

# DEVELOPMENT, LAND ACQUISITION AND DISPLACEMENT IN JHARKHAND

**B. K. Thakur\***

Land is needed for industrialisation urbanisation or some public purposes, the first question arises as to who will acquire land. Broadly speaking, there are two alternative ways of acquiring land. First, the investor can go out in the market and acquire from the owner by directly negotiating a price with him. Alternatively, the government can acquire the land on behalf of the investor and transfer it to him in exchange of some pre-arranged price. An ideal arrangement is certainly the one where the investor acquires land directly from the seller simply because the transaction in this case is voluntary. If on the other hand, the government is acquiring land for industry or infrastructure, an element of coercion is often involved. The practice of directly acquiring land by the investors from the seller has some obvious theoretical backing. This theory holds that in the absence of any transaction cost, an asset will be ultimately owned by that agent who has the highest valuation of the asset and hence can pay the highest price. However, what may be the cost acquisition of land and development purpose causes displacement and displaced are required to be rehabilitated present paper analysis the displacement in Jharkhand.

**Key Words:** SEZ PAFs, Rehabilitation and Resettlement, Mining

## INTRODUCTION

The real problem for less developing countries with large number of population, is accumulation of capital and not otherwise. Accordingly, Lewis (1954) envisaged economic development as a process of transferring labour from the subsistence sector (low productivity agriculture and traditional sector) to high productivity modern industrial sector, made possible by capital accumulation in the modern sector. The literature that appeared around the Lewis framework of dual economy subsequently put stress on raising the agriculture productivity synchronised with industrial growth. The very process was supposed to maintain stable terms of trade between agriculture and industry, decisive for an uninterrupted capital accumulation in the industrial sector (Shankar Abhirup 2007). But the importance of physical capital accumulation remained intact till 80s. The emphasis on physical capital accumulation shifted to human capital accumulation from the mid 1980s with the robust work of Romer (1986,1990) and the advent of endogenous growth models. Lucas (1988) used this model of economic growth and advocated that investment in education and human capital formation crucially determines the long term growth and development of an economy. For Lucas, huge difference in per capita incomes of nations can be explained by difference in human capital formation.

But both school of thoughts denied land as an important constraint for development. The tacit assumption was that land requirement is negligible for industries and therefore can safely be overlooked. Though this may be justified at the macro economic level, there is, however, serious micro economic problem. When land is acquired for building up industries, services and infrastructure like roads, township, seaports, airports or bridges, people concerned would have to suffer pain of eviction from their traditional livelihood and surroundings. The recent experience of Nandigram in West Bengal and dispute in other part of the country testifies that this is a serious socio-economic

---

\*Associated Professor University Department of Economics, S.K.M. University, Dumka, Jharkhand

problem and if not dealt with seriously and honestly, it may be critical enough to disrupt and halt the pace of industrialization of the country. Though land hasn't found its proper place in the theoretical literature on development economics, the problem of industrialization leading to displacement is not new. Indeed, history is full of such examples (Sharkar Abhirup *ibid* pp1435-37).

**Table: 1, An Estimate of the Total Number of Perons and Tribals Displaced During 1951-1990**

Type of Project	Total Displaced	Total Resettled	Tribals Displaced	% of Tribals to total Displaced	Tribals Resettled	% of Tribals Resettled	Tribals Resettled	% of Tribals Resettled
Dam	164.0	(77.0)	14.00	(25.0)	63.21	38.5	15.81	25.0
Mines	25.5	(12.0)	06.30	(24.7)	13.30	52.2	03.30	25.0
Industry	12.5	(05.9)	03.75	(30.0)	03.13	25.0	00.80	25.0
Wild	06.0	(02.8)	01.25	(20.8)	04.50	75.0	01.00	22.0
Others	05.0	(02.3)	01.50	(30.0)	01.25	25.0	00.25	20.0
Total	213.0	(100.0)	53.80	(25.0)	85.39	40.0	21.16	25.0

Source : Deogharia (2012), Development Displacement and Deprivation, Sree Publication, New Delhi

The land acquisition for the purpose of establishing any development projects normally deprives the large mass from their resource base to which they are tied not only to their livelihoods but to their sentiments, ethics, myths, cultures etc. Some things related to our sentiments and emotions cannot be compensated for. Cost- benefit analysis is an objective criterion which may not take all things into consideration as some of them are not possible to quantify and this situation turns our existing mechanism of evaluation quite abortive. Even after the benefits calculated as such, the distribution of them poses again another complication.

## HISTORY OF DISPLACEMENT IN INDIA

History of displacement is not new in India, it has its root in colonial India and it has been intensified in the planned development of independent India. The estimated number of people displaced from 1950 to 1991 is about 2, 13, 00, 000 (Fernandes, 1994) and this number will rise if urban displacement apart from dams, mines, industries are also included.

Historical evidence suggests that in first half of 19th century, a major wave of development caused displacement. This was because of the colonial industrial policy of the British government, which was aimed to finish off Indian manufacturers and handicrafts. The collapse of Indian industry heralded an era of massive unemployment which culminated in involuntary displacement, although detailed data is not available as a conservative estimate, 35 million persons are believed to have been displaced due to planned destruction of Indian industries in 19th century.

The British government enacted the Land Acquisition Act in 1894, which was used to evacuate people from their land for different purposes and large number of people were displaced with the help of this law. After 1947, displacement continued under the same colonial law of 1894 and 50 years after the departure of British, the shameful legacy of social injustice continues to exist.

## SEZ AND LAND ACQUISITION

A Special Economic Zone (SEZ) is an especially demarcated area of land, owned and operated by a private company, which is deemed to be foreign territory for the purpose of trade, duties and tariffs. SEZs will enjoy exemptions from customs duties, income tax, sales tax, service tax.

SEZ Act in India came into force in February 2006. It is estimated that it will increase India's GDP by two per cent and 30 lac jobs will be created. More than 500 SEZ will be established in India

in which 237 are already being approved by the central government in 19 states, 63 are being notified and 23 are operational. Total land needed in order to establish 500 SEZs is nearly 150,000 hectares. This land – predominantly agricultural and typically multi-cropped – is capable of producing close to one million tons of food grains. If SEZs are seen to be successful in the future and more cultivated land is acquired, they will endanger the food security of the country.

Estimates show that close to 114,000 farming households (each household on an average comprising five members) and an additional 82,000 farm worker families who are dependent on these farms for their livelihoods, will be displaced. In other words, at least 10 lakh (1,000,000) people who primarily depend upon agriculture for their survival will face eviction. Experts calculate that the total loss of income to the farming and the farm worker families is at least Rs. 212 crores a year. This does not include other income lost (for instance of artisans) due to the demise of local rural economies. The government promises 'humane' displacement followed by relief and rehabilitation. However, the historical record does not offer any room for hope on this count: an estimated 40 million people (of which nearly 40 percent are Adivasis and 25 percent Dalits) have lost their land since 1950 on account of displacement due to large development projects. At least 75 per cent of them still await rehabilitation. Almost 80 per cent of the agricultural population owns only about 17 per cent of the total agriculture land, making them near landless farmers.

More families and communities depend on a piece of land (for work, grazing) than those who simply own it. However, compensation is being discussed only for those who hold titles to land. No compensation has been planned for those who don't. The craze for industrialization has swept India. The central and state governments are all following this trend, throwing caution to air. Prime agricultural lands are being offered for Special Economic Zones (SEZ) leaving the laborers working on these lands nowhere to go. This leads to "million mutinies, movements and agitation" within the political landscape of India in the past 20 years ((Bishnoi Ajoy, C. J, 11 March, 2008).

Most recent movements against SEZ were in West Bengal and Orissa. In Nandigram (West Bengal), 22 people were killed and several raped as they were protesting against the chemical hub, which was to be established there. This movement was led by cultivators in order to remain with their land as it was the only means for their survival. Another incident took place when West Bengal government allotted fertile agricultural land to Tata Motors for its small car unit to be set up in Singur. Farmers protested and threatened to continue their agitation till the forcibly-acquired land was returned to the owners. In Orissa people led an agitation and movement in order to shift the mega steel plant, proposed by the South Korea steel major POSCO, from the lush green agricultural fertile land. Various other movements against SEZ in various parts of India are as follows:

Southern Region: Against Coca – Cola in Plachimada, Kerala . Muthanga Forest Land struggle, Kerala. Against mining of river Krishna by Reliance Group, Western and Central India Dalit struggle for Gairan (grazing) land in Marathwad region Maharashtra, under the Jameen Adhinkar Andolan. Struggle against Reliance Gaslines in Sindhududurg District, Maharashtra : Northern India: Farmers protest against Reliance SEZ in Jhajjar, Haryana : Farmers struggle against land acquisition for Trident, SEZ in Barnala Punjab (ibid).

## **Movements Against Land Acquisition in Jharkhand**

The outfits and parties, including Jharkhand Mukti Morcha, have launched a series of agitations and demonstrations protesting the memorandum of understanding signed between the Jharkhand government and prospective investors since the creation of the state in 2000. A massive demonstration was organised recently by various organisations, including Bhoomi Raksha Gramin

Ekta Manch, Moolvasi Adhikar Morcha, Adivasi Adhikar Morcha and Jharkhand mines area co-ordinations committee in the district head-quarters in Kolhan region comprising of east and west Singhbhum and Saraikela-Kharswan to oppose the projects. While the tribal organisations have adopted an aggressive posture vowing to sacrifice their lives to protect their land rather than vacate it for development projects, JMM advocated promotion of agriculture sector and agro-based industries in the state. Addressing a massive 'ulgulan' (revolution) rally in Chaibasa, head-quarter of west Singhbhum district, on Tuesday, JMM chief Shibu Soren called on tribal to be prepared to sacrifice their lives to protect their "Jal, jungle, jamin" (water, forest and land) and charged the Jharkhand government with benting upon "displacing them from their own lands on the pretext of development. Soren demanded a proper rehabilitation policy before any displacement ( Griffiths Tom, 2007).

Like Soren Salakhan Murmu, the chief convener of AAM and former parliamentarian suggested that land owners ready to vacate their land for the industries be made share-holders in the proposed company with ownership right of their land in return of their approval for setting up the industries. He said hundreds of adivasi families have been leading miserable lives and are forced to migrate to other states in search of livelihood after they had been displaced from their own lands for development projects in the past(ibid).

In fact, Murmu is not in favour of big industrial units in Jharkhand. To the contrary, he suggests, Jharkhand does not need big industries for the next two decades, but the agriculture sector and agro-based industries need to be promoted for the benefit of tribal masses (ibid).

To the dismay and disillusionment of mass movements in Jharkhand, newly elected government officials plan to uphold agreements struck by the previous State government with leading steel and mining companies. In return for 169,198 Crore Rupees (c. US\$3.8 billion) of investment, these agreements promise companies massive land acquisition for their mines and steel plants, which will deforest no less than 57,000 hectares of forest and displace 9,615 families, many of them located in legally protected Scheduled Areas set aside for indigenous Adivasi peoples in the state.

Adivasi people have started a campaign to save their traditional lands and forest and have formed a campaign organisation called *Ottehasa Horo Sangathan* (Organisation of People of the Earth). Udikel village is one of the 144 communities threatened with displacement where the people have organised themselves to oppose top down development. Nandi Pahan, leader of Udikel Panchayat, affirms that his community will never exchange their forests and fields for industrial development. Their leader expresses with deep emotion "Everything is here on our traditional land: our homes, our fields, our forests, our burial grounds and ceremonial sites. This land is sacred for us. This is where we hold our Baha. The forest has our special *sarna* "prayer places." So, our land is part of our way of life. We will not give up our land. If we surrender our lands: what will we eat? Where will go to plant our crops? He is backed up by other leaders of the community: The forest is of great importance to us. We gather fruits like *karanj* from the forest and medicines. We collect minor forest produce for sale. We have our orchards where we grow mangoes and tamarind. We use the forest to get construction materials for our houses" (ibid).

## DISPLACEMENT IN JHARKHAND

Considering the long history of the systemic deprivation of the tribal people of their rights over their land and natural resources for years together, various legislations have been passed to secure the land rights of the tribal people. One of the important legislations of recent times for their benefits and interests is the Extension to Scheduled Areas Act, 1996. Despite the importance of the act in the process of empowerment of the people in the scheduled areas and also even after knowing the

main implementor of this act is Panchayat, Panchayat elections have started just couple of years ago since the creation of State. However, in spite of the principle of protecting the land rights of the tribal people, the state still has the supreme right to acquire land irrespective of the areas to which particular land belongs. The right of eminent domain is the right of the state through which it claims its dominion over any parcel of land of the state on account of public exigency or for public purposes.

The land Acquisition Act seeks to achieve acquisition and not confiscation. The most glaring drawbacks in the act is that it has no provisions for rehabilitations. It does not provide any guarantee a normal life for the displaced persons and monetary compensations by no means compensates to uplift the standard of the affected people. The compensation is only for the value of land in absence of competitive market and well defined property rights, which actually not reflects the true value of land they hold or related with. When displacement occurs, it is not only the issue of land dispossession more than that. People residing in this area mostly depend on some common property resources such as forest, tanks, grazing grounds, lakes and springs. As per an estimate, inhabitants of this area depend on forests for more than fifty per cent of their food and other materials serving their different day to day needs. Thus, monetary compensation is in way solutions to the problems encountered by displaced persons/households. Another major fault of the act with regard to the tribal people is that it recognizes only the legal entitlement of land owners but does not recognize customary rights such as that nomads, fisher folk etc for compensations. There are no any remedial measures to address the problems of landless laborers who have been given agricultural land by the land reform programme of the government .but they loose through land acquisition for development project (Soren Rajni 2008).

The total number of people displaced in Jharkhand from the year 1951-95 is 15,03,017 out of which 6,20,372 (42%) belong to the Scheduled Tribes, 2,12,892(14%) belong to scheduled caste and 6,76,575 belong to other categories. Various development projects like large scale mining , irrigation and power projects such as Tata Iron and Steel company, Heavy Engineering Corporation, Subernrekha Dam Project, etc. were launched in the state but lion share of benefits goes to the already privileged persons and big business houses, not to the displaced except wages for their manual labour required for their projects. The impact of the development projects on the marginalized section is such that the environmental hazards threaten the very existence of the communities that have depended on natural resources and have preserved them for centuries. Besides the establishment of different development projects, the Jharkhand still ranks poor on the front of social and economic indicators.

The movement for the creation of the separate Jharkhand was to empower their people and make way for them to have their grips over the resource of the state. But the recent movements compel us to deliberate at length on this vital issue.

### **The Possible Solutions**

The entire gamut of present scenario adequately reflects the woes and pains of local citizens of the area where land is acquired either for big industrial settings or for building public infrastructure. Their resentments are caused by the unsatisfactory deal by the government as a main actor to bargain with the local people for their land and basic livelihoods. Government is a monopoly buyer (monopsony) empowered with certain acts and regulations, which weaken the bargaining strength of local people and hence they are put on the margin. Had the dealings been voluntary and between the investors and landowners, the free and competitive market, to some extent, would have been expected to work. But in practice, market has failed in such a type of dealings and therefore

efficiency or welfare issue is being pushed aside in the interest of other party for negotiation. May be, any project or plan is justified on the ground of long run strategy for growth at macro level but a particular section of people who are generally resource poor really bear the burnt of such projects. Normally, the poor have lower present value for the future than their rich counterparts and hence, they are unable to wait for long for the future return. Hence, in the absence of free competitive market and voluntary transaction the welfare issue may be given priority only when safe regulations may be framed up and affected people can be brought in the mainstream of development along with their shares in the ongoing investment making them part and parcel of investment process. Apart from this, the process of requisition and displacement should not be encouraged normally but rather this should be at minimum level as far as possible.

Provision of public facilities or infrastructure often requires the exercise of legal powers by the state under the principle of *eminent domain* for acquisition of private property, leading to involuntary displacement of people, depriving them of their land, livelihood and shelter; restricting their access to traditional resource base, and uprooting them from their socio-cultural environment.~ These have traumatic, psychological and socio-cultural consequences on the affected population which call for protecting their rights, in particular, of the weaker sections of the society including members of the Scheduled Castes, Scheduled Tribes, marginal farmers and women. Involuntary displacement of people may be caused by other factors also.

There is imperative need to recognise rehabilitation and resettlement issues as intrinsic to the development process formulated with the active participation of the affected persons, rather than as externally-imposed requirements. Additional benefits beyond monetary compensation have to be provided to the families affected adversely by involuntary displacement. The plight of those who do not have legal or recognised rights over the land on which they are critically dependent for their subsistence is even worse. This calls for a broader concerted effort on the part of the planners to include in the displacement, rehabilitation and resettlement process framework not only those who directly lose land and other assets but also those who are affected by such acquisition of assets. The displacement process often poses problems that make it difficult for the affected persons to continue their earlier livelihood activities after resettlement. This requires a careful assessment of the economic disadvantages and social impact of displacement. There must also be a holistic effort aimed at improving the all round living standards of the affected people.

Following objectives of NRRP, 2007 have been laid down:

- (a) to minimise displacement and to promote, 'as far as possible, non-displacing or least-displacing alternatives;
- (b) to ensure adequate rehabilitation package and expeditious implementation of the rehabilitation process with the active participation of the affected families;
- (c) to ensure that special care is taken for protecting the rights of the weaker sections of society, especially members of the Scheduled Castes and Scheduled Tribes, and to create obligations on the State for their treatment with concern and sensitivity;
- (d) to provide a better standard of living, making concerted efforts for providing sustainable income to the affected families;
- (e) to integrate rehabilitation concerns into the development planning and implementation process; and
- (f) where displacement is on account of land acquisition, to facilitate harmonious relationship between the requiring body and affected families through mutual cooperation.

## CONCLUSION

Development economists denied that land as an important constraint for development. The tacit assumption was that land requirement is negligible for industries and therefore can safely be overlooked. Though this may be justified at the macro economic level, there is, however, serious micro economic problem. When land is acquired for building up industries, services and infrastructure like roads, township, seaports, airports or bridges, people concerned would have to suffer pain of eviction from their traditional livelihood and surroundings. The recent experience of Nandigram in West Bengal and dispute in other part of the country testifies that this is a serious socio-economic problem and if not dealt with seriously and honestly, it may be critical enough to disrupt and halt the pace of industrialization of the country.

The land acquisition for the purpose of establishing any development projects normally deprives the large mass from their resource base to which they are tied not only to their livelihoods but to their sentiments, ethics, myths, cultures etc. Some things related to our sentiments and emotions cannot be compensated for. Cost- benefit analysis is an objective criterion which may not take all things into consideration as some of them are not possible to quantify and this situation turns our existing mechanism of evaluation quite abortive. Even after the benefits calculated as such, the distribution of them poses again another complication.

Jharkhand, a nascent state, with having large share of Scheduled Tribe, Scheduled Caste and other backward cast population, poor infrastructure, and adverse socio-economic conditions should be protected through appropriate legislations and provisions, from external shocks to preserve its identity till it comes to the rank of other developed states. Only the monetary compensation is not enough to take care of all their sufferings unless we take holistic effort to improve the all round living standards of the affected people.

## References

- Bishnoi Ajoy, C. J, 2008, “*Movement against SEZ*” [www.sacw.net/Nation/sez/and\\_eng.pdf](http://www.sacw.net/Nation/sez/and_eng.pdf)
- Deogharia PC (1995) ‘Land Aquisition in Jharkhand : Proves & Pattern’ *Social Change* 24 (52)
- Deogharia PC (2012) ‘Development Displacement and Deprivation’ Shree Prolisher, & District inventors, New Delhi
- Griffiths Tom, 2007. “*Jharkhand Triblal Groups Against Acquisition of Trbal Land*” [www.Forestpeoples.org/documents/asia\\_pacific/India](http://www.Forestpeoples.org/documents/asia_pacific/India)
- Kolstad Charles D, 2000 *Environmental Economics*, Oxford University Press
- Lewis Arthur, 1954 “*Economics of Development with Unlimited Supply of Labour*” *Manchester School of Economics and Social Studies*, 22 132-91
- Lucas R.E. 1988, “*On The Mechanics of Economic Development*” *Journal of Monetary Economics*, 22, 42
- Rajni Soren, 2006, “*Displacement in Jharkhand*” Posted by Refugee Watch Online, Monday July 24 2006
- Romer Paul, 1986, “*Increasing Return and Long Run Growth*”, *Journal of Political Economy*, 92 1002-37 1990  
“*Endogenous Technological Change*” *Journal of Political Economy*, 98 S71-S101
- Sarkar Abhirup, 2007, *Displacement and Development (Land Acquisition in West Bengal)* *Economic and Political Weekly*, April 21-27, Vol XLII (16)