

# Industrial Development under Democracy and Protest Movements of People in Odisha

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**Abstract** -The liberalization process that started in India in the early 1990s has made Odisha potentially the most attractive destination for large capital-intensive projects by both public and private-sector firms- typically mineral based ones. These projects are facing opposition from the people, especially those likely to be displaced and those who will be indirectly affected. The violence over land acquisition by the government witnessed recently. The drive for land acquisition on the name of industrialization and development has been the reason behind rise in protests by the farmers and tribal people across the state. If the development projects are for the people, then why people rejected it. The protests by civil society and peoples against land acquisition have been growing in recent years. These protests and violence increasingly question the so-called “greater good”. The environmental problem of poor countries like India become acute and they deserve immediate attention in terms of planning and investment programs.

**Keywords:** Industrialization, Development, Displacement, Land Acquisition, Rehabilitation & Resettlement and Protest Movement

## I. INTRODUCTION

The origin of importance of industrialization for economic development and involvement of the government with economic activity in India policy planning could be traced back in the writing of Dadabhai Naoroji, M.G. Ranade and G.V. Joshi etc during the initial period of freedom struggle in the late nineteenth century and the early twentieth century (Marathe, 1986, Rosen 1988). The Swadeshi movement i.e. movement to encourage the purchase of Indian made goods in 1920s echoed the importance of industrialization and policy of self-reliant. It becomes pivotal of Indian policy framework after the independence. Subsequently in 1934, sir M. Visveswaraya, a distinguished engineer-Administer, in his book “planned economic for India” stressed that India could prosper only through industrialization which ought to be organized planned and worked for in 1938, the National Planning Committee of the Indian national congress under the chairmanship of Pandit Jawaharlal Nehru, the prime minister of India took a view that industrialization was the key for solving the problem of poverty, Unemployment, National Defence and economic regeneration of the country.

The inherent characteristic associated with any development process is a change of ideas, value system, and mode of production and technique of production. In this process of development, the world scenario has never been uniform in

all countries. In the present age of globalization, India is integrating its local and national economy with the world economy. This involves opening of public and private sector industries to foreign trade and investment. This ultimately leads to rapid industrialization and subsequent growth of allied development projects aiming at growth and poverty reduction. A significant social consequence of such growth of development projects is a large-scale involuntary displacement of people. It is industrialization that has, indeed, been pursued with the seriousness suggested in the statement by Jawaharlal Nehru, now India, we are bound to be industrialized, we are trying to be industrialized, we went to be industrialized, and we must be industrialized.

Industrialization including mining activities has received wide acceptance as a major strategy for development all over the world. In the post-independence period, India embarked on a course of industrialization under the support of the public sector, which assumed “commanding heights”. The private sector also did not lag far behind under a system called ‘mixed economy’. Odisha, there is a popular statement that Odisha is rich in mineral resources, but it is poor. Hence, industrialization of the state is a must to eradicate the poverty, to open up employment opportunities to be educated and unskilled labour, besides enhancing the state’s revenue. Therefore, in the era of liberalization and privatization, industrialization is primarily geared towards harnessing the vast natural resources in the state. As a result, a large numbers of mineral processing industries are coming to Odisha to invest particularly in the area of bauxite-aluminum, and iron ore steel. The high voltage support of the state government has extended to industrial houses, has created widespread discontent among the people who have been affected directly by projects launched on them. Their inability to receive a convincing response to their grievances from the state has compelled them to resort to violence protest as their livelihood and survival are at stake. No one disputes the fact that the state needs industrialization as agriculture alone cannot ensure growth and development. The rich minerals deposits need to be harnessed to achieve prosperity. In this connection, it is important to ask questions: prosperity for whom? At what cost? Does this prosperity ensure ‘equity and justice’? These fundamental questions regarding the ongoing development paradigm require the scrutiny of planners, development practitioners and corporate magnates that have joined hands for improving the state’s economy.

Rehabilitation and Resettlement of the displaced persons require special plans and emphasis on the part of the government to completely equip them with the opportunities they were enjoying and to eliminate the trauma displacement.

## II. ODISHA AND INDUSTRIAL DEVELOPMENT

Odisha has been in the industrial and mining map of the country even since its inception of mining and industry in India. In Odisha, industrialization started shortly after independence. The oldest in the state were coal mines at Talcher and Ib valley and power mills at Choudwar and Brajrajnagar. Odisha appeared in the industrial map of the country after setting up of an integrated steel plant at Rourkela during second five year plan. Since the state is rich in mineral resources like bauxite, iron ore, limestone, dolomite, chromites etc. more of mineral based industries came up. The history of industrialization in Odisha indicates that certain development process initiated by the government have accelerated industrialization in the state. For example, the construction of Hirakud Dam, the largest dam in the country provided power at cheaper rate. All the industries are established according to the raw materials and mineral resources available in the area. There are twelve industrial zones in the state.

The Government of Odisha signed a MoU with Vedanta Alumina Ltd, a subsidiary of M/S Sterlite Industries India Ltd (SIIL) to set up a mega Aluminum smelter plant at Jharsuguda and allocated Niyamgiri bauxite hill, located on the top of the Niyamgiri hill in Kalahandi district of Odisha for commercial exploitation of bauxite. This company is going to mine bauxite deposit from the Niyamgiri Hills jointly with Odisha Mining Corporation Ltd (OMC) as per the lease agreement signed between Vedanta Alumina Ltd (VAL) and Odisha Mining Corporation (OMC) in Oct, 2004. The state is really rich in mineral resources. It has 5425 million tons of iron ore deposits of the country, which is one-third of the total iron-ore deposits of the country. One-fourth of the coal deposit of the country is in the state, in addition to 98 to 99 and 63 percent of chromites and bauxite deposits relatively. Besides, the available infrastructure includes water in plenty, power at a cheap rate, 480 kms. of coastline with one large port at Paradip and other two ports at Dhamra and Gopalpur.

The industries in the state are diverse and mostly depend upon the natural resources available in the state which include mineral, forest, water etc. the industries, which are closely linked to these resources, are located in the areas, close to the resource base. The industrial sectors are also accordingly distributed and have a very strong links with the resources available. There are twelve industrially active zones/areas in the state. Odisha has witnessed many such people's movements in the post-independence period. Interestingly, such movements have emerged in the backdrop of many development projects in Odisha. Here, the question arises what is development? Who plans development? Development is for what purpose and for

whom? If development is meant for the people, why people reject development. Generally development is seen as economic growth in terms of GDP etc. but it is to be believed that only economic growth does not imply development. On the quality of life people live. Therefore, along with economic development, which influences material conditions of living, political conditions of participation and cultural conditions of emotional fulfillment are equally important. Development thus involves a process of changing in quality of life, as compare to their previous life.

TABLE I MAJOR INDUSTRIAL AREAS/ ZONES OF ODISHA

S. No.	Areas	Type of Industries
1	Rourkela-Rajgangpur	Iron & Steel, Sponge iron, Cement, Refractories, Chemical & Engineering.
2	Ib Valley and Jharsuguda Areas	Thermal Power, Sponge iron, Refractor and Coal mines (Aluminum, Coal washeries.)
3	Hirakud	Aluminum, Rolling mill
4	Talcher-Angul	Thermal power, aluminum, Coal washeries, Ferro alloys, Coal mines.
5	Choudwar	Ferro Alloys, Thermal power, Pulp & Paper, Coke oven
6	Balasore	Pulp & Paper, Ferro Alloys, Rubber industries.
7	Chandikhol	Stone crusher, Coke oven.
8	Duburi	Integrated Steel, Ferro Alloys, Mineral processing
9	Paradip	Fertilizers, Sea food processing, Petroleum Coke.
10	Khurda-Tapang	Stone crusher
11	Joda- Barbil	Pig iron, sponge iron, Iron ore, Crusher and mineral processing.
12	Rayagada	Pulp and Paper, Ferro Alloys.

Source: State of Environmental Report, Orissa 2006 by Orissa State Pollution Control Board.

Because of rich mineral resources, Odisha is exposed to high industrialization which leads to exploitation of the resources as well as the people. It is because the industries and other development projects displace large section of the population from their land. As a result, people lose access to resources like land, forest and water. They also lose bread and butter of life in this process. At the same time development also brought several problems into sharp focus. Establishment of all these projects has caused large-scale displacement of people from their habitats and traditional occupations. Problems were in the form of lack of urban infrastructure for the non-project population, growing disparity in economic status between the locals and the new migrants: development of slums and squatter settlements close to the project townships. A large section of the local population was left out of the process of development and also received several reverse impact on the environment. Another distinguishing features of displacement is repeated relocation i.e. multiple

displacement. In the absence of prior planning and location of several projects in small radius, people are forced to displace more than once. Conventionally, development has been understood mainly in term of high rate of economic growth, higher indicators of infrastructure and other resources. No doubt, such conditions are evidence of development. In fact-such indicators are always highlighted in measuring development of the third world vis-à-vis the developed countries of the west. But development is not to be understood merely as economic development. It is equally important to see not only the aggregate picture of the economy, but also its concrete effect on the lives of individuals and groups.

In 1980s and 1990s an expanded notion of development gradually emerged. The notion of sustainable development came to the core of this thinking emphasizing the need for maintaining natural resources and preserving the organic relationship between human life and nature. So far had industrialization had destroyed many non-renewable resources of nature, creating serious hazards for healthy human life. Besides this, ecological perspective which raised basic issue of survival and the cultural dimension of development was also brought to the fore-front. No doubt industrialization lead to economic development but it has some negative effect over environment for example solid waste from industrial activities is one of the major environmental concerns. The problem becomes more prominent if it is designated as hazardous waste. It has been observed that mineral based industries generate significant quantity of solid waste. The major solid waste are fly ash from thermal power plants, red mud from alumina refinery, slag from iron and steel plant, char from sponge iron industries etc. some of the waste are designated as hazardous because of their composition and hazard potential and they cause serious damage of human health and agriculture. Displacement is not uncommon in the industrial development process. But it is expanding its size and adverse impact that are now a cause for serious concern. The current development paradigm as promoted by globalization, liberalization and privatization is one of the main reasons for continuous violation of human rights. The state of Odisha in the process of development has been experiencing the grim truth of displacement due to increasing industrial development projects in recent years. Due to enormous natural resources, Odisha has become an attractive investment destination for MNCs; foreign as well as domestic and recent years have witnessed an unprecedented growth in numbers of development projects in the state, specially industrial and mining sectors. It's a consequence of these industrial development activities thousands of acres of agricultural lands, common and forest lands were destroyed and a large number of people were displaced. A glaring revelation of displacement in the state is that a significant number among the displaced people is the tribal's and other economically marginalized rural people who have had depended upon the natural resources for their livelihood. Tribal culture and social structure is inseparably linked to the traditional economy for growing

their own food and spiritual relationship with the land they work and displacement ends their relationship with the land.

People displaced by industrial development projects confront a variety of impoverishment risks that include landlessness, joblessness, homelessness, marginalization, increased morbidity, food insecurity, loss of common property and social disarticulation. Until recently, resettlement has remained largely a neglected aspect of the development process. Resettlement programmes have predominantly focused on the process of physical relocation rather than on the economic and social development of the displaced people and other negatively affected people. Such programmes simply lower the living standards of the relocated people, as the living conditions at resettlement site are generally very poor. Human can feel the taste of development by living life; we cannot imagine development by putting living beings in the mouth of death. Development projects have the potential to bring enormous benefits to human society but cost imposed by the poorest and the most marginalized section of society. Due to heavy industrialization, large proportion of the society are displaced from their original habitats and with this process human rights of the people are seriously affected leading to violation of human rights. Displacement is something related to forcefully dislocation of peoples from their original habitats. Government will have to give the answer of capturing the land, water and forest resources of the people without proper rehabilitation and resettlement package. Development in general consensus is seen as a right to which all people should have access but just as people have right to development. They have a right to be protected from development negative effects, including arbitrary eviction and the loss of economic, social, civil and political rights. When displaced does occurred as a result of industrial development the utmost care has to be given to improve lives and livelihood and that is should be transparent and participatory process. If one look at development as social process, it has two components i.e. material components and the human component. The material component is necessary but not sufficient while the human component is the sufficient condition for the development process. Now because of continuous modernization activities and population explosion, barren land is scarcely available. In the absence of castrate land, planners have started looking towards small hamlets and surrounding agricultural lands, existing in the different corners of the country. As a result, large-scale forced displacement of poor and mostly illiterate masses from their native places.

### **III. PROTEST AGAINST VEDANTA ALUMINA LIMITED AT LANJIGARH**

In October 2004, the Odisha government signed an agreement with Vedanta Alumina, a subsidiary of Sterlite Industries (India) to mine bauxite deposit from the Niyangiri Hills jointly with the Odisha Mining Corporation (OMC), ignoring environmental and human rights issues.<sup>1</sup> The Niyamgiri hill of kalahandi district has a bauxite

deposit of 1950 lakh tons. The district of kalahandi is one of the least industrially developed parts of the country. In view of its special characteristics of backwardness, a special project of the central government called KBK (Kalahandi, Bolangir and Koraput) covering three former backward district of Orissa. Both culturally and ecologically the Niyamgiri hills are extremely rich and significant. They are the source of the Vansadhara river as well as a major tributary of the Nagawali river. This region has some of the most pristine forests in Odisha and is home to a number of vulnerable wildlife species including the tiger, leopard, sloth bear, pangolin, deer, and sambhar. In view of its ecological importance, it has been declared a game sanctuary and has also been proposed as a wildlife sanctuary in the working plan of the Kalahandi forest division <sup>2</sup>.

The Dongarias are the original indigenous land owners of the Niyamgiri Hills, that will now be occupied by SIL's massive bauxite mining operations. With land spanning dense forest and river valleys, the Dongarias practice a subsistence economy based on sustainable agriculture, forest products, fishing and hunting their culture intimately entwined with the surrounding landscape. The Dongarias believe that the hill country belongs to "Niyam Raja Penu" a male deity represented by a sword and worshipped during the festivals of Dusahara and jura parab. The Vedanta Aluminum Limited has started its work for setting up a plant at Lanjigarh and mining of bauxite from the Niyamgiri Hill complex. While efforts are being made to change a predominantly rural economy and hilly area into a major industrial complex, the local people have been strongly resisting the work of setting up the plant and mining of bauxite. A mass movement is going on against the Vedanta group since 2004, on April 7, 2004 the Niyamgiri Suraksha Samiti, an organization of one thousand tribal people of the area was formed to protect the forest, land and water of the area, giving the slogan, "Vedanta Hatao" (Remove Vedanta). The people's cause has been taken up by another organization known as the Green Kalahandi. The Niyamgiri Suraksha Samiti has been formed by the people to resist leasing out of the hills to the company on the ground of protecting the environment. The hill is a place of worship of the people belonging to the Khond tribe.

Ignoring the importance of the socio-cultural and environmental aspects of Niyamgiri Hills, the Odisha government has made all-out efforts to bring resource intensive mode of development that would create ecological instability and violate the fundamental rights of thousands of people. When the company is constructing its mining base camp roads, and other infrastructure, local villages are forced to relocate and are barred access to land now under the company's control. Meanwhile, the state government and police provisioned by Vedanta and operating with a mandate to protect the company-have made all efforts to crack down ruthlessly on those who have protested the invasion. In their protest, the local people including the Dongarias consistently speak about the loss of human dignity and the mistreatment-physical, psychological,

spiritual and economic they have experienced since Vedanta and its agents. Niyamgiri Hill protecting their local people as like a child and all people are depending upon its for their maintenance and sustenance. Through their struggle, local communities with the help of like-minded activists and NGOs appealed to the supreme court of India to restore the rights of tribal people and forest resources in the Niyamgiri Hills.<sup>4</sup>

#### **IV. PROTEST AGAINST POSCO-INDIA STEEL PLANT AT PARADIP**

The people of Jagatsingpur District in coastal Odisha have been actively engaged in a protest movement against POSCO, a South Korean Company planning to set-up its 51000-crore steel plant since June 2005. The company has also a plan to open a new private port of its own in order to avail the facilities of Special Economic Zone. The POSCO Pratirodh Sangram Samiti, an organization of the local people, has been spearheading the movement. The people living in 22 villages of three Gram Panchayats of Ersama Block situated in the Ersama Assembly constituency are likely to be displaced after the work starts. The MoU with the South Korean Major was signed on June 22, 2005 by the state government. It is proposed that the company would be given mining lease of 600, million tons of iron ore for which a separate MoU has to be signed, even to the extent of permitting the company to export iron ore. Further the state government would acquire 435 acres of private land for the plant which involves displacement of 20,000 to 25,000 of people.<sup>5</sup>

Magnitude of resistance to mega industrial and other developmental projects by the project affected peoples has gradually been noticed in a more greater scale. A large number of people under the banner of POSCO Pratirodh Sangram Samiti, Nava Niramana Samiti & Bhitamati Bacho Andolana have been protested against POSCO project and obstructed the Government officers and employees of POSCO India Company for land acquisition as well as other processes for project implementation. In POSCO project, most of the project affected families are largely dependent on the betel vine cultivation, pisciculture, cashew nut cultivation, & fishing in jatadhari & Mohana Rivers where the captive port of POSCO is expected to emotional bonding with own mother & mother land bears a great testimony in Indian culture. Thus, displacement from their own home/ homestead land due to proposed project posed a threat for breaking their socio-cultural fabric for which they protest to the project with a strong determination not to leave their mother land even at the cost of their lives. So far as environmental issue is concerned, they raised the issue that the proposed acquisition of earmarked private and forest land will lead to deforestation and destruction of coastal, riparian & estuarine ecosystem which would have adverse impacts on the entire East coast in the long run. The people also complain against police excesses committed at the behest of the state government. More than 30000 people have pledged not to obey any rule which the state government may enforce, pressing for their displacement.

The Sangram Samiti has also involved the children and women of the locality. They have put up barricades at the entry points to these villages which are guarded by women children to prevent entry of government and POSCO officials<sup>6</sup>.

### V. PROTEST AGAINST KALINGANAGAR TATA PROJECT

Kalinganagar is neither a village nor a town, this is a name given to a geographical area by Odisha Industrial Infrastructure Development Corporation (IDCO), where the Govt. of Odisha aims at developing a steel-producers-hub. IDCO has acquired the land from public, has developed infrastructure and has given it to various industries for setting of steel plants. Kalinganagar is a global steel hub of international business and commerce and is one of the best industrial complexes having many manufacturing companies and corporations established and help in booming the India's economy. The area has a significant tribal and dalit population. The two blocks- sukinda and Danagadi- under which the area falls, has a schedule tribe population of 36.06 per cent and 28.19 percent and schedule caste population of 11.89 percent and 22.31 percent respectively. The schedule tribe population in the acquired area is much higher than the Block average, of the tribes; people belonging to HO community constitute nearly 80 percent and rest of them belongings to Munda and Santal communities.

The Government of Odisha mooted the idea of developing a major industrial complex in the early nineties of the 20<sup>th</sup> century in the mineral rich region of Dongadi, Duburi and Sukinda located in the district of Jajpur. The proposed complex has the capacity of producing 15 million tons of steel annually. The state government has agreed to acquire land from the local residents as well as to look into all matters relating to displacement, rehabilitation and resettlement. However, all the efforts for industrialization are met with violent protest movements with increasing frequency. On January 2, 2006 the tribals of Kalinga Nagar have launched an indefinite economic blockade on the National highway 200 at Madhuban chowk. They are not prepared to work out any compromise with the state government. So far all efforts of the government to appease the tribes have failed. On May 23, about 5000 women from Odisha, Chhattisgarh, Jharkhand took out a rally and resolved not to lift the road blockade. People complained that they were paid less and being forced to lose their means of livelihood. On 2<sup>nd</sup> January 2006, like a new year's gift from the state govt., people came to learn that police had resorted to firing on a mass of tribal protesters, protesting against the construction work of a proposed steel plants by the Tata at Kalinganagar in Jajpur district, killing of a dozen and injuring scores; one policeman was killed and some injured. Unexpected and shocking as the news was, it invited condemnation from all quarters, particularly human rights group and opposition parties.

### VI. CONCLUSION

The peoples movements have brought to the light the tremendous loss of resources-forests, land, money etc. due to development projects and policies. It is highly subsidized development which glosses over the huge cost the nation pays in the form of loss of green forest, pure air and water fertile land, livelihood and social disruption. If these costs were computed, these projects would reflect their burden and prove counterproductive for the nation.<sup>7</sup> thus, the growing euphoria on the part of the state to create more mineral based industries in the state is going to witness the ugly face of development induced displacement along with a serious consequence to the environment in the days to come. In the name of economic development the developed countries have successfully transferred the most pollutant industries to the developing countries and the brunt of pollution have to be carried by the people of these developing countries. The alarm of climate change has already warned the people. The voice of the people needs to be considered with a human consideration rather than ignoring them in the name of development alone. The widespread impact of displacement upon the displaced people is largely negative in terms of economic and social consequences. The environment too goes unheeded. The economic structure of the displaced people collapses. Displacement should be avoided or to be as minimum as possible. The fertile land and populated areas should be out of the industrial establishment. The displaced people should be provided land based rehabilitation along with replacement cost of land rather than market determined price for the acquired land. The resettlement and rehabilitation measures need to precede the construction of projects. Education and training must be imparted to the affected population before the commencement of the projects so as to prevent hijack of jobs and other benefits by the outsiders. Social security measures, insurance coverage in respect of health, life and property should be provided to the victims of industrial development project. The corporate house must adhere to their commitment by discharging the Corporate Social Responsibility (CSR) in a vigorous way particularly towards the displaced people.

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