) for an environmental clearance for the refinery. In its application the company provided wrongful information to the effect that the refinery would not require forest land. It also fraudulently requested the mining and refinery proposals to be de-linked in order to obtain an Environmental Clearance, revising its stance as per convenience claiming that the mining was or wasn't integral and fundamental component of the overall project.

The Dongria Kondh and other tribes inhabiting the Niyamgiri forests have been resisting the threat of mining of Bauxite and the aluminum refinery in their sacred mountain ever since.

Aluminium is valued under two very different understandings: in nature, aluminium holds a fundamental role of balancing minerals in the soil, improving plant nourishment and ensuring soil fertility. Commercially, it is one of the most commonly used metals in industrial production; as countries proceed on a path of intensive industrialization and urbanization, the demand for aluminium increases multifold, driving a steep increase in bauxite mines, dams and aluminium smelters. While hence bauxite in its original form is a paramount contributor to the ecosystem, retaining water and improving soil fertility, its industrial use foregoes these assets while setting stage for massive environmental problems, including deforestation, toxic pollution, water exhaustion and climate change.

As Vedanta Corporation tries hard to usurp these mountains through illegalities and intimidation, the Dongria Kondh and other tribes of Niyamgiri stand up to assert their constitutional right to the forest and lifestyle as inscribed in the 73rd Amendment – the PESA . They demand that the government pays heed to their rejection of this unconstitutional land grab. They hope that the government realizes that the decision about the future of the mountains is a collective decision to be made by these communities living in the scheduled areas and not one based on individual land titles. They assert that their “No” to the exploitation of these areas is a constitutional right that they wish to exercise.

Central Empowered Committees Findings

The sentiments of the Dongria Kondh have also been repeatedly echoed in the various Central Empowered Committed reports, government probes and the recent Site Inspection Report for diversion of forest land for mining of bauxite ore in Niyamgiri (26 February, 2010) submitted by a three-member team headed by **Usha Ramnathan** to the Ministry of Environment and Forests. According to the report “Vedanta Aluminium has violated forest conservation guidelines and has failed to follow the Forest Rights Act in letter and spirit at a proposed bauxite mine project in the Niyamgiri Hills of Orissa.” Several centrally appointed committees and bodies have in fact recognized and documented the numerous violations perpetuated by Vedanta, calling for a stop to the same:

- 29th June 2010: MoEF set up **Saxena Committee** to examine proposal for mining in Niyamgiri, look at impact on tribal livelihoods and environment, status of implementation of FRA.

- 2010: MoEF appoints committee headed by **Usha Ramanathan** that highlights the need to recognize tribal and forest dwelling communities' rights in line with the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.
- April 2009: Orissa Mining Corporation gets environmental clearance. This clearance is challenged before the **National Environment Appellate Authority**, as 2 environmental impact assessments had been carried out, the first in 2002, the second in 2005. This assessment was never disclosed to the affected persons. The public hearings conducted priorly had ignored the 2005 report, using only the 2002 one, thus violating the law.
- August 2008: Approval for diversion of 660 hectares of forest land for mining granted.
- November 2007: SC orders against Vedanta, but allowed Sterlite (its subsidiary) to carry out mining through a Special Purpose Vehicle with State owned Orissa Mining Corporation.
- 2005: CEC appointed by Supreme Court; report of CEC/ T N Godavarman Thirumulpad vs Union of India (forest) case submitted to court. The report categorically stated that mining should not be allowed on Niyamgiri hills.
- 2004: forest and environmental clearances for Lanjigarh alumina refinery of Sterlite Industries challenged before Supreme Court appointed CEC as the clearance required under FCA not been obtained, violating Section 4.4 of FCA. Sterlite denied link between refinery and the mine, went ahead with refinery. It declared that no conversion of land was required, withdrawing its application.

Vedanta's misgivings were not new: in 2004, Vedanta had come in the news for allegations of bribing politicians in the Orissa administration; other mining leases were revoked on grounds of irregularities. Even before, operating under the name Sterlite, the company had become known for dubious environmental records: smelters in South India in contravention of pollution safety standards led to toxic and deadly contamination of water sources; abroad too, it has upheld its name for a socially and environmentally irresponsible company by declining responsibility over environmental and human rights violations in controversial mines in **Armenia** and **Zambia**.⁴¹

Vedanta's legality record comes to light in the words of its billionaire Chairman Anil Agarwal "I'm not a legal person. I have no idea about the [Samata ndr] judgement. All metal industries are in tribal areas."⁴²

Of course in the realm of law claiming ignorance has never been accepted as mitigating factor in the perpetuation of a crime. Yet Agarwal was confident that his economic and political influence would avoid him regulatory compliance, most evidently in the case of the Forest Rights Act and recognition of tribal rights over Niyamgiri.

PESA and the Forest Rights Act: Tribal livelihoods and community resources

While in medieval times forests were governed by local chiefs with access rights granted to local communities, since the time of India's colonization the forest came under the purview of Central Ownership giving the Government power to exercise proprietary rights over resources that had so far been ruled by traditional community management

⁴¹Out of this Earth, p.146

⁴²ibid

systems. While failed attempts to intrude in tribal areas had led them to classify them as “excluded areas” this did not stop them from controlling the vast natural resources there available. This system allowed the British to commercially exploit forests, especially timber, for revenue and trade while also ignoring the role and rights of local forest dwelling communities. Instead, it also supported the view that human livelihoods in the forest had been a cause for natural degradation and deforestation.

In postcolonial times, this system and perception was inherited by the Central Government. While legislation was passed to defend both forests and wildlife, the rights of forest dwellers were still ignored until the late admission of the historical injustices suffered by tribal and forest dwelling communities which prompted the introduction of the 73rd Amendment to the Constitution specifying provisions for what’s known as **PESA (Panchayats Extension to Scheduled Areas)** 1996 bringing Gram Sabhas at the centre of forest management and recognizing tribal rights over common resources land water forest.

It is in fact to be noted that the demands for rights of tribals and other forest communities are already constitutionally recognized, yet they are been violated: with the 73rd amendment to the Constitution special provisions were made specifically to ensure tribal rights over community resources – land, forest, water – that were recognized to be sacrosanct and non-negotiable. The **Forest Rights Act** was implemented in line with this, to undo the historical injustices that tribal and forest dwelling communities had been witnessing for ages. Importantly, it recognizes communities such as the Dongria Kondh as Primitive Tribal Groups (PTG) requiring particular protection, in line with the Constitution and more specifically PESA. The Forest Right Act as it stands presently contains some of the paramount principles necessary to uphold the rights of tribal and forest dwelling communities as it:

- Recognizes the necessity to address the historical injustices faced by traditional forest dwellers, their insecurity of tenure and grant them access rights including those of people relocated for State development projects.
- Recognizes Scheduled tribes and forest dwellers as integral to the survival and sustainability of forest ecosystem
- Recognizes community forest resources as customary common forest land within the traditional or customary boundaries of the village, including reserve forest, protected forests, sanctuaries, national parks to which the community had traditional access
- Recognizes rights and responsibilities for sustainable use, conservation of biodiversity, maintenance of ecological balance, strengthening of forest regime, ensuring food security, livelihoods of forest dwellers

The following clauses of the FRA in particular recognize the rights of tribals and their role in contributing to the conservation and regeneration of the entire ecosystem, now violated by Vedanta:

SECTION 3(1)(e): “[r]ights including community tenure, habitat and habitation for PTGs and pre-agricultural communities.”

Section 3(1)(i): “[r]ight to protect, regenerate or conserve or manage any community forests resource that they have been traditionally protecting and conserving for sustainable use.”

Section 3(1)(k): “[r]ight of access to biodiversity and community right to intellectual property related to biodiversity and cultural diversity.”

Section 5 of the FRA, inter-alia, empowers the holder of any forest rights...

“(c) to ensure that the habitat of forest dwelling Scheduled Tribes and other traditional forest dwellers is preserved from any form of destructive practices affecting their cultural and natural heritage.”

Unfortunately, there is a basic divergence between rights on paper and rights in practice; the process of implementation is in fact incomplete, with loopholes and inconsistency between existing legislation and more recent provisions such as PESA or FRA itself. Some states in an effort to maintain central control and dilute the PESA provisions have introduced a clause that states “consistent with the relevant laws in force”. This means that PESA which recognized traditional rights over community resources – land, water, forest – is subdued to the existing laws that have consistently neglected tribal rights.

What we need instead is a coherent and comprehensive legislative framework, not an either/or mentality. It is a misconception that recognizing forest rights of tribals will dismantle existing forest management and wildlife protection laws; this leads to the polarized perception that either tribals can have rights, or the state institution can have powers. In matters as vital as the survival of our forests and forests people we need strong national laws for conservation to deal with the mining and timber and land mafias. Forest guardians joining forest guards is necessary for this strengthening.

The FRA states that no displacement is to happen without prior consent by Gram Sabha and full recognition of communities’ rights and settlement process. Yet there is not much clarity amongst the communities as to their entitlements and claiming process; moreover, the procedure itself has been made cumbersome and obstructive measures in place prevent tribal and forest dwellers from demanding legally recognized community rights. In many cases, tribals are just discouraged by officials who claim that community forms are not available.

It is instead paramount that tribal and other forest dwellers be enabled to claim community rights as opposed to individual rights: this has both ideological and practical relevance. Firstly, the philosophy of life of these communities stems exactly from the notion of one-ness: with the Earth, with nature, with their kin. Their understanding of resource management has been efficient, equitable and sustainable as it is based on the notion of “common” resources, to be managed by the community as a whole. Depending on these resources for life and livelihoods, tribals and forest dwellers had well defined ideas about how and how much to use, and their approach was never an exploitative one, as that would go against their own survival!

From a practical point of view, granting of individual as opposed to community rights leaves room for malpractice: not only would this result in the alienation of communities from their land and its fragmentation; it would also imply that the individual pattas can be traded, resulting in State or corporate appropriation of tribal forest land that was meant to be preserved from destructive activities by means of the same FRA. This is well exemplified by the process of alienation that is taking place across tribal communities in the country, with the North East being one of the starkest cases. In Meghalaya, Lafarge exploited this loophole to obtain community and private land, taking advantage and reinforcing the power structures within the Khasi tribals, colluding with local authorities and leading to internal clashes and land alienation.

Defending tribal and forest rights: unity in purpose

Unfortunately, not many have grasped the philosophy that guides forest dwelling communities’ lifestyle; in fact, the debate over upholding tribal and community rights in forest land is a very controversial one. The most ominous claim is that it is because of

the tribals and other forest dwellers that Indian forests have been destroyed. Based on this wrong assumption, tribals come to be seen as encroachers, enemies of the State and the wildlife, responsible for deforestation and killings of endangered species like tigers. Instead, it is precisely the tribals and forest dwellers to have preserved, conserved and protected the forest in its entirety, considering an ecosystem the balance of which needs to be kept for the survival of all the species living within it, tribal communities included: that is true spirit of sustainable livelihoods.

“We, the forest people of the world – living in the woods, surviving on the fruits and crops, farming on the jhoom land, re-cultivating the forest land, roaming around with our herds – have occupied this land since ages. We announce loudly, in unity and solidarity, that let there be no doubt on the future: we are the forests, and the forests are us, and our existence is mutually dependent. The crisis faced by our forests and environment today will only intensify without us”.⁴³

The indigenous (Adivasi) people in India understand their relationship with the earth, land and resources quite differently from the modern nation state understanding of private ownership. For them land is not an individual's property. They understand land in the traditional framework of community ownership and individual use. This implies that the community is organized as village republics and has the final verdict on the use of land. According to eminent social scientist and director of Xavier Institute of Social Science, **Ranchi Alex Ekka** “If I own a plot (of land) the understanding is that I have trusteeship of the land, but that it really belongs to the community. The understanding that we have equal access to the use of forest, water bodies and mineral systems is very strong. Our political system is based on this – all have access to land, hence all are equal. Everyone has a voice in the panchayat, and every one is heard.” The forest rights and PESA merely echo these understanding of life and interconnectivity which is the traditional wisdom of these communities for eons.

Our indigenous traditions have been based on diversity, pluralism, multifunctionality, non-exclusivity. We have sometimes had more trees on our farms than in forests, and forests have co-existed with farming as in the shifting cultivation practiced in tribal areas. While tribals and forest dwellers have created an economy of subsistence centuries ago – which means, the environment itself is their source of livelihood, home, income, food – the problem stems when this is subverted by an economy of profits by private actors, industries and the State apparatus itself.

Tribal rights activists and conservationists need to become part of one movement because stronger tribal rights translate into stronger forest protection. We should be joining hands to protect our forests and the diverse species for whom the forest is home to create a unified force against the predation by mining corporations, poachers, timber and land mafias.

The Forest Rights Act is not just a tribal rights Act – it is also a forest conservation Act. The rights of indigenous people rest on their ecological responsibility. The tribal rights recognition law will in fact strengthen forest protection and wildlife protection by providing the real custodians and guardians of our forests security of rights. This is what the tribals of Niyamgiri are asking: implementing the community rights in the Forest Rights Act is recognizing that the tribals have a right to decide whether their mountain and forests should be mined or not. They have already said No to Vedanta, again and again. It is time for the Government to hear this No.

⁴³Excerpt from the Declaration of National Forum for Forest People and Forest Workers

2b. Report on Policy Dialogue: Niyamgiri, a test case for the defense of our forests and tribals



(In the picture: Sanjay Uphadyay, Ramaswami R Iyer, M.C. Mehta, B.D. Sharma, V. Shiva, Bhakt Charan Das)

To show solidarity to the movement and raise awareness on the violations perpetuated by Vedanta in collusion with the Government of Orissa ahead of the final verdict, Navdanya/RFSTE joined hands with the **Save Niyamgiri Movement** in holding a **Policy Dialogue** in New Delhi on 12th August, 2010. Eminent social scientists, environmentalists, legal experts and parliamentarians came together to sup-

port the cause of Niyamgiri, its forests and its people against the threat of destruction by hands of Vedanta.

Representatives of the Dongria Kondh, both men and women were travelling from Niyamgiri to attend the conference in Delhi and narrate the atrocities Vedanta is committing against them and the forests when, in a shocking incident - signal of Vedanta's rule of terror - they were beaten and abducted by armed men, later found to be policemen. The two Dongria leaders **Lado Sikaka** and **Sana Sikaka** were untraceable till Kalahandi's MP intervention, after which they were finally released.

Men:

Kalia Sikaka
Drinju Sikaka
Sima Sikaka

Women:

Rinja Sikaka
Sinde Sikaka
Pandra Kadraka
Sundri Krusiki
Minjadi Sikaka



In the picture: Lingraj, Komthi Maji, Siddhart Nayak, Vandana Shiva, Digvijay Singh, Mani Shankar Aiyer, Bhakt Charan Das

The rest of the convoy was forced back to set an alarm in the village. Siddhart Nayak, President of Green Kalahandi Movement, who was leading the delegation, described the terror of being stopped, threatened with a pistol and left for hours in the forests without means of communication. The account of the story in his words is attached.

Niyamgiri, the mountain (Giri) that upholds the

Earth and the law of the Universe (Niyam) not only provides Primitive Tribes with life and livelihoods but is also worshipped as the upholder of the Earth and the laws

of the Universe. The Dongria Kondh and other forest communities live under the law of Niyam “Niyam made the fruits and grains and said “Now live on what I gave you. Not a single tree shall be cut, not a single animal killed”. They don’t require a legal framework to determine their access and usage rights, for sustainability and respect guide their every action; they don’t demand individual rights for they believe in community, in common management, in sharing Earth’s bounty, a point emphasized by **Pinky Anand**, Senior Advocate to the Supreme Court.

The hills are covered by dense forests, rich in biodiversity; they are also bauxite rich. While local communities as well as environment and social scientists see this mineral for its intrinsic value of water conservation, precious to support people, agriculture and the forests, Vedanta’s mining corporation only sees Bauxite for its role as the raw material for alumina production, and thus the hill not as a common heritage to preserve, but as a profit making business for the few rich and powerful. To the Dongria Kondh, instead, as in the words of Lado Sikaka Majhi, one of the abducted leaders, Niyamgiri *“is not a pile of money; that mountain is our life.”*

Vedanta is not only violating every law of the land, it is also corrupting the entire administrative apparatus of India, Orissa, Niyamgiri and also Lanjigarh where the alumina refinery is located. Even worse, it is spreading terror in the region – the abduction of the tribal leaders being the latest example.

It is for these reasons that Niyamgiri has come to represent a test case for the defense of our democracy and peace, our forests and the rights of tribals. “If we fail in Niyamgiri” says **Dr Shiva**, Director RFSTE and a member of the expert group drafting FRA, in the opening remarks “we won’t be able to protect the rights of people and nature anywhere else”. The policy dialogue was meant to give support and solidarity to Niyamgiri tribals, to strengthen community forest rights and environmental laws of the country and to deepen the democratic process to maintain peace and justice in our tribal areas. The rights of Mother Earth, of the forests and human rights are inseparable. It is this message that the policy dialogue wanted to reaffirm through the voices of different stakeholders.

Kalahandi MP Bhakt Charan Das in his speech highlighted how the laws on paper are not translating into rights in practice, as despite the FRA and PESA, introduced with the admission from the Government that the tribals had been victims of “historic injustices”, the individual and community rights of tribals in Niyamgiri are not being recognized or respected, while human rights abuses and environmental law violations keep on worsening.

From a legal standpoint, Pinky Anand - Senior Advocate (SC) - and **Sanjay Uphadyay** –one of the framers of the Act - stress in fact that the issue is not one of absence of laws, that are rather plenty and fragmented, but of lack of implementation, a point that was reiterated by most speakers. In reality, as **T.K. Oommen** - eminent sociologist, B.D. Sharma – one of the architects of PESA and member of the expert group for FRA, and Vandana Shiva remind us, the rights the tribal and forest dwelling communities are fighting for are rights to the Earth and its produce; they derive from Mother Earth and hence they are natural rights; they shouldn’t depend on an Act in the first place.

Much of the problem, the speakers conveyed, is that neither the Government, nor the urban public deeply understand the relationship that bonds the tribal and forest communities to their land and the environment. These communities have informally implemented the law of nature for centuries; as opposed to the law of loot, of greed, and corporate terror that is in place today, they say, this doesn’t need regulation.

Still as Sanjay Uphadyay reminds us, the community rights are “already vested” and it is a duty of the State to respect them, not grant them! While Uphadyay declares to

remain optimistic at heart about the potential positive rule of law, several others convey that the future is in the hands of people. **M.C. Mehta** of the Mehta Environmental Foundation points to example of governmental lassity and inertia, referring to the promised, never created Environmental Court and concluding that it is social movements to achieve results, as happened with the cleaning of the Ganga.

The question of State authority and power here raised ran throughout the debate.

B.D. Sharma raised for example the issue of Gram Sabhas, which as prescribed in PESA are empowered bodies competent to manage own affairs and natural resources according to customs and traditions; yet the issue arises as the “top leadership doesn’t allow for people to be supreme”. Before Independence, people living in the forests had full control over the natural resources as the laws of the land did not extend to tribal and forest areas that were considered “excluded”. Today, after PESA, the State coming in with no legitimacy over Scheduled Tribes areas is an example of the colonial thinking our elites are still seeped in, he remarks.

Usha Ramanathan, who headed one of the MoEF committees to look into Niyamgiri’s case, takes this point forward, stressing on how it is the people, not the Government, to exercise democracy. In cases like Niyamgiri, the Government itself is acting in violation of the Constitution and the law; we members of civil society should not question how the Government is using its powers; we should, practicing democracy, assert that it doesn’t have such powers in the first place! “The State” she says “has Constitutional obligations and does not have absolute powers”.

She goes on to say that much of the problem lies in our understanding of development and in the imposition of our urban paradigm to communities with a unique lifestyle.

Vedanta claims it will bring development, it will bring employment and improve livelihoods. **Ramaswami R. Iyer**, Former Secretary of Water Resources, Government of India, contested this by bringing us back to the Coca Cola battle in Kerala, another instance where private companies on the loose exploited natural resources with no care for consequences on people or the environment: employment, yes, for how many people and for how long? Will this employment make up for exhausted groundwater or for the ecological imbalances? These damages are irreversible.

T.K. Oommen follows on this stating that while some human displacement is perhaps inevitable, it is paramount to minimize it, and adequately compensate the displaced, after receiving their informed consent. Neither holds true in the case of Niyamgiri, where, he says, we are simultaneously witnessing an ecocide, aquacide, culturecide eventually leading to silent genocide due to displacement.

Unfortunately though, the approach followed by the Centre in forest and tribal areas has been one of “control” or “develop”, says Uphadyay. Questions of good governance or empowerment were never raised. **Bharat Thakor** of Ekta Parishad, picks up on this by saying that the lack of understanding and awareness amongst affected communities makes perhaps individual pattas a more workable solution, till stakeholders are empowered.

Rajya Sabha **MP Mani Shankar Aiyas** also focused on the need for empowerment, but like many others he advocated community rights saying: ‘The tribes need to feel empowered and free which is only possible when the centre involves them in the process of development.’ All the speakers agreed that the approach to be followed should be one of community empowerment: this stresses on the paramount essence of both the notion of common management of resources, and on the fact that these communities know what they want.

The Dongria Kondh through the voice of Lingraj reiterate that they are well aware of what they want: they do want development, but a sustainable one, that respects their traditions and customs. They have demanded schools, People have the right to refuse our urban industrial paradigm of development; if the process is leading to immiserization of locals, it can't be called development, says Ramanathan. Congress general secretary **Digvijay Singh** said tribals and other forest communities should be made stakeholders of their own development. "The way forward in Niyamgiri" he said "is to make the forest dwellers owners of their own produce. The benefit of any capital investment is their inherent right."

Finally, all speakers agreed that in the immediate future, the efforts should concentrate on creating a comprehensive legal framework that addresses all issues thoroughly, in the place on the individual Acts currently in place; there is also need for a review of existing legislation to do away with all loopholes and inconsistencies that allow Vedanta and companies alike to carry on with their national loot.

In the words of Bakt Charan Das "We have to choose what is more important, the corporate leaders or millions of people in the countryside.

We must use mass agitation. We can assemble. We can go on hunger strike in Gandhiji's way. This is how community rights must be brought to the country. We can decide. With this I conclude."

The last speaker, **Komthi Maji** of the **Save Niyamgiri Movement**, reiterated Niyamgiri's cry for help: he demands from the Government, NGOs and society to mobilize and stop the violence against tribals and forest communities, the environmental exploitation for the benefit of the few and save Niyamgiri, the sacred mountain that upholds the Earth.

The way forward: upholding tribal and forest rights

In sight of the human rights violations, environmental and social damages caused by Vedanta in Niyamgiri, as the resolution emanating from public debate at the Policy Dialogue Navdanya, the Save Niyamgiri Movement jointly put forward the following demands:

1. Demand that Community rights of Niyamgiri tribals must be implemented as recognized by the Constitution, so to uphold the democratic decision that the tribals have already made.
2. Demand that Niyamgiri should be declared a natural and cultural heritage zone where no mining should be allowed.
3. Commit that Navdanya will work with the local tribal community to create community seed banks and biodiversity conservation strategies to strengthen and defend sustainable, green livelihoods of Niyamgiri tribals
4. Demand that the alumina refinery in Lanjigarh should be closed as it is in violation of Environment Protection Act and Pollution Control Act. We call for the Orissa Government to uphold and respect the Forest Rights Law and Environmental laws.

Past assessments (CEC report 2005, CEC report 2007, Orissa State Pollution Control Board (PBC) 2008, MoEF (Usha Ramanathan) 2010), have already established that the alumina refinery in Lanjigarh is causing huge pollution and destroying the Vamsadhara river. Its presence has become an ecological threat to the entire region.

5. Demand that Vedanta's reign of terror in Niyamgiri and Orissa is put to an end by the Government and the Government start to defend the rights of the people instead of corporate terrorism.

6. Call on all agencies worldwide to support the Vedanta disinvestment campaign. The Norwegian Government, Church of England, Joseph Rowntree Charitable Trust, Marlborough Ethical Fund and Millfield House Foundation, amongst others, have already disinvested from Vedanta.
7. Call for a Joint Parliamentary Committee to immediately investigate the violations of laws and of human rights by Vedanta and the environmental and social destruction that it has caused.

2c. Niyamgiri: a victory for our forests, tribals and democracy

After years of steady campaigning by NGOs and civil society worldwide Vedanta's plans of mining bauxite from the sacred Niyamgiri mountain in Orissa were finally been put to rest as the MoEF appointed committee headed by **N.C. Saxena** to look into the Niyamgiri matter went public with its report on 16th August 2010.

After evaluating the ecological costs of mining (in terms of wildlife, forests and water losses) human costs of mining (threatened life, livelihoods and survival of PGT there residing), violations of Forest Rights Act, violations of Forest Conservation Act, violations of Environment Protection Act, violations of conditions of clearance under EPA granted to refinery, very limited relevance to expanded refinery, they concluded that:

*"In view of the above, this Committee is of the firm view that allowing mining in the proposed mining lease area by depriving two Primitive Tribal Groups of their rights over the proposed mining site in order to benefit a private company would shake the faith of tribal people in the laws of the land. Since the company in question has repeatedly violated the law, allowing it further access to the proposed mining lease area at the cost of the rights of the Kutia and Dongaria Kondh, will have serious consequences for the security and well being of the entire country."*⁴⁴

This strong NO constitutes a great victory for the people of Niyamgiri and for the Dongria Kondh, who have been fighting relentlessly against the mining of their home and sacred mountain, against violence and greed. It constitutes a victory for the forests and ecosystems of biodiverse flora and fauna of the hills that risked extinction. It also importantly constitutes a great victory for the people of India at large, as it reinforces the belief in the country's democratic process and in the idea that it is possible to restore peace and secure the rights of people and of Mother Earth through democratic means.

It is at this time that our commitment must be renewed and strengthened: the MoEF ruling constitutes a milestone in terms of appropriate implementation of the laws of the country and of our Constitution. Now that the political momentum is favorable, it is paramount to reassert this NO, a NO to human rights violations, to the destruction of our environment and the destitution of our people's livelihoods for corporate profits.

2d. Broader Implications: The Aluminium industry, environment and overconsumption

This said, while we the people have collectively won a battle, the war against corporate greed is long from over. Been denied the green light to mine in Niyamgiri, Vedanta has already approached the State government of Orissa to be allotted one or more other locations for extracting bauxite needed to operate its Lanjigarh refinery.

⁴⁴(http://moef.nic.in/downloads/public-information/Saxena_Vedanta.pdf)

Putting forward the investment loss argument, the Orissa government itself is pushing the Centre to reconsider its stand and allow Vedanta's project. Vedanta's alumina refinery and aluminium smelter are already creating massive pollution, killing animals and people. Felix Padel and Samarendra Das in "Out of this Earth" stated that each ton of alumina generates 1 ton of waste and needs 250 kilowatt tones of electricity. And smelting 1 ton of aluminum consumes 13,500 kilo watt tones of electricity, emitting an average of 13.1 tons of carbon dioxide and other green house gases such as fluoro carbons.

To produce **1 ton of aluminium 1,300 tons of water** are consumed. This water is being stolen from the people. Without water there is no life or livelihood. Kalahandi district where Niyamgiri is located is already one of the worst districts for hunger and starvation deaths. The 30 Km long Upper Indravati dam has diverted water from the Indravati river to the Hati Tel river through a 4 km tunnel at Mukhiguda.

Vedanta's Burkhamunda smelter in Jharsuguda is getting water from Hirakud dam on the Mahanadi. 200 kms of the Indravati have been killed by the upper Indravati dam. And the diversion of water from agriculture to industry has already led to major farmers protests. Groundwater level is falling. And double crop land is being converted to single crop land due to decline in availability of irrigation water. Thirdly, the water released by the refinery and smelter is toxic, destroying what remains of the rivers and groundwater. Vedanta is illegally spreading its red mud ponds into villages and forest land in Lanjigarh. Rivers are dying. And with them the communities the rivers support. If the destruction of water and biodiversity are internalized, Vedanta is creating a negative economy of death and destruction. This is not development.

The Niyamgiri victory also supports the demand for a review of the model by which we irreversibly destroy our natural wealth to export steel and aluminium.

The smelters, plants and refineries of absurdly polluting nature are being shut down in the West, and opened up in the South. This is an example of what Dr Vandana Shiva has called the "outsourcing of pollution".

Niyamgiri was a test for democracy's ability to stop corporate misrule and terror. It was a test about humanity's ability to respect the rights of Mother Earth. We have passed the test in Niyamgiri. It is now necessary to extend this victory to every place where forests and land, tribals and Mother Earth are threatened by the greed of land and resource grab for private accumulation. It is also imperative to stop and reverse the human overconsumption frenzy that is feeding these industries, in turn fuelling dispossession, conflicts and war. The Dongria Kondh's sustainable living economy has much to teach us.

List of Aluminium based Plants in India

Company	Number of plants	Facilities/products	Location
Nalco	3	Alumina refinery	Damanjodi, Koraput, Orissa
		Aluminum smelter	Angul, Orissa
		Rolled products unit (part of smelter)	Angul, Orissa
Hindalco	10	Refinery, smelter, rolling, extrusions	Renukoot, Uttar Pradesh
		refinery	Muri, Jharkhand
		Formerly smelter, now extrusions unit	Alupuram, Ernakulam, Kerala
		Flat rolled products	Belur, West Bengal

		Foil and packaging	Kalwa, Maharashtra
		Foil	Kollur, Andhra Pradesh
		Sheet rolling	Taloja, Maharashtra
		Aluminum foil and converted products	Silvassa, Dadra and Nagar Haveli
		Aluminum plant	Belgaum, Karnataka
		smelter	Hirakud, Orissa
BALCO (Bharat Aluminum Co.)	2	Smelter	Korba, Chhattisgarh
		Fabrication plant: cast house, foundry, sheet rolling	Korba, Chhattisgarh
INDAL (Indian Aluminum Co.)	1	Smelter	Cochin, Kerala
Vedanta Aluminum Ltd (VAL)	4	Refinery	Lanjigarh, Orissa
		Smelting (2 plants)	Jharsuguda, Orissa
		Casting	Jharsguda, Orissa
TOTAL	19		

3a. Iron and Steel: Posco Project in Orissa

After UK based mining giant Vedanta's plans of mining and refining bauxite on and around the hills of Niyamgiri, environmental hotspot rich in biodiverse flora and fauna and home and living God of the Dongria Kondh, were halted by a clear and definite NO from the MoEF because of innumerable law violations, Indian tribals, small farmers and environment are under threat yet again.

The same Minister who rejected Vedanta has failed to apply consistency, granting clearance to the very controversial POSCO integrated steel project in Orissa by choosing to overlook and ignore the blatant illegalities it is built upon. Amongst misrepresentation of facts, deliberate withholding of information and severe regulatory breaches, one of the most flagrant violations by the hand of POSCO – supported by the Government is that of local people's basic human and constitutional rights to life and livelihood: in spite of clear and binding provisions to protect SCs, STs, Adivasis and forest dependent communities enshrined in the Forest Rights Act and in the Indian Constitution, none of these have been followed in making way for POSCO.

In a shocking judgment on **2nd May 2011**, Environment Minister Jairam Ramesh has

given final clearance to POSCO by resting his decision on the mere assurance by the State Government of Orissa that "all was well" in respect to implementation and compliance of the Forest Rights Act, while also confessing to have cleared the project "under pressure".

A fortnight later, we received the worrisome news from Jagatsinghpur, Orissa that despite official statements putting off land acquisition to a later date, around 20 platoons of police forces had entered the Polang village in the midst of the night and were



proceeding with forceful land acquisition for the stake of India's largest FDI – the POSCO Steel project.

The Orissa Industrial Infrastructure Development Corporation (IDCO) State public Corporation is proceeding with the land acquisition under an “urgency” clause and claiming that it is doing so under the LAA “public purpose” for industries. Facts and documents prove the falsity of the claim – when everyone already knows the land is being acquired for the POSCO integrated project. The government has set the target of destroying **40 betel farms a day** to facilitate the land grab and it is taking control of people's plantations, homestead and agricultural lands. The betel farms bring the farmers an earning of rupees 4 lakhs an acre.

The administration recurring to “urgency” under the public purpose clause is an obvious escamotage to prevent the affected people from asserting their rights. The POLANGA village where land acquisition has started is populated by tribal people, making the violation of the Forest Rights Act already denounced by the Government's own Committees – findings which the MoEF chose to ignore - even more evident and undisputable.

A resistance for victory or death – our land is our life

At the grassroots, since the inception of the project back in 2005, even before the passing of the Forest Rights Act a strong resistance struggle was formed led by the **Posco Pratirodh Sangram Samiti headed by Abhay Sahoo** to object the project, expose foul play and gross violations by the corporation and the Orissa State apparatus, and to demand instead the implementation of the laws of the country and respect for people's Constitutional rights. The people of Orissa have been practicing democracy and demanding lawfulness to



Police platoons gear up for POSCO land acquisition



Children and women lead the peaceful resistance



a Government that's been acting illegally; they have since been faced with intimidation and violent repression. As I write this article, the communities of the 3 affected Gram Sabhas of **Dhinkia, Nuagaon and Gada Kujanga** with children and women strong in their resolve at the forefront are joined in the resistance by activists and political actors to prevent forceful land acquisition. It is a fight till victory or death, say the locals.

The Anti POSCO movement in its 5 years of peaceful protest has faced state violence numerous times and was gearing up for another perhaps final, non-violent round of democratic resistance. The Orissa administration's deceitful strategy, application of Section 144 and deployment of police force leading to an atmosphere of intimidation and aggression are revealing of the Government's intentions.

On 6th June 2011, nearly 500 peaceful protesters including activists and political representatives courted arrest as they tried to access the land handed over to POSCO to protest against the mega steel project. In the following days, police forces deployed at the site were prevented from entering the Dhinkia village as locals pursued a last desperate attempt to stop the illegal acquisition while activists and representatives of political parties joined in the protest which will be taken to Jantar Mantar in Delhi on June 24th. **Dr Vandana Shiva** visited the site at Govindpur on June 23rd to extend her solidarity to the Anti Posco movement which Navdanya has been actively supporting.

While some of the media has misrepresented the presence of children and women as human shields as a violation of their rights, Dr Shiva tells a very different story from the ground. The children are not the movement's victims, they are in fact the movement's leaders. Children's rights are being violated by the Government in the forceful land acquisition and handover to POSCO and they are being violated no less by State repression.

Firstly, the Government's actions are violating children's rights to live peacefully in harmony with the Earth. Forcibly removing children from their land implies tearing the bond between the nourisher Mother Earth and her pupils.

Secondly, the Government is violating children's right to food: in the midst of an already severe hunger and malnutrition crisis, with **47.9% of children under 3 stunted** and **43.5% of children under 5 underweight**, handing over fertile farmland worsens the crisis and threatens children access to food.

Lastly, the Government is violating children's right to education, as schools in the area are occupied by security forces. The children and locals are responding to this by holding open classes in the fields while standing strong against the land handover.

At this stage, Jairam Ramesh tries to devolve responsibility by stating that the forest clearance by him granted does not entitle forceful land acquisition. The obvious question this raises is why did he grant clearance in disregard of evidence of local opposition? Why did he ignore the Centrally Empowered Committees findings about the undoubted presence of forest dwellers? Why did he dismiss the provisions of the FRA clearly requiring Gram Sabha's consent for diversion?

The Government is violating the same Constitution which it rhetorically keeps referring to, and at every step, disregarding the laws it itself has implemented if not when instrumental to achieve its objectives. The application of the outdated Sedition laws has been instrumental to repress dissent in the face of rights and Constitutional violations with respectable citizens such as Binayak Sen incarcerated on no grounds. Instead, it is the handover of fertile land and resources to foreign interests that amounts to Sedition by the State, as it is separating India from its wealth, environment and democratic governance for the sake of SEZs and FDIs.

POSCO can be considered one of the starkest and most dramatic examples of forced industrialization sold in the name of development; a comprehensive study of the of

the integrated project's impact goes a long way in explicating what is the country sacrificing - the costs are high and widespread, the benefits, on the other hand, are extremely concentrated in the hands of a powerful few. It is also testimony of the nexus between State and corporations; it is a test of how mining and correlated industries are subverting democracy.

Introduction

In 2005, the Government of Orissa entered into a MoU with South Korean steel maker **POSCO** for the creation of a **12 million tones/year steel plant in Jagatsinghpur** along with a captive port near Paradeep and iron ore **mines in Kandhadar**, requiring **4004 acres** of land of which **3000 are forest land**.

Prospected as the largest FDI to India ever at **\$12 billion**, the project is been hailed by the Government of Orissa as a boon for the local and national economy in terms of foreign earnings, employment generation and returns to the State and Central Government, and by the PMO as a deal of strategic and diplomatic importance. While the GoO in the person of CM Naveen Patnaik is lobbying relentlessly on behalf of POSCO, the local population, civil society organizations and eminent experts are strongly campaigning for the project to be dropped on the ground of considerable threats to residents and the environment, regulatory violations and losses overshadowing the nearly non-existent benefits against general propaganda.

The POSCO project would directly displace over 22,000 of local population only for the steel plant, affecting over 50,000, destroy the local economy causing huge loss of livelihoods, environmental damage and resource exhaustion while also causing huge losses to the country in terms of potential revenue, be it by granting SEZ status or because of the loot of an expensive resource by a foreign company at throwaway prices.

Below are details of the mega project, along with natural resource requirements accorded to POSCO by the GoO.

The POSCO project⁴⁵

- a. Steel manufacturing (Steel Project – Jagatsinghpur, 10km from Paradip)
- b. Captive coal fired thermal power plant 400MW to be expanded to 1100MW
- c. Infrastructure for the Integrated Steel Plant and related project – road, rail and port (Transportation Project)
- d. Mining of iron ore, other ores, coal (Mining Project – mineral resource site) Sundergarh – Kandadhar mines
- e. Water Supply infrastructure (Water Project)
- f. Captive Port at mouth of Jatadhari River, 10km from Paradip

LAND

- 4,000 acres for Steel Project and related infrastructure
- 6,100 acres for captive iron ore mine in Kandadhar Hills (conceived info)
- 2,000 acres (500 near Mining site and 1,500 near Steel Plant) for township development, recreational activities and all related social infrastructure development (Integrated Township Development)

⁴⁵For details of the project see POSCO MoU

- 20/25 acres for office and national headquarters in Bhubaneswar
- 1000 acres for dumping fly ash, hazardous solid waste⁴⁶
- Additional land as required for Transportation project, Water project, etc

RAW MATERIALS

- COAL: coal blocks to be allotted for captive coal mining
- IRON ORE: 600 Million Tonnes of Fe content average 62%
 - Upto 30% of the total requirement for the plant with high alumina content for low alumina content of equivalent or superior Fe content for blending (higher grade)
 - Mining lease for 30 years and considered for renewals for 20 years
 - 400 Million Tonnes under long term commercial supply agreement under EXIM policy, GoI
- LIMESTONE, DOLOMITE, CHROME ORE, MANGANESE ORE as required
- WATER: drawal and use from Mahanadi barrage at Jobra, Cuttack or any other suitable source
- 3.50 cubic meters per second (cumecs)
- POWER: about 25MW to be ensured by GoO, captive plant of 1500MW capacity to be created by POSCO

TOTAL INVESTMENT: \$12 BILLION = 51,000 crores approx over 30 years

Royalty rate on Iron ore: ad valorem 10%⁴⁷

(See Revised Royalties, Ministry of Mines/IBM sale price/calculation of royalty)

The Government of Orissa along-with Posco and the Centre have been intensively lobbying for the project, stressing that it would bring unprecedented benefits to the country in terms of revenue, technology and employment. The only study that's been repeatedly presented to justify the POSCO project's desirability for India is a Social Cost Benefit Analysis by the **NCAER**⁴⁸. The study was financed by POSCO which exposes evident conflict of interest, not made less evident by serious inconsistencies and bias throughout the analysis: minimum costs are compared to maximum benefits (see technology choice assessment); tax revenue calculations are flawed; claims of employment generation grossly exaggerated, and lastly there is no account of the baseline economy which is in violation of Asian Development Bank's guidelines on computation of any social cost opportunity study. The NCAER report has been publicly discredited by **Mining Zone People Solidarity Movement**, an independent US research establishment that responded with another report "Iron and Steel: the POSCO India story" to refute the claims of the NCAER, of POSCO India and of the Orissa Government with factual data.

While the benefits have been presented grossly flawed, the cumulative impact of POSCO has always been downplayed by the Government, both at the Centre and at the State in a bid to remove controversy; not only, a review of the clearances granted to POSCO in violation of mandatory requirements exposes a fundamental ignorance over the social and environmental impacts of the mega steel project. **Navdanya/RFSTE** joined hands with the Anti Posco movement **Posco Pratirodh Sangram Samiti** in

⁴⁶EGS: Tearing through the water landscape: 2011

⁴⁷Revised Royalty Rates available at <http://mines.nic.in/writereaddata%5CContentlinks%5C664684440da3>

⁴⁸bfb8190324512c718.pdf ⁴⁸NCAER Cost benefit analysis available at www.ncaer.org/Downloads/Reports/Posco.pdf

holding a **Public Convention** to raise awareness on the real consequences of the POSCO integrated project which have otherwise been consistently ignored in the Government's and company's propaganda. Eminent scientists got together to assess the actual impact of Posco's project on India's environment, population, resources and revenue

The Posco integrated steel project has been granted clearance on the basis of a number of Rapid Impact Assessment based on data from only one season as opposed to what is comprehensive assessment over a course of time, mandatory for all projects of such a massive scale. **Leo Saldana**, associated with Environmental Support Group, Bangalore explained at the Convention: "Environmental Impact Assessment (EIA) was carried out by Posco itself and EIA was the distorted. The land is very fertile in Orissa and the Mahanadi Delta has very rich productivity. If Posco destroys the coastal areas, it will increase cyclonic activity". "Since 1850 the cyclonic activity near Orissa coast is increasing and the highest tidal wave recorded was of 5.5 metres. Posco increased the height of the plant upto 5.5 metre that will keep it safe, however it will destroy the agriculture, livelihood and the fisheries" he added.

The project was in fact not assessed in its entirety but strategically presented as a number of smaller, individual components easing the grant of clearances by not assessing the project working at full capacity. Below the recommendation of the CEC headed by **Meena Gupta** in regards to the EIA:

*"The Committee strongly feels that there have been many serious lapses and illegalities in the EIA process. The EIA for such a megaproject is rapid, based on one-season data without taking into account all the components of the project like the township project, water project, railroad and transport facilities etc. Moreover it is limited only to Phase I of the project. There are serious violations in the public hearing process where many communities have been left out. The imposition of additional conditions to the existing ECs will not at all remedy the lapses and illegalities. The Committee therefore strongly recommends that the Environmental Clearance given by the MoEF dated 15.5.2007 for minor port and 19.7.2007 for the steel plant should be immediately revoked."*⁴⁹

The rapid non-integrated assessment has resulted in a partial and inconsistent evaluation which is fundamentally biased; a review of the actual unaccounted losses, in sight of non-existent benefits to the people and the country, reframes POSCO as a story of plunder and profit. As PPSS President **Abhay Sahoo** puts it "Posco is bad economy. It is a liability to Orissa.

Losses:

- i. Local thriving economy of betel vine, fishing, forest produce, agriculture that:
 - a. has net surplus employment
 - b. generates Income of Rs 40,000/decimal/year
- ii. Displacement and livelihood loss vs employment generation
NCAER claims POSCO will generate 8.7 lakh jobs + 48000 direct & indirect + 7000 direct employment in Ph. I as opposed to a real figure of 1.7% over 5-10 years⁵⁰

⁴⁹Meena Gupta Committee report (Pingley, Pandey, Suresh) on Environmental Clearance 2007 available at moef.nic.in/downloads/public-information/report-committee-posco.pdf

⁵⁰MZPSG: Iron & Steel: the POSCO-India story

- iii. Loss of natural resources
 - 1. iron ore: market price has reached over 5,000 Rs, rising till 10,000 Rs
 - a. Royalty rate is 10% of market price
 - 2. Forest land: 3000 acres of forest land
 - 3. water: around 7000 crores litres, loss of access to water
- iv. Loss of revenue:
 - 1. iron ore market price vs royalty of 10%
 - 2. tax exemptions customs duty on M/X, excise duty, service tax, INCOME tax (on export income from SEZ)

Impacts on livelihoods and environment

- Availability of water for human consumption and irrigation, exhaustion of water sources, pollution of water bodies
- Food security provided by forest produce, secondary subsistence cultivation
- Impact on marine and wildlife (Olive Ridley turtles, elephants, tigers)
- Depletion of forest cover and significant pollution due to industrial activity and mining
- Severe impact on coastal topography due to creation of captive port, increased vulnerability to cyclones, oil leakages, erosion leading to coastline instability
- Severe impact on health: air-borne diseases, water borne diseases, decline in life expectancy,

The coasts of Jagatsinghpur express nature's grandeur, in an intricacy between water and land that gives home to a variety of flora and fauna; typical of the area are mangrove swamps rich in biodiversity, which Andrew Sterling, a Baptist Missionary had aptly described as grandiose and romantic. The thick jungle was abundant in wildlife; at the time, the now endangered Olive Ridley turtle and the Horseshoe crab were highly abundant. He also noted the patches of rice cultivation, produce of which was abundant and highly valued, often exported to other Indian cities, and that of betel vines⁵¹.

His testimony contradicts the claims of the Orissa administration that the local paan cultivators are only of a recent origin; in fact it is recorded that agricultural practices of the area go back to Mughal times.⁵² The presence of the paan khetis interspersed in the forest is documented also by a Survey of India from 1922 till 1972. Paan cultivation is completely organic and economical, based on natural fertilizers and requiring minimum inputs. As it can be cultivated on small plots, it ensures a good distribution of wealth amongst the community, ensuring steady flows of income (about Rs 1.2 lakh per field) even to small plot holders the year round. In Govindpur alone there are almost 700 paan cultivators. Kewra, cashews and drumstick, mangos, papayas, guavas amongst rich other produce also allow for a good income, contributing to the biodiversity of the area which in turn raises productivity. A biodiverse farming system has in fact been recognized as financially, nutritionally and quantitatively more beneficial to cultivators, as Navdanya's own studies have confirmed.

This diversification has allowed the farmers to rely on their own livelihood, far from the vagaries of the market. It ensures that they have enough and good quality nutritious food, free from toxins and at practically no costs. At a time when over 200,000

⁵¹Tearing through the water landscape: Environment Support Group, May 2011

⁵²ibid

Indian farmers have committed suicide locked in a debt trap because of high cost of industrial inputs and when food prices are spiraling in the grips of market inflation, the value of this sustainable and self-reliant model of production cannot be stressed enough. Industrialization and growth frenzy are biting away at the country's food security. India already has half its children dying of hunger. In the midst of an increasingly severe food crisis, the few islands of sustainable and productive cultivation like this one get swiped away for making room to industry. No amount can compensate this, no FDI, no revenue. All the more, if in a case like the POSCO one, it all boils down to being untrue.

Loss of Revenue: The MoU between POSCO and the Government of Orissa allows for an extraordinary concession: the company will be allowed to extract 600 Million Tonnes of Iron Ore from a captive mine in the forests on Kandhadar Hills. It is not in India's interest to export iron ore as raw material, nor is there any clear explanation as to why the country should throw away iron ore at dirt cheap prices – the revised royalty is a meager 10% – as opposed to charging market price for the commodity. The price of iron ore has shot up from around Rs 300 per tonne to over Rs 5000 per tonne, and is predicted to rise upto Rs 10,000 per tonne by 2011.⁵³ These profits are foregone in sight of the agreement between POSCO and the GoO, which again counters the Government's claims of great returns to the country's exchequer.

Also, why to allow for a foreign company to mine the precious resource for export (the MoU between POSCO and GoO sees the GoO committed to providing 600 MT of iron ore for use in its Indian plant with 400 MT for its S. Korea plant)? China has rejected the investment proposal not to part with precious iron ore resources and India has been long debating a ban on iron ore exports to favour domestic value addition.

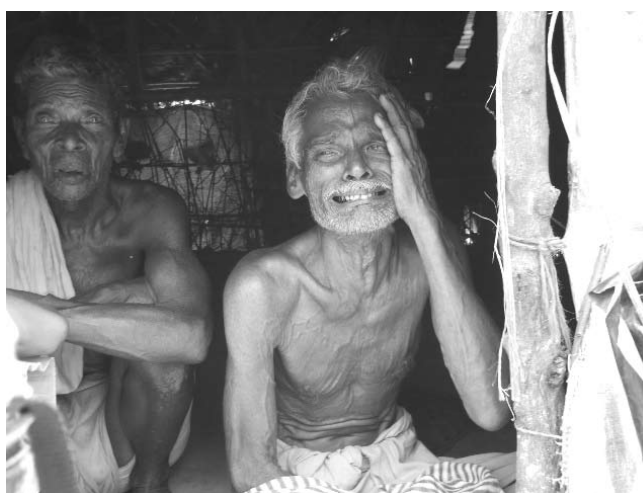
When the demand for steel has shot up the price of iron ore exponentially – iron ore being in scarce supply – it makes no sense for India to give it away to foreign companies; it would make economic sense to charge market rates for the raw material or produce more returns by domestic value addition i.e. Indian companies using the iron ore for domestic steel production.

The rationale of allotting captive mines has been questioned before as the benefits of mineral extraction are disproportionate to the costs involved in mining and certainly not comparable to the amounts paid to the country in royalties. **A.K. Agrawal** has moved a public interest litigation challenging this trend in regards to captive mines in Karnataka.

⁵³For the economics of mining, read PIL A.K. Agrawal vs State of Karnataka



A desperate man as betel vines are destroyed



The logic applies to this case too.

It is noteworthy that Posco was given precedence over more than 200 applicants, both Indian and foreign firms – some of which are public sector corporations!

SEZ Status: The GoO has also been lobbying for POSCO's project to be granted SEZ status: this of course means that the potential revenue to the State and the Government is in fact considerably lower, as SEZs are exempted from customs/excise duties, sales tax, service tax, central sales tax, and income tax on export income, while also been provided for duty free import.⁵⁴

In 2005, the Government made public claims of 89,000 crores revenue to the Central Government and Rs 22,000 crores to the State Government of Orissa over a period of 30 years. These figures were not consistent with the vigent regulations on SEZ which significantly decrease the tax revenue – as SEZs most prominent feature is tax holidays and concessions. At a later stage, the Government started putting forward the NCAER study figures, which were even higher than the Government's own despite apparently accounting for SEZ status and hence less revenue! From the report it appears that the NCAER has been carried out inconsistently to say the least: the example of corporate tax is revealing, with the quotes given for SEZs higher than those for Domestic Tariff Area, while SEZs avail of significantly lower taxes on grounds of incentives.

Broader considerations

The one argument that has been used ad nauseam to supposedly justify POSCO is that at Rs 52 crores this would be India's largest FDI ever. While we have already assessed that Posco would recover the entire amount in only 8 years, from its mining operations alone, it is useful to review the broader impact of FDI on growth and development. Once we have assessed the profits to POSCO and the revenue foregone to the exchequer by means of facilitations and tax holidays, we soon realize that monetarily, India is losing out. In terms of employment too, it has been assessed that the claims are highly exaggerated, while evidence from all similar projects across the country and the world testifies to the fact that jobs are in fact not abundantly created and specially not open to the locals, who find at the most inhumane casual and contractual work as labourers in the mines or as cleaners and guards in the factories. The mining industry is in the process of consolidation, as big players are increasingly merging or acquiring smaller ones in sight of achieving economies of scale and market dominance through oligopolies; this signifies a decrease, not an increase, in the overall employment opportunities, which are again negatively impacted by the trend of mechanization and computerization that has actually led to a **30% decrease in employment** in the sector over the last few years between 1991 and 2004. Mining per se is not a development inducing activity in any way as it is not only unsustainable polluting and destructive but also a closed, capital intensive localized industry which leads to the creation of what is known as enclave economies, with no backward or forward linkages to the broader economy. As far as FDI towards mining is concerned, it has been proven that the benefits of mineral exploration by foreign actors is fundamentally inexistent as often technology is highly protected – when the opposite isn't true and technology can be bought per se – while the entry of foreign funds and companies displaces domestic investment – again, negative for long run growth.

The NCAER cost-opportunity analysis used by the Government to justify its claims of unprecedented benefits to the people and the country has been openly discredited; figures are inconsistent and based on flawed assumptions (such as the calculation of

⁵⁴For a detailed list of incentives and facilities to SEZ visit <http://www.sezindia.nic.in/about-fi.asp>

tax revenue from SEZs not accounting for SEZ exemptions); the costs are minimized while benefits maximized (gross exaggeration of employment generation potential, serious inconsistency while evaluating preferred technology) and most importantly, there appears to be an inherent conflict of interest given that POSCO is amongst NCAER sponsors.

The panel of experts at the Public Convention after having reviewed and assessed the comprehensive impact of POSCO from an economic, environmental, strategic point of view concluded that there is no justification to give POSCO the green light as it is:

- **Creating food insecurity:** the destruction and appropriation of fertile farmland for industrial projects at a time when the country is facing a severe food security crisis is criminal. The local economy based on Paan, Dhan and Maach would be destroyed.
- **Subverting democracy and human rights** by not respecting the rights of the local community imbibed in the Constitution and recognized by FRA. The 3 Gram Panchayats that would be affected by the project have already rejected it and they are staunchly resisting State violence.
- **Encouraging predatory investment:** While, the local population and civil society are strongly campaigning 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 GoO is lobbying relentlessly on behalf of POSCO to attract the FDI
- **Government Committees have rejected** the project on grounds of gross regulatory violations and procedures and deliberate misuse of information. Two Committees have been appointed to assess the project: both the MoEF 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 CRZ clearance and Environment clearance for this project.

The State as POSCO's agent

While it appears that no plausible justification whatsoever is left for the Government to support POSCO, the State apparatus in Orissa has gone beyond itself by actively lobbying for the Company – so much so that **CM Patnaik** intended moving to the Supreme Court had the HC to halt the project. What is most striking about the MoU is in fact the role assumed by the State as facilitator, spokesperson and promoter of POSCO – while impoverishing the people of the State, violently removing them from their land, taking their livelihoods away and openly refusing to respect their free will recognized by the laws of the country. Even further, the Government departments' behavior has been in contravention of the laws rules and regulations of the country. This illegality has been denounced and publicly unveiled – yet condoned by governmental abetment or inertia.

Honorable **A.B. Bhardan** expressed this view at the Public Convention when stating “Posco insists and Government agrees. This plant is port based. Posco will have captive port, captive power plant and captive mines; everything captive. Half of the ore will go for steel plant and half will go to Korea. River Mahanadi has the same significance as Ganga in North India. It is the source of water for major cities like Puri and Cuttack. If Mahanadi supplies water to Posco, what will happen to agriculture and the drinking water?”

Imposing environmentally and socially destructive projects in the name of attracting foreign capital is not development, nor is this a growth story. In yet another saddening

tale of abuses for the benefits of the powerful few, we are witnessing the demise of a democratic state committed to equality and inclusion, and the simultaneous rise of what can almost be seen as a corporate lobbyist, knight in shining armor for multinationals greedy for undivided, unfair profits.

Democratic resistance at the grassroots

At the grassroots, since the inception of the project back in 2005, even before the passing of the Forest Rights Act a strong resistance struggle was formed led by the Posco Pratirodh Sangram Samiti headed by Abhay Sahoo to object the project, expose foul play and gross violations by the corporation and the Orissa State apparatus, and to demand instead the implementation of the laws of the country and respect for people's Constitutional rights. The people of Orissa have been practicing democracy and demanding lawfulness to a Government that's been acting illegally; they have since been faced with intimidation and violent repression. As I write this article, platoons of police forces have aligned in Dhinkia where the villagers have gathered to prevent forceful land acquisition. It is a fight till victory or death, say the locals.

While POSCO and the Government of Orissa claim that the mega-project will bring development and improve livelihoods in the area, the locals well know that if they lose their land, they'll lose everything. For tribal and forest dwellers have created an economy of subsistence centuries ago – which means, the environment itself is their source of livelihood, home, income, food – the problem stems when this is subverted by an economy of profits by private actors, industries and the State apparatus itself. It is so that what the State calls modernity and well being, spells disaster for local communities.

It is worthy to also take an account of the standard of living presently found in the area, as reported by **Dr V Suresh, U. Pingley, and D. Pandey:**

"In spite of the frequency of cyclones and tidal surges damaging their crops and plantations the people of this coastal area have been able to recover and continue getting a sustainable production from the diversity of production systems that they put their land under. Though the land holdings are small the value of different crops such as paddy, betel vines, cashew and other tree crops have yielded a sufficient income to keep them at a middle income class status. The people look healthy with very little malnutrition among the children. The committee saw a number of very old people during our tour of these villages. This is not generally the case of many rural areas where poverty levels are high. Dr B.D. Sharma, former SC/ST Commissioner while visiting this area remarked -" the people are having the trinity of Paan, Dhan and Maach (betel, paddy and fish), the essence of life". The contribution of abundance of high protein fish to their diet has definitely provided the people a balanced diet and kept their degree of malnutrition levels low as compared to inland areas.

An outright dismissal of the Forest Rights Act

POSCO would require 4004 acres of land for its plant alone, 3096 of which are classified as forest land, which officially puts it under the purview of the Forest Rights Act. Sec. 5 empowers Gram Sabhas to protect the forests, regulate use of common resources, and make such informed and consensual decisions whenever forest dwelling population would be affected.

The FRA clearly states:

Sec.4(5): No member of a forest dwelling ST or other traditional forest dweller shall be evicted or removed from forest land under his occupation till the recognition of rights and verification procedure is complete".

The Forest Right Act was implemented precisely with the intent of “undoing the historic injustice” perpetuated against India’s tribal and forest dwelling communities for centuries, as their land was usurped and their livelihood discarded as backward and poor. As it stands, the FRA contains some of the paramount principles necessary to uphold the rights of tribal and forest dwelling communities as it:

- Recognizes the necessity to address the historical injustices faced by traditional forest dwellers, their insecurity of tenure and grant them access rights including those of people relocated for State development projects.
- Recognizes Scheduled tribes and forest dwellers as integral to the survival and sustainability of forest ecosystem
- Recognizes community forest resources as customary common forest land within the traditional or customary boundaries of the village, including reserve forest, protected forests, sanctuaries, national parks to which the community had traditional access
- Recognizes rights and responsibilities for sustainable use, conservation of biodiversity, maintenance of ecological balance, strengthening of forest regime, ensuring food security, livelihoods of forest dwellers

Unfortunately the existence of a law on paper does not in current times translate into its respect or implementation, rather, the Government is always more arbitrary in deciding what and what not to follow as is amply testified by the Environment Minister’s statement while granting final clearance to POSCO on 2nd May 2011 that:

“The implementation of both the FRA 2006 and the Notification of 2009 is a learning and an evolving process since we are still in largely uncharted territory.”

The 3 Gram Panchayats (**Dhinkia, Nuagaon, Gada Kujanga**) that would be affected by the project have staunchly been resisting State violence and repression in a fight for survival for their livelihoods and their homes, exercising democracy against a State that is steadily ignoring it, trying to prove their rightful dissent and their entitlement to say NO to displacement. Instead, the Orissa Government has not only failed to abide by the FRA, but even more shockingly it has failed to even recognize that these tracts of land are in fact inhabited, claiming the absence of forest dwellers while rejecting all claims filed by locals and ignoring their clear disapproval of the project. While this deliberate withholding of relevant information has also been uncovered, the MoEF has chosen to go by the word of a deceitful authority – leaving the destiny of thousands of people to his discretion as opposed to the realm of the law.

The resistance against POSCO has grown stronger over the years: locals aware of their constitutional rights struggled in the face of repression to have their voices heard, as it was this voice which as enshrined in the FRA was to have a decisive impact. After having granted initial clearance for forest diversion in December 2009, the Environment Minister was thus compelled to investigate the claims that, if found true would substantively dismiss the Orissa Government as openly misrepresenting facts, all in violation of the law.

Two Centrally Empowered Committees were thus appointed to look into the matter: the **Saxena Committee** (July/August 2010) and the **Meena Gupta Committee**⁵⁵ (Sept/Oct 2010) both⁵⁶ confirmed evidence of gross violations of laws, government procedures and rules. The major regulamatory issues pertinent to the case in questions are as follows:

⁵⁵Moef.nic.in/downloads/public-information/report-committee-posco.pdf

⁵⁶Unanimously but for Meena Gupta herself who was MoEF Secretary at the original time of POSCO environmental clearance approval

- **FRA 2006** not implemented, forest dwellers not duly acknowledged, Gram Sabha's resolution deliberately ignored, fake resolution produced by DC
- **EIA** to be **extensive** and **comprehensive**, not partial and rapid. Only Ph I/only steel plant/only at 4MTPY capacity has been assessed through REIA in complete violation of procedural rules and regulations in granting EIA clearance
- **Coastal Regulation Zone Notification 1991** violated as parts of steel plant are located in prohibited CRZ I and CRZ III; no clearance obtained for pipeline from Common Effluent Treatment Plant of the Steel Plant into the sea.
- **Forest Conservation Act** (impact of deforestation/mitigation measures) diversion of land: SC appointed CEC laid down procedure was ignored when Chief Justice Balakrishnan cleared project "subject to decision of MoEF"
- **Environmental Protection Act** – environmental clearance illegal
- **Illegal land acquisition** of 11.85 acres of Govt/forest land from 96 betel vine growers⁵⁷
- **Deliberate misuse** of information, suppression of facts
- **Public Hearings** conducted in violation of rules, intimidation of participants, deterrent factors, police siege

Meena Gupta Committee Report Recommendations on rights settlement under FRA (Dr Urmila Pingle, Dr Devendra Pandey, Dr V. Suresh)

The committee therefore feels that the final forest clearance dated 29.12.2009 of the MoEF has overlooked serious violations of their own directions and the procedures prescribed by law. Imposing additional conditionalities as in the clarification given by MoEF in January, 2010 while allowing the clearance to stand does not remedy the illegalities. The Committee therefore strongly recommends that the final forest clearance referred above be revoked forthwith. Orissa government must initiate implementation of the FRA process afresh in the project area in a transparent and democratic way and ensure settling of individual and community rights as per the provisions of the Forest Right Act and Rules made there in.

There is hence ample evidence of the presence of OFDTs in the area as reported by both the Empowered Committees; historical reporting also testifies to the long dated relationship of these communities with the land and the forest.

*"The Committee finds that the government's own records such as census reports and voters list confirm that there are both other traditional forest dwellers (OTFD) and forest dwelling Scheduled Tribes in the project area and the statement of the District Collector of Jagatsinghpur to the contrary is false."*⁵⁸

Hon'ble D. Raja has written a letter⁵⁹ to the Prime Minister in this regard, raising questions as to why no action has been taken in regards to the deliberate withholding of information by the District Collector and the Orissa State Government, and stating that the MoEF clearance granted in December 2009 is itself illegal as it violates the clear requirements under FRA.

⁵⁷See pg.224 of Meena Gupta Committee Report; "Land acquisition for POSCO illegal" Business Standard 28th July 2010

⁵⁸Meena Gupta Committee Report, pg. 223

⁵⁹Available at <http://www.forestrightsact.com/component/content/article/21/87-timeline-of-events-relating-to-forest-rights-in-posco-area>

N.C. Saxena wrote to the Environment Minister⁶⁰ reiterating the finding of the **MoEF/MoTA** subcommittee (**Ashish Kothari**) which clearly exposed the presence of OTFDs against the local administration's claims and severe irregularities in the acquisition of forest clearance. The team recognized the presence of OTFDs dependent on the land in question; their clear refusal to diversion of said forest land, and the deliberate attempts by the administration to hide these facts in order to obtain environmental clearance. Evidence was sought and obtained by the team to corroborate the claims of the locals.

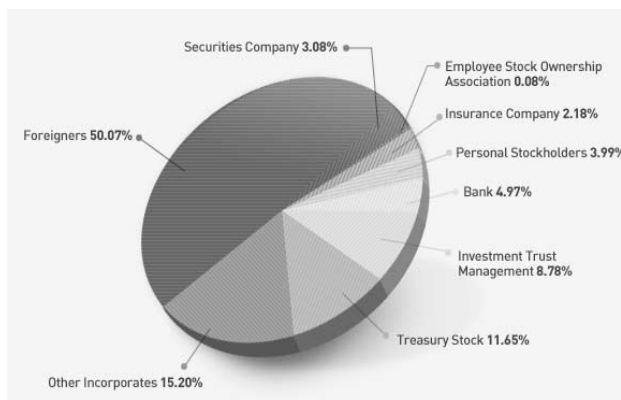
Despite the findings of the 2 MoEF appointed committees clearly exposing serious irregularities and recommending revoke of the forest clearance and stop work on POSCO, on 31st January 2011 the MoEF has granted clearance⁶¹ to the project, adding a number of conditionalities but practically ignoring its own Committees recommendations. It is worthy of notice that days before the final verdict, **Hon'ble Jairam Ramesh** announced the **2011 Coastal Regulation Zone Notification** reducing the "no-go" development zone from 200mts to 100mts while also declaring that:

"India must get used to power plants being located in water areas. They require imported coal, gas and even uranium... all this necessitates that power plant be allowed in water areas."

This statement is of grave concern, since POSCO affects a substantial area of coast. It is worrisome that 1) the laws of the country are amended to suit commercial interests for private profits, not viceversa; 2) the Minister of Environment and Forests being the highest authority in the country for putting forward a model of development that is more sustainable, environmental friendly and socially responsible is actually purporting the old idea that no cost is too high when it comes to making room for industry. The ultimate outcome of forced, anti environment and anti people projects like this one is added costs of pollution on health, of resource exhaustion and environment disasters (Orissa cyclone) and of displacement and internal conflict. This is not development. The verdict also rests on the mere "assurance" by the Government of Orissa that the FRA has not been violated. This is unacceptable considering that the deliberate misrepresentation of facts by the Orissa Government in this regard has already been exposed.⁶²

Final Clearance in disregard of FRA violation

The final MoEF verdict rests on the mere "assurance" by the Government of Orissa that the FRA has not been violated. This is unacceptable considering that the deliberate misrepresentation of facts by the Orissa Government in this regard has already been exposed. Taking it a step further, on 2nd May 2011 the Minister granted final forest clearance on the grounds that:



POSCO Foreign ownership
(Source: Posco website)

⁶⁰Ibid

⁶¹Ibid

⁶²Read Navdanya Press Release on Posco clearance

Investments

Below we show our common stock investments that at yearend had a market value of more than \$1 billion.

Shares	Company	Percentage of Company Owned	12/31/09	
			Cost *	Market
			<i>(in millions)</i>	
151,610,700	American Express Company	12.7	\$ 1,287	\$ 6,143
225,000,000	BYD Company, Ltd.	9.9	232	1,986
200,000,000	The Coca-Cola Company	8.6	1,299	11,400
37,711,330	ConocoPhillips	2.5	2,741	1,926
28,530,467	Johnson & Johnson	1.0	1,724	1,838
130,272,500	Kraft Foods Inc.	8.8	4,330	3,541
3,947,554	POSCO	5.2	768	2,092
83,128,411	The Procter & Gamble Company	2.9	533	5,040
25,108,967	Sanofi-Aventis	1.9	2,027	1,979
234,747,373	Tesco plc	3.0	1,367	1,670
76,633,426	U.S. Bancorp	4.0	2,371	1,725
39,037,142	Wal-Mart Stores, Inc.	1.0	1,893	2,087
334,235,585	Wells Fargo & Company	6.5	7,394	9,021
	Others		6,680	8,636
	Total Common Stocks Carried at Market		\$34,646	\$59,034

“Faith and trust in what the State Government says is an essential pillar of cooperative federalism [...]”

and

“The implementation of both the FRA 2006 and the Notification of 2009 is a learning and an evolving process since we are still in largely uncharted territory.”

It is unconceivable that a project be cleared in disregard of existing and applicable

legislation; FRA was designed and implemented for the sake of undoing centuries of injustices against India’s tribals and indigenous communities in line with the Constitution and more specifically PESA. It is in fact to be noted that the demands for rights of tribals and other forest communities are already constitutionally recognized, yet they are been violated: with the 73rd amendment to the Constitution special provisions were made specifically to ensure tribal rights over community resources – land, forest, water – that were recognized to be sacrosanct and non-negotiable

While trust might be an important element in a federal cooperation, it certainly cannot replace the law, nor can it override the Constitution. There can be nothing more important to a democratic federation’s functioning that the respect of citizens’ fundamental rights in compliance with a legal framework justly implemented and applicable to all, the Government included. If the Ministry believes in faith and trust, he should probably ensure to depose them in the democratic institutions of justice and not in a local authority which has been caught lying.

Whose benefits?

Who is set to benefit from this mammoth project? The intuitive answer is POSCO, but it doesn’t end here. At the time of the Asian financial crisis, suffering from strong devaluation of its currency, South Korea found itself near financial collapse and was forced to approach the IMF for stabilization loans; the IMF agreed on conditions that South Korea undergo structural reforms of the economy; amongst the conditions was privatization of Government owned companies, one of which was POSCO.

In order to acquire foreign exchange and to comply with IMF criteria, the Government sold off shares of Posco till complete privatization in 2001; the majority of POSCO went under control of foreign investors, with a fair amount of shares sold to American interests.

It appears that while POSCO was born and run successfully as a State company,⁶³ the US had a strong hand to play in the privatization of POSCO: Martin Feldstein analysis reveals that much of the IMF plan features for South Korea were replays of policies that the US and Japan had been long pushing the country to adopt; trade and investment agenda of major countries became part of funding conditions of the IMF. U.S. Steel runs a joint venture with POSCO, giving it considerable stake in its operations.

⁶³Fact which itself is greatly downplayed, in the “preach and practice” of privatization

Millionaire and renowned US investor **Warren Buffet's**⁶⁴ company, Berkshire Hathaway, owns at least 5.2% of POSCO.

Also holding POSCO shares are top American investment banks that played a role in the recent sub-prime financial crisis that led to a wave of recession the globe around: **Citigroup, JP Morgan** and others have a hand to play in POSCO and much to benefit from its profits, those infamous profits that would be squeezed out of Orissa at the cost of people's livelihoods and the environment.

Why does this matter?

Mammoth projects like the POSCO one are growing in number, in frequency and in ambition. Transnational corporations (TNCs) under the triple shield of deregulation, attraction of FDI and Government protection are increasingly targeting developing countries like India where resources are rich and regulation poorly implemented or monitored, to extract disproportionate profits at the cost of local people's rights and livelihoods. The global elites are thriving on accumulation by dispossession, that is, by encroaching over others' rights and resources. The profits that would accrue to POSCO from depleting Indian mineral, water, land and forest resources would benefit the same TNCs that played a huge part in the global financial crisis that led to a global recession; the same who faced by the sudden loss of profits due to the crash of the financial markets, moved to that in commodity derivatives – leading then to a massive food crisis that pushed millions into hunger and caused riots in several countries.

The social responsibility of these actors has already been exposed. Adding conditionalities or a commitment to CSR to ensure clearance does not remedy past illegalities, nor does it suggest future self-initiated reform; the mechanisms for implementation, monitoring and accountability at present are not effective or sufficient to ensure POSCO's compliance to the new conditions applied by the MoEF as reported by the Government's own findings. Most importantly, regularizing projects that were cleared through illegal means in the first place – just in order to attract foreign investments – means openly engaging in a race to the bottom, process by which the rights of capital come before those of people and of the environment. What signal are we sending to what investors? And finally, at a time when the consequences of greed and unfair profits are affecting us visibly, through climate change and the food crisis, with resources fast depleting and powerful actors racing to grab and control access to land, water, minerals, does India really want to attract such dubious investments?

Navdanya and PPSS' campaign

Navdanya has joined hands with PPSS in organizing a Public Convention on POSCO: stealing our land in the name of Development (January 27th, 2011) to assess and spread awareness on the impact of the POSCO Orissa project and its significance in relation to the state of our democracy. The Convention resolved that the POSCO project burdens the country and the people of Orissa in a severe manner without any effective benefit to the citizens of the State or of the country at large. A signature petition was initiated. The petition along with the Statement issued at the Convention demanding the scrap of the Orissa Posco project and respect of the democratic laws of the country was also sent to the Prime Minister, Minister of EF Jairam Ramesh, Hon. Sonia Gandhi, Hon. Rahul Gandhi.

Adding insult to injury: inauguration of a biodiversity park

In June 2011, as the Minister of Environment visits Orissa, he answers the media questioning the controversial clearance to POSCO that:

⁶⁴Who ironically was recently in the country to promote philanthropy

“There is more to life than Posco and more to Orissa than Posco,”

Ramesh is in Orissa to announce along with CM Naveen Patnaik the creation of a bio-cultural park in Bhubaneswar, and a centre for Olive Ridley turtles and biodiversity in Kendrapada district. About the park, Ramesh said

“it will have monuments of flowers and reflect the secular tradition of India”.

The obvious question to be asked in response to this, is why not avoid the destruction of biodiversity, deforestation and threats to the Olive Ridley turtles in the first place by not allowing projects like the POSCO ones which have been directly held responsible for the same environmental problems. The Paradip port planned for POSCO will in fact severely affect the habitat and survival of Olive Ridley turtles, while the diversion of land for mining and steel production activities will destroy forest, agricultural land and of course biodiversity. The Minister of Environment would be expected to act preventively to preserve an ecosystem which is admittedly rich and sustainable, rather than creating a museum by acquiring 10 acres of land to showcase biodiversity of the country which is getting lost because of constant land grab, forest diversion and industrial projects.

List of Steel Plants in India⁶⁵

Producer	Total number plants	Plant name	Location
SAIL	11	Bhilai Steel Plant	Near Raipur, Chhattisgarh
		Bokaro Steel Plant	Bokaro, Jharkhand
		Durgapur Steel Plant	Durgapur, West Bengal
		Rourkela Steel Plant	Rourkela, Orissa
		IISCO Steel Plant	Burnpur, Burdwan district, West Bengal
		Alloy Steel Plant	Durgapur, West Bengal
		Maharashtra Elektros-melt Ltd	Chandrapur, Maharashtra
		SAIL Refractory Unit (SRU), Bhandaridah	Near Bokaro, Jharkhand
		SRU, Ranchi Road	Ramgarh, Jharkhand
		SRU, Bhilai	Near Raipur, Chhattisgarh
		SRU, IFICO	Ramgarh, Jharkhand
Rashtriya Ispat Nigam Ltd. (RINL) (owned by Vizag Steel, a Navratna Company)	1	Visakhapatnam Steel Plant	
		Visakhapatnam, Andhra Pradesh	
TATA steel	8	Cold Rolling Complex	Sisodra, Gujarat
		Wire Division	Mumbai, Maharashtra
		Wire Division	Tarapur, Maharashtra
		Charge Chrome Plant	Bamnival, Orissa
		Tubes Division	Jamshedpur, Jharkhand
		Bearings Division	Kharagpur, West Bengal
		Cold Rolling Complex (West)	Tarapur, Maharashtra
		Ferro Manganese Plant	Joda, Orissa
JSW	4	Vijayanagar Works	Bellary District, Karnataka
		Vasind Works	Thane, Maharashtra

⁶⁵Data from Ministry of Steel website, Government of India, collected by Navdanya intern

Rank	Company	mmt	Rank	Company	mmt
1	ArcelorMittal	77.5	26	Hyundai	8.4
2	Baosteel	31.3	27	CELSA	7.8
3	POSCO	31.1	28	Metinvest	7.4
4	Nippon Steel (1)	26.5	29	Techint	6.9
5	JFE	25.8	30	Erdemir	6.5
6	Jiangsu Shagang (2)	20.5	31	Metalloinvest	6.5
7	Tata Steel (3)	20.5	32	Kobe	5.9
8	Ansteel	20.1	33	Usiminas	5.6
9	Severstal	16.7	34	JSW	5.5
10	Evrz	15.3	35	Essar	5.5
11	U.S. Steel	15.2	36	voestalpine (7)	5.5
12	Shougang (4)	15.1	37	Salzgitter (5)	4.9
13	Gerdau	14.2	38	Hadeed	4.8
14	Nucor	14.0	39	BlueScope	4.6
15	Wuhan	13.7	40	CSN	4.4
16	SAIL	13.5	41	Ezz	3.9
17	Handan	12.0	42	SSAB	3.6
18	Riva	11.3	43	Sidor	3.1
19	Sumitomo	11.0	44	Duferco	3.1
20	ThyssenKrupp (5)	11.0	45	Nisshin	3.1
21	Novolipetsk (6)	10.9	46	Vizag	3.0
22	IMIDRO	10.6	47	CMC	3.0
23	Magnitogorsk	9.6	48	AHMSA	3.0
24	China Steel	8.9	49	Dongkuk	3.0
25	Laiwu	8.9			

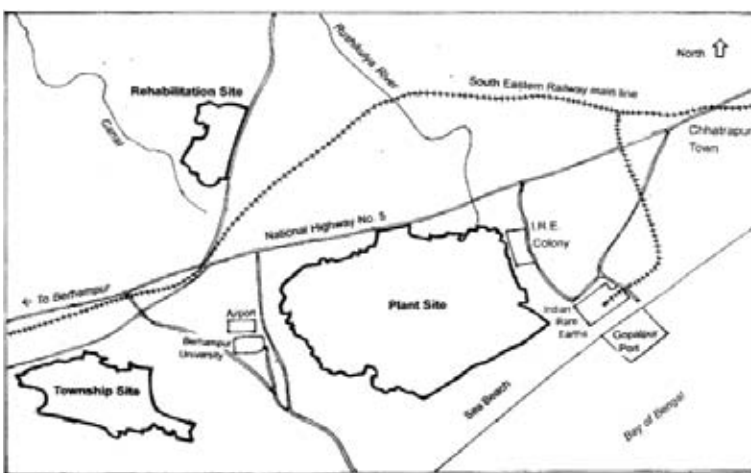
World's Top Steel Producers (2009)

Source: World Steel Association

		Tarapur Works	Thane, Maharashtra
		Salem Works	Salem, Tamil Nadu
ESSAR steel	4	Hazira Steel Complex	Hazira, Gujarat
		Plate Mill	Hazira, Gujarat
		Pipe Mill	Hazira, Gujarat
		Visakhapatnam Complex	Visakhapatnam, Andhra Pradesh
Ispat Industries Ltd	2	Dolvi Complex	Dolvi, Maharashtra
		Kalmeshwar Complex	Kalmeshwar, Nagpur, Maharashtra
Jindal	3	Raipur	13 K.M. Stone, GE Road, Mandi Hasaud Raipur 492 101 Chhattisgarh
		Raigarh	Kharsia Road, Raigarh 496 001, Chhattisgarh
		Patratu	Balkudra, Patratu, Distt. Ramgarh, Jharkhand
Vikram Ispat Ltd (now known as Welspun Maxsteel Ltd)	1	Welspun Maxsteel	Salav Village, Raigad district, Maharashtra
Sponge Iron India Ltd (now operated by NMDC)	1	NMDC Iron & Steel Plant	Kaliapani, Assam
unknown—EAF based units	33		
unknown—Induction Furnace based units	970		
unknown—MBF-EFT based units	2		
unknown—coal based Sponge Iron units	321		
Total plants	1362		

3b. Gopalpur Tata Steel Plant⁶⁶

On 28th August 1995, the Government of Orissa entered into an MoU with **TISCO**, Tata's Steel and Iron Company, for the creation of a Rs 20,000 crore integrated steel plant meant for exports in Gopalpur, affecting the communities of 25 villages in Chattarpur area and 12 villages at the Pipalanka Reserve Forest in Ganjam District.



Tisco also identified an iron ore deposit in Baliapahar (Keonjhar district) for mining the raw material to feed the plant. The steel unit was to consist of two blast furnaces, as well as an LD shop and Hot rolled and Cold Rolled Mill Complex, with an expanded capacity of 2.5 million tonnes of

⁶⁶Adapted from "Stronger than Steel: people's movement against globalization and the Gopalpur Steel plant, RFSTE 1998

steel per annum to be reached by 2006 and increased further to 10 million tonnes by 2012. TISCO was to control the core iron ore and steel making facilities while it would enter into partnerships for the remaining operations: Nippon Steel and Posco amongst other international players were in a race to obtain a stake in the Gopalpur project.

For the plant site, TISCO required **5000 acres of private land** in the Chamakandi area and an **1000 acres for a township** at the Aruapalli and Dura villages in addition to **538 acres** already acquired through the Orissa Industrial Infrastructure Development Corporation (IDCO) where a rehabilitation colony would be set up to resettle the displaced by the project. The GoO also ensured land for mining, for construction of a township near the site, for laying of roads and railway lines, water pipelines and corridor connecting to the Gopalpur port.

In this case too, the Government of Orissa has gone beyond itself in making commitments to the company and in ensuring a speedy clearance; on the other hand, the opposition to the plant has grown as the environmental and human costs of the project – downplayed and ignored by the government – are significant and imply the ultimate destruction of a functioning and sustainable local economy. The 5000 acres of land earmarked for the plant is in the midst of a lush green coastal area: fertile agricultural land rich in biodiversity would be diverted to make place for a steel plant, displacing about 25,000 people and destroying the livelihoods supported by the rich ecosystem. The figures have been grossly downplayed, against the Government's own Census and population records which clearly indicate the presence of a substantial number of local inhabitants which would be displaced by the integrated project; 13 villages have not even been acknowledged in a baseless attempt to ignore their existence.

The land earmarked for TISCO falls under **agricultural and horticultural land**: the lush area is populated by coconut and mango orchards, banana plantations, fruits and forest trees; vital part of the local economy and livelihood – the rare kewra plant grows well in the region and provides a steady and precious source of income for the locals. The **Kewra flower** is in fact an excellent source of wealth as it grows with minimum investments but it reaps good profits once the flowers are collected and the essence distilled to get kewra perfume, in high demand on the market. According to NABARD, kewra farmers make an yearly net profit of over Rs 40,000 per acre of plantation. 95% of the total kewra produce comes from the Chhaterpur area with around **62 operational distillation units** in the Chhaterpur Block Kewra Union; out of the 62, 56 are located on the proposed **TISCO site**.

Kewra constitutes the backbone of the local economy, providing employment and income to a large variety of people: women are employed in picking flowers, middlemen find work mediating between growers and distillers, on top of those employed in the distillation process.

Not only the flower, the Kewra branches, roots and leaves are also economically useful as they find place in the fibre industry, giving additional employment to women in the manufacturing of ropes, nets, baskets and other household items. It is so that the Small-scale Cottage industries are growing in the area favouring a decentralized, locally relevant approach to development and growth that is inclusive, sustainable and non-destructive.

The local ecology has hence allowed for the people in the area to live a dignified existence, relying on a functioning and sustainable economy based on biodiversity and reliance on the community, providing even the worse off with a functioning support system.

The TISCO proposed plant would destroy this entire ecosystem, directly halting genuine local development and depriving people of livelihoods and security. Not only,

TISCO itself has had an eye on the kewra plantations: it proposed to rehabilitate kewra within the proposed area while also not allowing for destruction of the kewra plantations inside the TISCO area, possibly attracted by the revenue it generates and aware of the fact it would then hold a monopoly over the plant in the area.

Resettlement and Rehabilitation

TISCO has intended resettling 25,000 displaced people from two villages within a tiny area of 538 acres in Luajhar and Sitalapalli village, displacing the original inhabitants, for a compensation package of **Rs 1 lakh per acre**, against the prevalent rate of **Rs 4/5 lakhs**; it offered an extra **Rs 30,000** for those ready to relocate away from this resettlement area, while displaced family would receive a plot of land for housing, and a small annual maintenance allowance of Rs 500 subject to the condition that land is vacated by a specified date. Those who have been cultivating government or forest land would instead receive a maximum compensation of Rs 1 lakh independently of the size of the land.

Name	House-holds	Population	S.C. (%)	Literate (%)	Cultivator (%)	Labour (%)
Sriramchandrapur	763	3601	52	29	46	17
Badapur	171	881	32	43	3	60
Kalipalli	237	1212	9	31	64	30
Laxmipur	52	267	26	27	40	47
Paikapada	230	983	39	16	60	33
Sindhigam	414	1907	19	36	33	43
Badaputti	286	1491	6	24	60	27
Basanaputti	108	467	15	27	45	38
Chamakhandi	394	1846	22	32	46	40
Jagannathpur	157	798	20	36	67	11
Manaswarkota	100	439	78	29	10	82
Total	2912	13892	30	30	44	34

Note: Figures for cultivators and agricultural labour as % of main workers.
Source: Census of India, 1991.

Profile of Land					
Name	Village Area (acres)	Cultivate Area (%)	Irrigated Area (%)	To be Acquired (acres)	Govt. land in acquired (%)
Sriramchandrapur	2484	85	16	1030.36	14
Badapur	544	80	94	483.09	18
Kalipalli	257	84	21	258.085	18
Laxmipur	156	74	64	155.598	25
Paikapada	918	85	85	916.863	18
Sindhigam	594	77	67	587.573	26
Badaputti	971	31	3	573.963	44
Basanaputti	957	66	31	239.187	21
Chamakhandi	1451	79	72	436.346	13
Jagannathpur	784	16	6	397.339	20
Manaswarkota	979	55	87	571.378	28
Total	10095	73	52	5649.78	22

Source: Census of India, 1971 for village, cultivated, and irrigated area.
TISCO document for acquired land and govt land acquired.

Profile of land and population pattern, Census of India 1991

The company supported by the local Government has also made claims of employment generation as usual in these cases: however, automation and mechanization typical of the industry leaves little room for the displaced to find employment in the plant, which would in any case in no ways replace the sustainable and healthier employment in traditional occupations. The Orissa Chief Minister even admitted that there would be no priority given in employment as it would be assigned on the basis of qualification, which in reality means hardly any local would be entitled to it. TISCO's promises can also be assessed against the reality of its Jamshedpur steel plant, where modernisation and cost cutting have led to massive retrenchment by which almost 10,000 employees lost their jobs.

The people of the area are well aware that their traditional occupations are more suitable and fruitful to them, while also allowing for the stability of all family members in the present and future.

3b (i) The Pipalanka Dam

Aside from the land for the plant site, the Government of Orissa has entitled TISCO to about 1110 hectares of land to build a dam in the Pipalanka Reserve Forest,

14 km from the Surada block in order to satisfy the company's water needs: 60 million gallons of water per day would be provided for the steel plant at no extra cost for TATA which would be granted exclusive use. While the Government is favouring TISCO in exchange for the costs incurred in the construction of the dam, it is totally ignoring the real cost bearers: the construction of the dam would displace an additional 5000 people along with over **20 lakhs of trees and medicinal plants** which also ensure livelihoods for the traditional health practitioners against the official claims of no population affected.

In fact, a majority of the local population belongs to Scheduled Tribes and is recognized by the Government which includes some in the voters' list and has gone as far as promising the issuance of their pattas – while on the other hand denying the presence of human population to facilitate the arrival of TISCO.

The cost of the dam to the environment stands at RS 1168 crore only from 958 Hectares of reserve forest land, linked to the major forest of Kalinga and Daspalla were unique flora and fauna find refuge. The people and environment of the area have incidentally been demanding irrigation projects and a small dam for agricultural purposes, but this has been denied on grounds that the soil in the area is not suitable for the construction of a dam – strangely enough considering it is instead deemed perfect for TISCO. In exchange, they will in no way benefit from the reservoir while bearing all costs from the displacement and the destruction of the forest which gives them life and livelihood: after having fought and won a battle for the right to collect minor forest produce as a base for sustenance, they are faced by the total loss and destruction of their survival base.

Food security, public health and nutritional levels will be severely impacted as the industrial invasion disrupts the balance of the ecosystem and of cultivation; the dam will affect availability and quality of water for consumption and irrigation, while also giving rise to complications such as soil erosion and earthquake risks. Water is already scarce in the area, while rainfall patterns are turning erratic because of deforestation and climate change, itself by-products of excessive industrialization.

Pollution of the air and water which used to be low in the area would increase substantially once the integrated project operates; even more worrisome is the disposal of toxic waste from the steel plant for which TATA hasn't presented any precautionary measure, raising great concerns for the land and marine ecosystem of the area that stands to be destroyed. The rich coasts of Orissa give food and employment to a great number of fishing communities while also being the nesting home to the rare Olive Ridley Turtles. The disposal of water waste or worse toxic waste would not only decrease their presence but spell death for an already endangered species.

3b (ii) The Mines in Mamkadhacha – Baliapahar Area

The Gopalpur steel plant would require about 4.4 million tonnes of iron ore per annum only for its Phase I operations at 2.6 million tonnes capacity, foreseen to reach 17.5 million tonnes by Phase III capacity of 10 Million tonnes. The iron ore is to be mined from the Keonjhar and Sundergarh district.

TATA has been the first and foremost iron ore extractor in Orissa, since it established its first industry in Jamshedpur over 80 years ago: it was initially allowed free extraction to then be charged a nominal royalty fee translating in insignificant revenues to the State, whereas iron ore sells for increasingly high prices in the domestic and international markets. Why TATA has been allowed this huge takeaway is a very valid question.

The project affected residents have been protesting the Government's forceful acquisition of land and homes for the creation of the Tata plant; while this is only

understandable, it must be noted that their demand wasn't unreasonable if even considered from the point of view of the Company as they proposed a relocation to a different site which wouldn't involve such massive scale destruction.

While the people have been putting forward their resolutions in a peaceful manner, they have been faced with police force and intimidation: in August 1996, around 6000 armed men harassed and beat the protesters resulting in the death of 2 women, numerous injuries and arrests under false charges.

Women have been at the forefront of the protest, facing brutality in a desperate attempt to reclaim what is rightly theirs and what they well understand as the basis for their life and survival. Women are empowered by ecology and in turn conserve this ecology that gives them life. Land, water, nature and a clean environment are not only the productive asset base which sustains them, they are their past, present and future. They are an insurance against risk and instability, and they make for a good stable and healthy life, something which no steel plant can minimally provide.

Though the company was able to acquire 2800 acres out of its requirement of 3000 acres by 1999, it still did not go ahead with the project. It finally announced shelving of the project in 2000 citing delay in land acquisition as one of the causes. The land acquired by the Tata at Gopalpur is lying vacant and the company proposes to set up a multi-product SEZ there. In 2010, the Orissa CM Naveen Patnaik set the foundation stone for Tata's industrial park in Gopalpur, set for the creation of steel, metals, engineering and chemical facilities.

4. Kalinganagar industrial Complex – Orissa

Kalinganagar is an industrial hub situated in the Jaipur District in Orissa, at around 100 Km from Bhubaneshwar. The NH 200 runs through the area connecting the mineral belt with the Paradip port.

Kalinganagar has been transformed into an industrial complex: a large concentration of mining of iron ore and steel plants have been set up at an increasing pace since the 1990s, under the aegis of liberalization and of the New Economic Policy which foresaw mining and metal production as the way for Orissa to get out of poverty.

The specific details are given in the table below:

Sl. No	Revenue Village	Area (In Acres)		
		Private Land	Government Land	Total Land
1	Gobaraghati	731.600	61.940	793.540
2	Chandia	1083.810	263.345	1347.155
3	Nuagaon	90.70	15.82	106.52
4	Gadapur	388.49	135.749	524.239
5	Khurunti	128.006	0.540	128.546
6	Baragadia	236.78	123.63	360.41
	Total	2659.386	>601.024	3260.410

Tata Kalinganagar Steel Project details
(Source: Kalinganagar Tata Steel official website)

In only few years, the State Government signed over 40 MoUs (see Annex)

The 2 biggest steel plants are owned by two of India's billionaires: **Tata and Mittal**. IDCO was put in charge of acquiring land and laying the necessary infrastructure so to attract potential investors, but initially despite land being acquired, people were not yet removed from it as not many proposals were forthcoming. As this situation reversed because of international markets demand for steel, companies scrambled to exploit Orissa's resources and the conflict over land development intensified dramatically.

IDCO started Land acquisition in the early 90s; out of **13,000 acres acquired, 6900 are private land**, while the rest is classified as government land despite actually being common property resource which the locals have relied on for ages – but for which they do not own titles. This in turn left a big lot of people dispossessed without compensation; the others received amounts ranging from **Rs 15,000 to Rs 30,000 per acre** and subsequently were granted an ex gratia of Rs 25,000 as resistance to displacement was growing. The same land was sold to Tata for **Rs 3.5 lakh per acre**. Because of the land grab and speculation, even those who received compensation were unable to buy land as the price of land increased disproportionately.

Tata had attempted to set up a steel plant at Gopalpur, South Orissa, but failed due to popular protest and resistance. The company claims that 10,000 displaced people have been resettled in a state of the art colony with electricity, medical facilities and training centres for industrial skills. **Prafulla Samantara** puts the number of people evicted and rehabilitated at around 5000. "In their original place, the people farmed, sharecropped and lived off khevda (flower used as a base by the perfume industry). They were not rich, but were making do. Now, they have been kicked off their land, and rehabilitated perhaps, but with no industry and no agriculture, they have electric lines but no money to pay the bills," he says.⁶⁷

The **Visthapan Birodhi Jan Mancha, Sukinda** was born in 2004 to protect the interest of the local communities affected by the industry-led displacement; in an open letter to the Chief Minister they expressed the hardship faced by the displaced and putting forward a demand of respect of their rights: recognition of land ownership and land titles, jobs and better compensation, and most importantly, that the trend of diverting agricultural fertile land for the sake of industry be put to an end. The demands were nothing but reasonable and they resonate across the length and breadth of India, where despite an increasingly worrying hunger and food crisis, despite a commitment to undo the tremendous injustices against Dalits and tribals, more and more agricultural land conserved by indigenous agricultural communities is being destroyed to make way for plants and smelters, all causing only more displacement and perpetuating the injustice - on Adivasis, and on a hungry nation.

On 23rd July 2005, despite local protests Tata performed a Puja on the land for the proposed steel plant in Kalinganagar, holding a **Public Hearing** only afterwards. In January 2006, police opened fire on the protesting Adivasis who were demanding just rehabilitation for the displaced and at least 14 of them were killed and 70 injured. It was later found that several of the corpses had been mutilated and disfigured. As a response to the violence, the local tribal population began a dharna on the NH 200 which is nodal for connecting Jaipur and Keonjhar Districts with the Paradeep Port for transporting iron ore. Only few months before, on 9th of May the ADM of Kalinganagar had ordered repression of unarmed protestors who were demonstrating against Maharashtra Seamless' bhumi pooja; after the police lathi-charged and pushed back women and men alike clashes erupted leaving people on both sides injured. As the

⁶⁷Stolen for Steel: Tata takes tribal lands in India

police returned to spread terror in the area, villagers fled and around 25 women were arrested.⁶⁸

While the initial response for the proposed industrial development per se was not in opposition to it, local residents soon started realizing the incongruence between claims and promises of improved standards of living and facilities, employment etc in the face of unbearable pollution and devastation to the area where the many rivers were running dry, the forest was disappearing in the midst of mining and quarrying.

Rajinder Sarangi, an activist from the area, comments on Tata's claims of bringing development and well being to an otherwise poor and marginalized area the way it did in neighbouring Sukhinda by saying that "For forty years, we have seen people queuing up to work the mines with 100 grams of rice and one potato. This is not development, but destitution,"⁶⁹

In another part of Orissa, Tata is in the midst of controversy over the impact of its Dhamra port to be located in an ecologically sensitive area, **5 km from the Bhitarkanika Sanctuary** and less than 15 km from the **Gahirmatha nesting beaches**, the world's largest mass nesting site for Olive Ridley turtles⁷⁰.

Tata is widely considered the best behaved company for its commitment to socio-economic justice, philanthropy and CSR activities. It boasts of an R&R scheme based on:

- Reassuring Communication – 'Vision for a better tomorrow'.
- Resettling the displaced population with care.
- Rehabilitation – ensuring a better quality of life, income and happiness.
- Recheck implementation through self and independent social audits.⁷¹

Despite these claims, the issues with R&R were clearly substantial. A company spokesperson identified the faults as lying with the Government and similarly explained the Adivasis' resentment, dismissing local protests as against the Government and not the rehabilitation plan per se. Locals through the voice of the VBJM had instead clearly laid out their issues and their demands: if indeed the Government is to be blamed for facilitating and promoting land grab for industry, the company is not absolved of its responsibilities; aside from being the active project management and having held the public hearing after performing a bhumi pooja, issues such as acquired land that was left unused or demands for fairer compensation and the delivery of much promised jobs were certainly pertinent to the Tata company.

Buying of iron-ore can be 5-15 times more expensive for a Company than mining it itself, giving producers of steel with direct control over the natural resource a substantial competitive advantage and much higher profits. It is for this reason that in the midst of ever increasing demand for metals in the international markets and rising prices, companies are trying to secure the raw material at the source by owning captive mines in mineral rich regions like Orissa.

It is also in this light that the entire process from land acquisition to resettlement and compensation comes to be more controversial. In the present debate over the Amendment to the MMDR Act, the provision to make stakeholders beneficiaries by allotting them 26% of profits or of ownership through equity has been strongly resisted by the industry.

⁶⁸Account of the People Union for Civil Liberties

⁶⁹Stolen for Steel: Tata Takes Tribal Lands in India, Corporate Watch

⁷⁰Greenpeace

⁷¹Tata Steel website

“Profit is not a bad word. We make sure a part of it goes back to society where we operate,” says Sanjiv Paul, vice-president of corporate services at Tata Steel. Indeed, profit is not a bad word when it doesn’t come at the cost of someone else’s displacement and loss of livelihood.

5. TATAs Nano plant at Singur, West Bengal⁷²

West Bengal was the backdrop to one of India’s worst food security crisis, the famine of 1942; under the Zamindari system the concentration of land in the hands of the few emphasizing unbalanced economic and power structures eventually resulted in the famine. It was after 1942 that the abolition of the Zamindari system teamed with concerted efforts towards land reforms, the abolition of land concentration through the enactment of ceiling and an end to diversion of food to revenue, removed the conditions for famine.

The same West Bengal that through operation Barga brought land to the tiller has though slowly succumbed to neo-liberal pressures, buying into promises of growth and economic development. It is so that **CM Buddhadheb Bhattacharya** embarked on a path of industrialization giving way to private investments, as land reforms were replaced with privatisation. What followed was not economic development, but a battle between people protesting forceful land grab and authorities brutally repressing resistance for the sake of corporate interests.

As part of its intention to favour private investment and industrial development of the region, in 2006, the West Bengal government acquired **997 acres of cultivable land** to make way for the set up of a **TATA automobile factory** in Singur. Against claims of compliance on the part of the people to part with their fertile lands, the Government effectively behaved as Tata’s agent and resorted to violence and intimidation to silence any resistance: with the application of **Sec. 144**, it acquired around 484 acres through coercion while claiming that 90% of the acquisition was voluntary.

Local farmers found this claim ridiculous: voluntary selling of their land finds no place in their understanding of land as Mother, nurturer and giver of life, specially as the project land is fertile, multi crop agricultural land, revealing that it is the farmers to have a much fairer notion of what is welfare and what is public interest. Opposing the project through peaceful demonstrations, dharnas, hunger strikes, in the face of repression, they also teach a lesson in democracy to an authoritative State acting under its draconian eminent domain when justly questioning: “If it is my land, why don’t I have a say in this?” In the face of their sound concerns, the State has been misleading and out rightly lying about the unfolding of events. The acquisition was all but voluntary, and in many cases farmers’ signatures consenting for diversion were forged.

The collide between government officials and police forces translated in unprecedented violence and repression: on 2nd December 2006, the State Government at the time ruled by the CPI(M) deployed a police contingent including around **5000 Rapid Action Forces** to repress local protests and proceed with forcible land acquisition. People were brutally beaten and arrested, houses broken into, paddy fields set on fire. The people responded peacefully, and initiated a hunger strike on 10th of December 2006 to protest the terror regime which the Government imposed for the benefit of Tatas, while demanding the withdrawal of police forces deployed in the area through the creation of a **Krishijibi Raksha Committee** under the leadership of the Trinamool Congress leader Mamata Banerjee.

⁷²Adapted From Corporate Hijack of Land, Navdanya, 2007

Timeline

Nov. 11: Women in Bajemelia and Khaser Bheri villages got together, protested and foiled the setting up of police posts in their backyards. The villagers of all the six moujas then, under the banner of Krishijibi Raksha Committee, gathered in Chuchura, the district headquarters, and submitted a memorandum to the District Magistrate demanding immediate withdrawal of police from the villages. The District Magistrate assured the demonstrators that the deployment of police forces at the Bajemelia hospital ground would be put off for now. The Singur farmers consider this to be a moral victory. The massive structure for accommodating the forces, however, remains and a new camp is coming up on the bund running through the land acquired for the Tatas. Police sources have also revealed that the deployment of forces will intensify in the coming weeks.

Nov. 10: The Singur farmers have remained strong and united in spite of the deployment of armed police force in the villages. The thrashing they received on the night of September 25-26 has steeled their fighting spirit. No amount of intimidation or provocation can make them waver from their determination to resist the forcible and illegal taking over of their farmland by the state government. Each and every member of the households is now getting ready for the battle. Sanhati Udyog held a street corner demonstration in Kolkata demanding immediate withdrawal of the police force from Singur. On the same day, workers of Kanoria Jute Mill visited the Singur villages extending their support to and solidarity with the farmers' struggle.

Nov. 8: CPI (ML) New Democracy asked a gathering of 3000 villagers at Beraberi market to stand up and be prepared for an uprising. The party also pleaded for united resistance.

Nov. 7: Central camp of the Krishijami Raksha Committee inaugurated at Kona Aswathtala tri-junction of Gopalnagar, Bajemelia and Khaser Bheri to keep vigil over land. 12-hour Bhumi-Yagna held and Namaz offered simultaneously by farmers at the campsite the next day. Hundreds of villagers gather and stay the night at the camp. Two other camps set up at Sahanapara, Gopalnagar and Khaser Bheri. CPI (ML) Liberation opened a camp at Paschimpara, Gopalnagar manned by student activists. Belur Sramajibi Hospital is planning a health camp opposite the police camp at the hospital ground within a few days. Three other camps opened around the project site by INTUC.

Nov. 5: Trinamool Congress leaders told a gathering of 20,000 people at Paschimpara, Gopalnagar that Singur will not be handed over to the Tatas, whatever the cost. The party announced a non-cooperation movement and a Dandi Yatra from Kolkata to Singur starting November 17.

Nov. 3: SUCI held a huge rally of 20,000 people at the Bajemelia hospital ground. The party's supporters vowed to paralyse the whole of West Bengal if the government forcibly takes over the Singur land. On the same day, Nagarik Mancha organized a civil society meet at Paschimbanga Yuva Kendra in Kolkata in which representatives of mass organizations, scientists, academics, journalists, cultural activists and others lambasted the state government for its Singur and development policies.

Nov. 2: Revolutionary Youth Associated took out a 1000-strong rally in the Singur villages. Before the rally started, a registered bargadar took possession of the land he worked on by planting the red flag. The land has been sold to the government for the Tata project by the absentee landlord.

Oct. 31: On behalf of Sanhati Udyog. A People's Survey was launched in the Singur villages to determine the estimated number of landholders and acreage that have been

acquired by the government for the Tata project. The survey had become essential in view of the Chief Minister and his government's repeated claims that 80-90 percent of the land have been voluntarily given up in lieu of compensatory cheques.

Oct. 27: A 'People's Hearing,' organized jointly by Krishijami Raksha Committee and Sanhati Udyog, a conglomeration of several mass organizations formed to extend support to the Singur movement, at Madhyapara, Gopalnagar, Medha Patkar of Narmada Bachao Andolan, writer Mahasweta Devi, Malay Sengupta, former Chief Justice of Sikkim High Court and Dipankar Chakrabarty, editor of Aneek, were in the panel of judges. Hundreds of farmers' families, representatives of political parties, mass organizations and activists of all shades attended. Ministers and government officials were invited but none turned up. Farmers – men women, children and the aged – testified before the panel on the horror of police atrocities on Sept. 25-26 and the misery befalling on them on account of the acquisition of their multi-crop farmland. Later, a mass gathering was held at the Bajemelia hospital ground where the panelists and other speakers slammed the government for forcibly taking over land for the Tatas and perpetrating a gigantic fraud on the people in the name of industrialization. Mahasweta Devi declared that the state government is indulging in 'white lies'.

Oct. 16: Farmers from Singur demonstrated in front of the Tata Centre in Kolkata. It was organized by Trinamool Congress.

Oct. 5: Nishpradip (No lights) was observed in the farmers' homes.

Oct. 2: Shahid Divas (Martyrs' Day) was observed in memory of Rajkumar Bhul, killed by police lathicharge on September 25-26. The farmers vowed to carry on with their struggle.

Oct. 1: Daylong arnadhan (no cooking) was observed in the farmers' families.

Sept. 27-30: Durga puja was not held in all the six moujas in protest against the land acquisition and the police assault.

Sept. 25-26: Thousands of farmers demonstrated from early morning to late night at the BDO office on the first day of the doling out of compensatory cheques. After midnight, in a pre-planned move, CPI (M) cadres and the police, under the influence of alcohol, started a merciless assault on the peaceful demonstrators. Hundreds were injured and arrested.

Sept. 16: Farmers staged a black flag demonstration when the Minister for Land and Land Revenue visited the project site to speak at a meeting arranged by the ruling party.

Sept. 1-2: Women of Beraberi village, brooms in hand, drove away the district officials who came to distribute notices for land acquisition. The officials returned without distributing the notices.

Aug. 22: Farmer rallied in a daylong sit-in demonstration at the temporary camp set up next to the BDO office and boycotted the land acquisition hearing.

July 24: Farmers blocked the Durgapur Expressway for several hours.

July 1-2: Thousands of farmers rallied at the DM's office in Chuchura and submitted their objection to the farmland acquisition.

June 1: A huge demonstration of farmers was held at the BDO office in Singur town under the banner of Krishijami Raksha Committee.

May 25: Men, women and children blocked the Tata officials' convoy when they first came to inspect the project site. The officials returned without seeing the site after the police rescued them.

People's resolve encountered hard repression, but eventually succeeded: as local resistance didn't waver, between September and October 2008, the company was finally forced to withdraw its plan and opt for relocation. It is interesting to note that in this case, it was the company itself to opt out, all while the local Government went out of its way to ensure the project actualization. Chief Minister Buddhadeb Bhattacharjee as well as Commerce and Industry Minister Nirupam Sen were stubborn in their claims of the benefits the plant would bring to the people and the region of Bengal, keen on pushing industrialization forward at any cost.

The recourse to Land Acquisition was consistently justified under the public purpose, claim which wasn't dropped even when local residents filed a Public Interest Litigation against forcible acquisition. Citing public purpose, the HC gave the Government a clean chit and denied illegalities.

In a race to attract the much courted Rs 1000 crore investment, the WB administration engaged in a reckless violation of human rights and democratic values to ensure the project would not relocate to other States which put forward their land for the TATAs to leave West Bengal. The Singur incident testifies that this form of industrialization led growth which stresses on competitiveness at any cost, is inducing a race between countries and within them, between States and regions, to obtain funding in the form of investment by systematically ignoring environmental and human concerns. In much of the public discourse, this is falsely presented as evidence of the public interest involved: if so many Governments are battling it out, it must mean that the project will raise living standards. Nothing is farther from truth, as many of the case studies have well exemplified; while there is indeed a race, it is between Governments and not people: the people of West Bengal as much as those of Orissa, Andhra Pradesh and across India have clearly expressed their resolve against forceful displacement to make way for industries, well aware of the difference between promises ex-ante and facts ex-post.

When in June 2011 the newly appointed West Bengal Government led by **Mamata Banerjee** introduced a Bill to return the grabbed land to unwilling farmers, TATA moved the court labelling the move as unconstitutional. The Counsel for Tata complained to Justice Pal that:

"The notice in effect said 'the land is the government's, so you will have to vacate it. If you do not hand over possession, you can be driven out by force'." And "We went there and they (the district administration) started dispossessing us of the land throughout the night."⁷³

Interestingly, the company doesn't share similar sentiments when it finds itself on the other side of the fence.

6. Jaitapur: India's nuclear ambitions clash with democracy

At only few months from the Fukushima nuclear disaster where a tsunami provoked the failure of several reactors at the plant in Japan, in the midst of international reviews of nuclear facilities and plans, the Indian Government has proclaimed it will move forward with the Jaitapur nuclear plant in Maharashtra.

Despite a wave of rethink over nuclear energy, with most of the Western countries stepping down their reliance on nuclear, the Indian Prime Minister has declared that the country will move forward with its civil nuclear expansion and increase capacity multifold by 2020 to satisfy India's growing energy demands. In the same light, the Minister of Environment and Forests Jairam Ramesh makes way for a huge nuclear park in Maharashtra's Ratnagiri district by granting permission for the establishment.

⁷³TATA Motors moves HC over Mamata's Singur Act, the Economic Times 23rd June 2011

Set to reach **9900 MW** power capacity, the Jaitapur plant would be the largest nuclear power generating station in the world at an approximate cost of Rs 100,000 crores. The project is born in a partnership between the **Nuclear Power Corporation of India** and **Areva S.A.**, French based nuclear engineering firm; it foresees the installation of 6 European Pressurized Reactors (EPRs) based on new technologies so far unused in the world. While the Indian Government along with Areva push this forward as enough justification for safety, the same premises raise serious concerns in the mind of the public and eminent scientists. Being unused and untested, the reactors pose obvious safety issues.

Yves Marignac a nuclear energy International consultant referring to the Jaitapur nuclear park based on highly questionable EPR technology said:

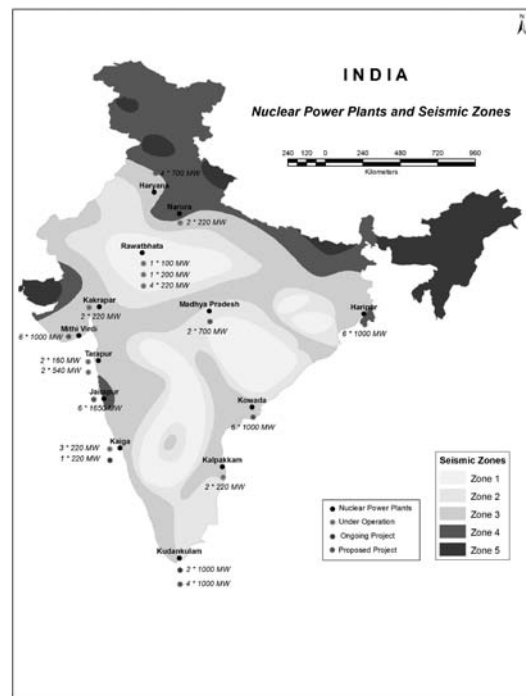
“The EPR is based on the same principle as older reactors and, being more powerful, presents even more potential for catastrophe. Its safety features are more complex but rely on the same confidence of engineers in their ‘probabilistic approach’ that has just taken a severe beating in Japan.” And further “The idea that a major accident won’t happen is dead.”⁷⁴

It is worthy of notice that the **STUK**, Finnish Safety Agency, has identified 3000 safety and quality deficiencies in the EPR technology, many deriving from cost cutting measures and the choice of cheap, incompetent subcontractors and an overlook of safety measures⁷⁵, scenario which might well be repeated in India where a) the cost of the reactors is officially estimated as less than half that in Europe and b) instances of corruption and sub-standard construction surface repeatedly (see CWG).

The issues are not limited to the safety of the EPR technology itself: the plant’s location calls for ample criticism as the proposed site on the Konkan coast of Maharashtra is highly seismic and classified as **zone IV** – at high risk of earthquakes of a potency of even 7 on the Richter scale. In the past 20 years, there have been 3 earthquakes of potency higher than 5, one of which in 1993 caused the deaths of 9000 people and the collapse of the Jaitapur bridge.⁷⁶

The official propaganda is trying to refute these concerns, underplaying the seismicity of the area and the possible dangers: the NPCIL has issued statements to the press claiming that the area is classified as Zone 3 as opposed to 4 and that the site has instead greater safety margins.⁷⁷ It also denies any earthquake in 1993.

Anil Kakodkar, former Chairman of Atomic Energy Commission, takes a different stand towards the same result stating that it is possible to build nuclear reactors even in highly seismic zones 5 he goes on to say India and Japan’s seismic activity is different, and that hence it cannot be compared. Interestingly though he offers Japan’s example when it comes to quoting the 54 reactors there present in Zone V. He added



⁷⁴India: Greenpeace says European banks under pressure to reconsider financing Jaitapur

⁷⁵Nuclear Banks, No thanks! Nuclearbanks.org

⁷⁶Greenpeace India

⁷⁷Letter from NPCIL to Times Now

“So, I won’t say a tsunami will not occur, but its intensity will not be that high. And specifically, since Jaitapur is on a plateau, the possibility of a tsunami there is low.”⁷⁸

It is interesting that against global concerns arising from the late realization that men cannot control and reign over the forces of nature, which often strike unforeseen, Indian authorities are confident they can predict what will and won’t happen, while also choosing to arbitrarily compare apparent successes yet refusing to take stock from disasters.

Land Acquisition and protest against Jaitapur nuclear plant

While the broader debate over the direction India should follow to meet its energy requirements plays out between misleading claims and hard fact evidence, the resistance to the nuclear plant has intensified with the Government’s recourse to Land Acquisition at the proposed site. Local villagers, farmers and members of civil society are protesting the forceful acquisition of **968 hectares of land from** five villages of **Madbam Nivel, Karel, Mithgavane and Varliwada**, all in the Ratnagiri district of Maharashtra directly affecting over 2400 families and more than 40,000 overall livelihoods. Strongly opposing the displacement which would case them loss of land, livelihood and substantial income from agriculture and horticulture, hardly a hundred have accepted compensation but many of them are rethinking that too.

The process was announced in 2007, when the Government first offered a compensation of **Rs 1/1.5 lakh per acre**; in sight of the controversy and of the fact that the land is in fact cultivated and not barren, compensation has been reviewed to Rs 10 lakh per acre plus one job per displaced family. What the Government fails to understand when offering higher cash give-outs and relief packages in exchange for land is that farmers and other local communities are not protesting to get more money, they are protesting to not lose their land and livelihood, on which no price tag can be placed.

They also well understand the implicit dangers in a nuclear plant functioning by their homes: even in the event of no major disaster, they stand to lose as sustainable agriculture and fishing which are highly practiced and fruitful along the Maharashtra coast would be rendered unviable. The reactors would disrupt the ecosystem irreversibly, making life miser and impossible. The project in fact also affects a large fishing community which hasn’t been taken into account whose dependency on the activity would surely be disrupted by the reactor’s discharge into sea and by security measures around the area.

Environmental clearances and the politics of nuclear

Another major issue with the project arises from incomplete and inept assessments of the overall impact on the environment and population of Jaitapur: the report produced by the National Environmental Engineering Research Institute (NEERI) of Nagpur has been commissioned by the Nuclear Corporation of India, making the conflict of interest and bias more than evident. The assessment has gross omissions, most importantly it fails to assess the impact of

- Radiological releases, either from routine emissions or in the case of an accident
- Decommissioning
- Nuclear waste

It also fails to examine the impact the 9900 MW nuclear power plant would have on:

⁷⁸Letter from NPCIL to Times Now

Ecosystems and livelihoods
Terrestrial ecosystems and farming
Mangroves
Marine ecosystems and fisheries⁷⁹

Conditional Environmental clearance was granted in November 2010. Following protests and concerns by civil society organizations that the impact assessment was not comprehensive, the Ministry publicly stated that it would not review the clearance, with a response that was dismissive:

“As far as environment clearance is concerned, we have done all that is required and all different interest groups should not use environment as a shield behind which they start firing their guns at the government,”

In March 2011, the Environment Minister Jairam Ramesh finally admitted to the lack of a radiology impact study, but still declared it wouldn't revoke the clearance but add additional conditions and safeguards.

This is yet another instance of faulty and partial assessments that consistently downplays environmental and human serious concerns under the shield of partisan and political interests: it is in no way credible to dismiss criticism moved to a flawed and biased impact assessment as a cloak to target the Government, in a case where the accusations moved are in fact substantiated by facts. It is non only undemocratic but also false to claim that such criticism derives from people being politicized: the public's concerns over environmental degradation, toxic waste disposal and forceful land acquisition for the purpose of a nuclear plant in their backyard, on a highly seismic area surely do not seem alarmist nor can they be dismissed as irrelevant. Instead, it seems that civil society is taking up a public review in true democratic spirit, opposed to an authoritarian and discretionary approach followed by the Ministry, granting clearances in the absence of adequate overall impact assessments.

It can be easily understood that the Ministry's criticism of being politicized moved against project opponents applies instead to the Ministry and the Government, persisting on a project which is widely disapproved by the people, in line with a political design that has little to do with citizen's welfare and much to do with international politics and pressures. The deal was in fact signed during the visit of French President Sarkozy to India, and it constitutes the first project implemented under the aegis of the Indo-US civil nuclear cooperation deal. It is not the opponents to be politicized and motivated by “outsiders” who want to stop India's growth and rise in the international arena, but seemingly the opposite.

Most Western Governments are themselves spontaneously giving up nuclear energy in sight of both strong safety and environmental concerns and public opinion growingly against nuclear energy and for investments in renewable, clean energies. Japan and Germany have committed to a gradual but steady downscaling of nuclear plants, with many other halting operations for reviews or subjecting nuclear to public vote.

While it can be argued that the economic rise of India surely affects the status quo and power dynamic on the international chessboard, it is nonsensical to see the opposition to nuclear power as a means to stop India's rise; instead, the country has a golden opportunity to learn from history and not follow on the path of the Western countries to only subsequently halt and take a U-turn after due realization that the path is unsustainable! India should take advantage of having witnessed the rise and fall of such un-ecological, unsustainable industrial development – which includes the

⁷⁹Greenpeace Indi

reliance on nuclear energy too – and avoid going the long route of imitation to instead immediately divert investments and efforts into developing clean, renewable energies – gaining a comparative advantage in this which promotes its growth (nationally and in the international ladder) while also avoiding it to repeat Western growth model pitfalls.

It all becomes more clear once we hear the Environment Minister express his stand on the issue of energy procurement, himself dismissing renewable, alternative sources of energy for meeting India's needs as "height of foolish romance":

"Environmentalists are against coal as it causes global warming, against hydro as it submerges and against nuclear as well. India has a population of 1.2 billion. It is the height of foolish romance that India can meet its energy needs from solar and bioenergy," said the Environment Minister⁸⁰.

Not only is this an arbitrary statement, it is also factually incorrect: a recent **IPCC - UN** backed report has concluded that renewable sources of energy can meet upto 80% of the world's demand, while also saving greenhouse gas emissions for a cumulative **220 to 560 gigatons of carbon dioxide** between 2010 and 2050. It is worthy to remember that presently, the world is failing on its carbon emission cuts – rather emissions have increased in 2011 by a massive 1.6 GT from 2009, totaling the highest 30.6 gigatonnes of carbon dioxide poured into the atmosphere, mainly according to estimates from the IEA.

The IPCC report makes an important point that well applies to the current Indian scenario: while renewables will grow even without enabling policies, it is paramount for the appropriate political will and policy framework to exist if renewables must be given significant boosts. Policies are a matter of incentives: insofar, the lobbies and money involved in dirty energy have diverted attention and investments towards renewables, but increased safety and global warming concerns are gradually unstalling this trend – in the next few years, it will be those who review growth in keeping with the environment to lead the global economy.

The IPCC also states that industrialized Western nations must assist in the provision of clean technologies and finance towards a shift in all countries – instead, what's been shut in the West is being imported by the East. Again, a politically motivated move that should make us question: isn't this a strategic attempt to retain a "new" competitive advantage? These questions don't seem to crop up in any of the debates.

In the Jaitapur case too, the project is to be financed by a consortium of international banks that would include: **BNP Paribas, HSBC, JP Morgan Chase, Standard Chartered** amongst others; **Deutsche Bank, Commerzbank and HSBC** are though pulling out in sight of sustainability and reputation risks. As a matter of fact, banks finance projects which would never be allowed in their own countries.

In India too, rather than promoting sustainable technologies, the opposite is happening: the Government is fast tracking nuclear cooperation deals with a country after the other: if it all began with the **Indo-US civil nuclear deal**, it continues with the Jaitapur plant in partnership with France, till the most recent news of a bilateral nuclear cooperation deal with Japan for nuclear technology and equipments. Whose interest does this serve? The increase reliance on nuclear energy for India will inevitably reveal a competitive disadvantage at a time when the global community pays the price for growth frenzy and invests in R&D for clean sustainable technologies. The Government should have enough foresight to understand where the future lies, and where we are just following an already threaded path on which the country is set to doom.

⁸⁰Strike a balance between environment and development: Jairam Ramesh, dnaindia.com

7. Policy Scenario on Land Acquisition, Mining, Rehabilitation and Resettlement

7a. National Mineral Policy 2008

In line with the liberalization growth mantra, the Government announced the new National Mineral Policy 2008 for non-coal and non-fuel minerals as a framework maximize the benefits of mining. The policy stresses on the importance and need of developing India's mineral resources in direct relation to economic growth and development. What it fails to account for is the hard evidence that the top mineral producing districts are also the country's poorest after decades of mining. The relationship between mining and development has in fact been recognized in recent years as an inverse one, along the lines of Sachs and Warner's "natural resource curse" notion.

The foremost issue with the NMP is that by proposing to create an environment conducive to investment, private and public, and technological advancement it is actually laying the grounds for more of an unfair and destructive exploitation that accumulates benefits in the hands of few while not taking any step to alleviate the massive costs, human and environmental, that mining imposes on the country.

1. It proposes to create an environment conducive to investment, private and public, and technological advancement including mechanization, computerization etc. This has 2 important consequences:
 - i) the emphasis is on increasing mineral extraction for development of the country
 - ii) the proposed technological advancement sought through mechanization, computerization etc. entails an increasingly capital intensive activity and highly skilled labor, in dire contrast with the claims of employment generation from mining put forward as benefits by projects' proponents.
2. An emphasis on infrastructural development of the area, public and private; an enabling environment will be created "to motivate large capacity mining companies" to undertake construction of transportation networks on their own.

The Planning Commission estimates that **75%** of this infrastructural development will be at the hands of the **private sector**⁸¹, turning what used to be the domain of the public sector into a profit-making enterprise for the private sector. This provision ignores the fact that infrastructural development too requires land, and raises the same issues

While it recognizes the negative impact of mining on the environment, the policy takes a very superficial approach by limiting to say that "the guiding principle should be that a miner shall leave the mining area in better ecological shape than he found it". It also grants that mining operations shouldn't be conducted in ecologically sensitive areas and biodiversity hot spots. In a situation where compliance is evidently not forthcoming, this is empty talk, as the many recent controversial cases of private mining proposals and projects all lied in ecologically fragile areas, amidst lush forest: Vedanta's proposal was mining bauxite from the top of Niyamgiri, home and living God to the tribal indigenous Dongria Kondh; POSCO integrated steel plant is to be built on forest land, with annexes in the CRZ area which cause significant damage to the fragile coastal ecosystem, aside from increasing natural disaster risks due to geological and geographical factors, and so on. Each case amounts to a deliberate and open violation of the laws and policies of the country. In some cases, the extent of misdeed has gone

⁸¹Rationalising Dispossession: the Land Acquisition and Resettlement Bills, EPW

as far as legislations being amended to suit corporate needs rather than the opposite holding true: as the POSCO case awaited clearance, the controversy over its activities being located on coastal No-development area was shut down by an MoEF notification that reduced the No-Go area from 200mt to 100 mt accompanied by the declaration of Minister Shri Jairam Ramesh that:

“India must get used to power plants being located in water areas. They require imported coal, gas and even uranium ... all this necessitates that power plants be allowed in water areas,”

In a context where clearly the interests of capital are being promoted at the cost of people, the environment and democratic governance, the NMP boils down to nothing more than a reconfirmation of the Government’s unsustainable growth plan.

7b. Mines and Minerals Development Regulation Bill 2011

The Mines and Minerals Development and Regulation Bill 2011 is being framed to replace the existing Act of 1957; referred to a Group of Ministers under Pranab Mukerjee, it is yet to be introduced in Parliament. The new Bill is being prepared to address issues related to sustainable mining, local area development with special reference to project affected people. The Ministry engaged experts for the creation of a Sustainable Development Framework following international best practice in mining and related activities. A document has been prepared for stakeholder consultation with a view of mining contributing to the welfare of affected communities, tribal and indigenous groups affected by mining projects.

In particular, the biggest break from the past revolves around the proposition of benefit-sharing with local affected communities (**26% of profits**; investments in CSR etc) considering the negative and destructive impact of mining on local livelihoods, income and health. Several mineral rich countries have implemented similar provisions for profit sharing, making them legally enforceable. This said, there has been considerable resistance from the industry – in the form of both companies and industry body (FICCI) and also some Government officials opposing the move that’s seen as a deterrent to further investment and a propeller for imports as opposed to domestic exploration, production and value addition. Some have gone as far as saying that this would equate to earning undue profits and this would constitute a disincentive for people in wider society to be gainfully employed and contribute to the economy.

It is ironic that such moral preachings come from highly privileged super-wealthy individuals who have made a fortune by accumulating through dispossession: the snatching of resources for the capitalist sector from the petty production sector outside of it⁸² constitutes accumulation through encroachment typical of capitalism. Indian and foreign companies have built empires by exploiting land handed by the Government at the expense of displaced farmers, laborers, SCs and STs who are often not rehabilitated.

In a feature on Outlook on the question of Naxalism and development, commentator B.G Varghese talks about relocation as the price to pay for the country – and the tribals – to become “developed”. He argues that while displacement happens, there are instruments in place such as resettlement, compensation and rehabilitation which though insufficient in the past, are being reshaped to supposedly offer more solace.

He also takes a very reductive view of displacement and compensation “There is much virtue in translating Gandhi’s concept of trusteeship in a new and evolving idiom of CSR to which corporates, the state and courts have variously given expression. The new deals being worked out by the POSCOs, Vedantas, Tatas, Mittals and others are

⁸²Prabhat Patnaik EPW: The Accumulation Process in the Period of Globalisation

greatly in advance of what was on offer even five years ago. These packages and the legal framework around them will keep improving too. India's diversity defies "one size fits all" solutions; it is in variety and experimentation that best practices will keep emerging."

While acknowledging the defiance of one size fits all solutions, Varghese fails to apply this understanding when he accepts offer packages to be worthy compensation for communities which are losing their land and livelihoods. This notion of "trusteeship" which is also envisioned in the stock option proposal by which farmers should be compensated with shareholdings or financial stocks is in contraposition, not in line with, the customary tribal culture and resource management system: it implies an imposition of systems of governance and control such as the introduction of private property that are alien and inappropriate to their social systems. CSR even when authentic does not make up for the lost dependence on nature, nor for the break of a sustainable pattern of living that finds its roots in the relationship with land and ecosystems.

Even worse, it implies leaving the fate of tribals and farmers on an unstable and unreliable financial market: this increases insecurity as opposed to land which guarantees livelihood, employment, food security, income and a dignified life. It also leaves untouched the intrinsic injustice inherent in land dispossession, executed through the application of the colonial Land Acquisition Act of 1894, designed and used by the British rulers to acquire Indian land under the notion of "eminent domain" for the East India Company and the Government. Today, the Act is used by the Government to hand over fertile land to private corporations who are becoming the new zamindars under what is ironically defined as the "public purpose".

7c. Land Acquisition Act 1984–Land Acquisition Amendment 2009 (New Amendment to be tabled in Parliament 2011 Monsoon session)

The Land Acquisition Act was introduced by the British in 1894: ever since, the Act has been the instrument to facilitate the rulers takeover of land for the broad and ill defined "public purpose" under the notion of "eminent domain" i.e. that the State has overwhelming power and control over the country's resources. After Independence, the Government of India maintained the Act as its instrument to acquire land for disparate purposes, from building of highways to the creation of privately developed Special Economic Zones. Despite various Amendments, no significant reform has been implemented in a system that has consistently displaced millions of people with force and against their will; the latest Amendment (2009) in line with this does not improve the lot of affected people as claimed, but on the other hand renders land grab by the Government for the benefit of private players smoother by "streamlining" the process.

The promotion of private industries has been largely equated with the public purpose, increasingly since the 1990s policies of economic reforms aimed at increasing investment, privatisation and industrialization. In the latest version, the Bill envisions a **70:30 provision** whereas the private company wanting to acquire land should proceed with 70% of the acquisition, only for the Government to step in and invoke the eminent domain over the remaining 30% of land, under the premises of public purpose. Considering the present trend where economic growth intended as GDP comes to be equivalent to "undisputed public good" the amendment actually does nothing to prevent involuntary displacement nor to restrict and define the public purpose. The 70:30 provision requires for land to be purchased, not for an informed consent; landowners in the process risk feeling coerced in selling their land for fear of even more abysmal compensation had the Government to invoke eminent domain and acquire their land under 30% clause.

The current definition of “public purpose” stands to include “strategic purposes” and “the provision of land for infrastructure projects of the appropriate government, where the benefits accrue to the general public”.

While this might seem to reduce the role of the Government as private and corporate agent, neither “useful” nor “general public” are defined, leaving much room for discretion. Mining and natural resource extraction as well as real estate industries being included in the public purpose clearly expose the rationale behind the Amendment to be facilitating land acquisition for the private sector and reducing inconvenient litigations and protests from original landowners. As per the NMP 2008 in fact, the Government foresees the promotion of private investments and an increased role in infrastructure development and resource extraction. The Planning Commission estimates that 75% of the total infrastructural development will in fact take place by the hand of private players, implying in turn that land acquisition under the new definition of public purpose will inevitably favour companies at the expense of farmers and landowners.

- (f) the expression “public purpose” includes,—
- (i) the provision of land for strategic purposes relating to naval, military, air force and armed forces of the Union or any work vital to national security or defence of India or State police;
 - (ii) the provision of land for infrastructure projects of the appropriate Government, where the benefits accrue to the general public; and
 - (iii) the provision of land for any other purpose useful to the general public, for which land has been purchased by a person under lawful contract or is having the land to the extent of seventy per cent. but the remaining thirty per cent of the total area of land required for the project is yet to be acquired.

Explanation.—The word “person” shall include any company or association or body of individuals, whether incorporated or not.’;

- (ff) the expression “infrastructure project” shall include—
- (i) any project relating to generation, transmission or supply of electricity;
 - (ii) construction of roads, highways, bridges, airports, ports, rail systems, mining activities, educational, sports, health care, tourism transportation, space programme and housing for such income groups as may be specified from time to time by the appropriate Government;
 - (iii) water supply project, irrigation project, sanitation and sewerage system; or
 - (iv) any other public facility as may be notified in this regard by the Central Government in the Official Gazette;⁸³;

Who stands to define public interest? Whose interest is pursued when hectares of fertile land are acquired at nominal rates from local population in exchange for nothing? When an entire ecosystem is destroyed, whose development are we talking about? Even the Supreme Court is strongly advocating the removal of the public purpose notion which is enriching some at the expense of many.

“The perspective has to change. The public purpose clause in the 1894 Act must go. If the government does not do it, then this court has to act. It is development of few at the cost of many,” said a vacation bench of **Justices P Sathasivam** and **A K Patnaik**⁸⁴.

⁸³Land Acquisition (Amendment) Bill, 2009

⁸⁴The Times of India, 28 June 2011: Dump archaic Land Acquisition Act: SC

Land grab is fuelled by growth frenzy which thrives on unsustainable overconsumption and resource depletion; it is intrinsically undemocratic as it rests on an authoritative, predatory state which takes from commons to give to privates. Commentators proponents of growth lightly respond that development comes at a price, and someone would have to bear the brunt of the country booming. Instead, this trend of dispossession and accumulation is breeding conflict and violence, and it is threatening not only the country's growth but even its survival.

7d. National Rehabilitation and Resettlement Policy 2007

The National Rehabilitation and Resettlement Policy, 2007 was supposed to be an improvement from the 2006 draft National Rehabilitation Policy which in turn was to be a step forward from the National Policy on Resettlement and Rehabilitation for Project Affected Families of 2004. None of these drafts though addresses the real causes of the booming of conflicts over land that have grown disproportionately with India's economic growth. The policy remains subordinated to land acquisition by upholding the notion of eminent domain and forcible acquisition for the public purpose in line with the Land Acquisition Act. All in all, there is no adequate or appropriate national framework for the welfare of people displaced by the State, and policy is made on false assumptions and palliatives that do little more than anger the already desperate population.

Clause 1.2: Active Participation of affected persons

- In practice, consultation of affected persons does not take place if not superficially at times; locals are only notified by local authorities but have no actual say in the project determination even if this takes away their land. Most times, people are convincingly against selling their lands in exchange for compensation; they are threatened that if they don't comply, they will be denied even that meager amount they are supposedly entitled to leading to coercive sell-outs.
- The policy calls for Social Impact Assessment and Environmental Impact Assessment. Yet there is no provision for inclusion of the affected people in the process of evaluation.
- A committee of experts is to be appointed to examine these reports. The "experts" are appointed by State and Central Governments, making the conflict of interest obvious: there is no transparency, no accountability or independence of thought in the process of evaluation. State and Central Governments have though substantially proven to be acting as the industry's agents, not as protectors of tribal interests.

Clause 4.7: Ministry of Defence exempted from SIA and EIA if acquiring land for national security

- This implies that if the MoD decided to grab land for even a nuclear plant presented as an element for national security, no one can oppose it. So not only are the people affected once by being robbed of their life and livelihoods, their incomes, homes, plots, environment, they are robbed to be left destitute in the presence of another huge threat.
- The State has the power to forcefully acquire land by application of the 'emergency clause'. Since, 1984, the emergency clause has been habitually applied.

Clause 6.1 restricts the application of the rehabilitation policy by stating that the Government is to declare an "affected area" only when there are 400 or more families en masse in plain areas, or 200 or more en masse in tribal or hilly areas.

Clause 6.9: if sufficient Government land is not available there, then land may be purchased or acquired under the Land Acquisition Act 1894, for the purposes of resettlement and rehabilitation scheme.

- So in practice, there is a case that rehabilitation of the displaced will happen by displacing someone else

Clause 7.4.1: each affected family owning agricultural land whose land has been acquired may be allotted agricultural land or cultivable wasteland (upto a max of 1 hectare or irrigated land or 2 of non irrigated/cultivable wasteland only if Government land is available in the resettlement area”.

- The “if available” leaves the decision making power obviously to the discretion of Government, in a case where the Government is the grabbing party.

Clause 7.4.2 states that when land for rehabilitation is not available, the family may be given monetary compensation for purchase of other land.

In practice, because of rampant speculation in land and real estate, the price of land tends inevitably to rise way beyond the displaced purchasing power.

Clause 7.13.1 provides for employment provided only to those who lost employment due to project

- Such employment will also be subject to availability and suitability of the affected person to the job. So once again there is no guarantee whatsoever that relocation will take place; when it does, it implies the forcible imposition of industrial employment as opposed to the sustainable livelihood which has gone lost

Clause 7.19 entails that there is NO provision for people displaced by linear acquisition: the victims of linear acquisition for railways, highways, transmission lines, pipelines etc will not be entitled to rehabilitation package or resettlement but an ex-gratia payment as deemed appropriate by the Government (not less than Rs 20,000)

- *Clause 3.1(b)* provides for no adequate safeguards for SCs and STs as

Affected families qualify if “residing or engaged in any trade, business, occupation or vocation continuously for a period of not less than 3 years preceding the date of declaration of the affected area. Tribal groups engaged in shifting agriculture or nomadic forms of life stand at risk of being excluded from rehabilitation.

7e. Resettlement and Rehabilitation Bill 2009

Though envisioning provisions such as including landless and artisans in compensation, house plots and cattle compensation, moving costs and monthly sustenance of Rs 500, the latest Bill on Resettlement and Rehabilitation still does not address the fundamental issues implicit in forceful land acquisition and displacement. It still envisions limited provisions such as:

- replacement land to be offered “if government land is available in the resettlement area”
- employment in the proposed project industry subject to the availability and suitability of the affected person for the employment”
- nothing beyond cash compensation (in cash or shares/debentures)
- absence of a timeline for R&R or penalties for non-compliance, no provision for mandatory prior R&R
- entitlements and social/environmental impact assessments required in case of displacement of 400 or more families or 200 in hills or scheduled areas

- National Development and Rehabilitation Commission with vast discretionary powers such as “assessing the validity of requests for public purpose”, an Ombudsman with power to “dismiss all petitions relating to resettlement and rehabilitation”.

Despite some improvements, the policy discourse on land acquisition fails by not accounting for the intrinsic value of land as a productive asset that ensures sustainable livelihoods: compensation in the form of cash or shares does not make up for the loss of employment and livelihoods provided by agricultural, forest and fertile land, while also doing away with the common property resources that local communities depend on. Compensation entitlements limit to those with land rights and is increasingly centered around the notion of “**individual**” as opposed to “**community**” rights. This has far reaching implications: not only does it risk excluding those in most abject conditions and need, those not satisfying the eligibility criteria, or those who cannot provide proof of residence or dependence, but it also undermines the very social structure of the communities by reducing the notion of community property and common resources. This also increases the prospect for tribal land alienation as opposed to preventing it: the shift of focus from community to individual allows scope for privatization which in turn results in alienation.

Non recognition of community land means that most of tribal land can not be registered as it was community owned, and there are hardly records for this as tribals rested their land tenure on word of mouth, in a system that can be understood as somewhat of a trusteeship; customary tribal laws in fact are centred on the notion of community and that even governed individual ownership.⁸⁵

7f. NAC on National Development, Land Acquisition, Resettlement and Rehabilitation Act

The National Advisory Council has put forward its recommendations regarding the policies relative to Land Acquisition and Resettlement and Rehabilitation, both Acts which are currently under review and to be introduced after amendment in the near future. The NAC, though it won't be drafting the legislation, has made the suggestion of having one comprehensive Act to include different aspects related to land and displacement in the place of an amended LAA and an amended MMDRA.

Going against the latest Governmental propositions to stop the Govt's role in land acquisition for the private purpose, the NAC has warned of the dangers of allowing private buyers to approach farmers directly to purchase their land, when bargaining powers are evidently biased in favor of the former; in sight of this, it suggests retaining the Government's role in acquisitions to ensure adequate protection of the vulnerable and entitlements to relief packages as is the case with public purpose acquisitions.

While the premises of the NAC are true, the solution ignores the reality of the current situation in India, where more than often it is the Government itself to become predatory, grabbing land without the least consideration for the vulnerable, against its own legislations, even perpetuating atrocities on those who oppose this gross injustice; the case of Bhatta Parsaul in UP, where the Mayawati Government unleashed police forces on protesting farmers for the sake of building the Yamuna Expressway and the F1 track is only the most recent example of a trend that has taken significant pace in the last decades. The POSCO clearance is another evident testimony to the collide between private industry and the State and Central Government which makes a distinction between the 2 – especially as envisioned by the NAC, with the Government acting in “protection” of the people – almost invalid and futile. Jairam Ramesh's

⁸⁵Walter Fernandes, Sanjay Barbora 2008

admission that he cleared the project “under pressure” coming after the total disregard of the Government’s specially appointed Committees recommendation to scrap the project is an indication of the clout enjoyed by private actors on Government Departments. Similarly, the scandalous clearance, granted by ignoring the CEC’s findings of violations and illegalities and instead resting on the mere “assurance” by the State Government that it was “telling the truth” on the status of FRA implementation goes a long way in suggesting how much of protection the Government is willing to give the people as against private companies.

7g. The Draft National Land Acquisition and Rehabilitation and Resettlement Bill, 2011

On July 27th, the Rural Development Minister, Jairam Ramesh, put the draft National Land Acquisition and Rehabilitation and Resettlement Bill, 2011 in the public domain for discussion. The draft combines the Land Acquisition Act and the Rehabilitation and Resettlement Bill. We welcome public consultations on a law that has serious implications for people’s rights and livelihoods, the ecological and food security of the country, and democracy and peace.

However, this draft like earlier drafts, begins with the right of the Government to acquire the land of farmers and tribals, instead of beginning with land sovereignty (Bhu Swaraj). It treats limitless industrialisation and urbanisation as inevitable, instead of recognising the ecological services and livelihood potential of land.

In the case of acquisition of land for private interests, it does provide for the consent of 80% of the affected people. But no such provision is there for land acquisition for Government. In effect, the rights of people affected by projects like Jaitapur will continue to be extinguished.

The definition of public purpose covers everything - land grab for real estate, mining for infrastructure. This draft will not stop the great land grab.

Conclusion: Land grab and the threat to people, environment and democracy

The current pattern of growth of the Indian economy following the LPG mantra persistently advocated by the Government as a means for the country’s development and vehemently pushed forward by International financial institutions has initiated a zero sum process of lopsided accumulation at the price of dispossession.

Wealth is not being created per se but extracted from people and nature and appropriated in the hands of the few. The creation of 50 Indian billionaires in the midst of a hungry country is a testimony to this: resources which are born as common property of the public are increasingly privatized for the unbridled profits of the few at the cost of displacement and livelihoods. Ambani’s billion dollar home in Mumbai, the capital of slums, stands as the ostentatious symbol of the dichotomy and inequality that LPG is pushing forward; it is also witness to the growing perception that such accumulation is legitimate and of the new mainstream ideology having shifted to favour individual wealth at the expense of social justice.

The neoliberal paradigm is absolutely centred on the notion of individual as opposed to that of community; in the market, individuals are atomic players competing for resources. The consequences of this are not only practical, implying the loss of some for the benefit of others; but they are also more pervasively affecting our society and relational dynamics. Globalization is producing an alienating effect both on people and

on social policy: on the one hand the notion of collective good, of citizenship and of solidarity is being sidestepped – on the other, the welfare institutions which originally were born to consolidate and ensure these goods are being curtailed.⁸⁶

This shift in mindset is eroding the very fabric of the country: it is subverting democracy by justifying the means for the end; it is eroding its intrinsic values of diversity and plurality in a model that consistently does away with traditional, customary indigenous and agricultural lifestyles. It is dangerously imposing uniformity by stealth by means of forcible flattening out of democratic dialogue and destruction of sustainable ways of life. Democracy lies its foundation on the equality and respect of diversity, on the recognition of our common human nature which also implies unity – not as a unified way of life imposed under the cloak of national interest – but as the common human goal of peace and well being in respect of a fundamental freedom of choice. We already give up on this deep conception when we accept inclusive growth as opposed to development as our nations guiding principle.

The indigenous, tribal, and agricultural communities are already bearing the brunt of this skewed model in heinous ways: they are not only losing their land and livelihood, they are indeed at risk of survival. Eventually, the price of inequality and injustice affects each citizen; if left unchecked it will lead to a devastating implosion. Injustice and inequality breed conflict, as we are increasingly witnessing through the resource wars in many countries: not only minerals but land, water, seeds have become the objects of wars of appropriation, valued by the economy only insofar as a market, commercial value is attributed to them.

The original custodians of this wealth are inevitably at loss when intrinsic value is displaced in a context where rehabilitation and compensation are limited to monetary values. The enormous significance of the natural elements gets dismissed. How does one estimate the threat to religiosity and customs? How do you compensate the loss of streaming rivers and a clean environment? The systematic commodification of nature and even of life which this paradigm entails is reducing the notion of rights: in a capitalistic worldview only what can be measured can be valued. Rather than addressing the problems, policies are following suit: so for deforestation, a Net Value has been introduced; for land dispossession, a cash compensation; for mining affected communities, stock options. The false assumption that anything can be bought and sold on a market is eroding the notion of citizenship and reducing it to the worst form of consumerism by which inherent rights are dismissed and become function of purchasing power in a privatized world.

These issues are nowhere considered or accounted for in a policy discourse that is often working against the fundamental values of these populations, it is alien and superimposed. As Felix Padel and Samarendra Das have analyzed it, this is leading to nothing less than the destruction of a culture, a way of living, in other words a genocide.

Indigenous and agricultural communities are more advanced than urban industrial ones in their understanding of the deep connection between the natural elements, ecosystems and human beings. Their customs based on respect of nature's cycles are not only ethical, they are also economically more sound. Rivers are drying, groundwater is exhausting and increasingly polluted, soil is saturated with chemicals and turning infertile. Prime and fertile land which has been preserved as productive thanks to ecological farming and sustainable use exactly by rural and indigenous communities is being appropriated for industrial expansion. At the current rate of resource depletion, the present format

⁸⁶Room, G.J "Social Exclusion, solidarity and the challenge of globalization" 1999, Blackwell

of urban/industrial growth will just not be possible, aside from not desirable. Policy makers, industrialists and growth-wallas seem to avoid this realization.

In a few years, we have stood witness to a financial crisis of massive proportions brought about by unbridled speculation driven by an unstoppable greed for profits. Around the same time, a food crisis spiralled with millions pushed further into poverty, dying of starvation as the prices of food recorded all time highs in international markets. The UN warns us that we are nearing another food crisis, of equal or bigger proportions than that of 2008. An adequate response to this implies reframing agricultural and development policies, in line with local priorities; adopting sustainable business practices, reshaping the international trade system to a more equitable one.

Instead of admitting and accepting the need for a paradigm shift, Governments, big financial institutions and private companies are engaging in an insane rush to access and control the earth's scarce resources, buying up land in some of the world's poorest countries. In the last few years, an area of 50 Million hectares has being bought or leased for industrial, chemical intensive agriculture in exchange for ridiculously meagre amounts: in several African countries, land is being leased at just \$1 per hectare.⁸⁷

Land appropriation by the hand of wealthy local oligarchs or foreign investors is speeding up in India with severe and evident consequences for food security, peace and democracy, as the case studies in this book illustrate, and as conflicts over land increasingly testify. Yet, India too has taken part in this global race for land: Indian companies backed by Government policies are buying up thousands of hectares of land in African countries for the sake of domestic food production.

Every place where land is being acquired, in India or abroad, is setting the stage if not already witnessing brutal and violent land wars. The large scale uprooting of farmers for SEZs, mining, industrial complexes or urbanization is testing every aspect of India's democracy: as a culture based on the Earth as Mother and nourisher, as an agrarian economy that can feed its children, as a decentralized democracy where minorities and communities are protected by the Constitution. Land dispossession comes to be justified in the name of development, in the name of the public good by a State that abuses of its eminent domain, acting on behalf of corporations while preaching a reductionist role in the face of the market. The creation of gated empires, of islands of luxury in the midst of rising number of poor, hungry and destitute citizens is neither development nor the public interest: it is in fact a very private one and it is pauperizing our country.

If fertile farmlands are destroyed to make place for concrete jungles, soon there wont be enough food to feed the world's population. We must stop this paradigm based on conflict, on appropriation and dispossession, on domination and exploitation of nature for the greed of the few.

If we want India to survive, we must reverse this trend and restore the original value of land as Mother Earth, as life, as origin, as Annadata, the provider of food. Land has always been the ground on which society stands; today this very ground which supports us is under threat through land grab.

Land grab is not just a violation of the rights of the people whose land is taken; it's a threat to our democracy and our survival. That is why land grab must stop. The future of India will be determined by the movements for Land Sovereignty (Bhu Swaraj). The rights of people depend on the rights of Mother Earth. We must embrace Earth Democracy and the rights to the commons. As Earth Citizens our rights are intrinsic and inviolable.

⁸⁷John Vidal, The Guardian: How food and water are driving a 21st century Africa land grab