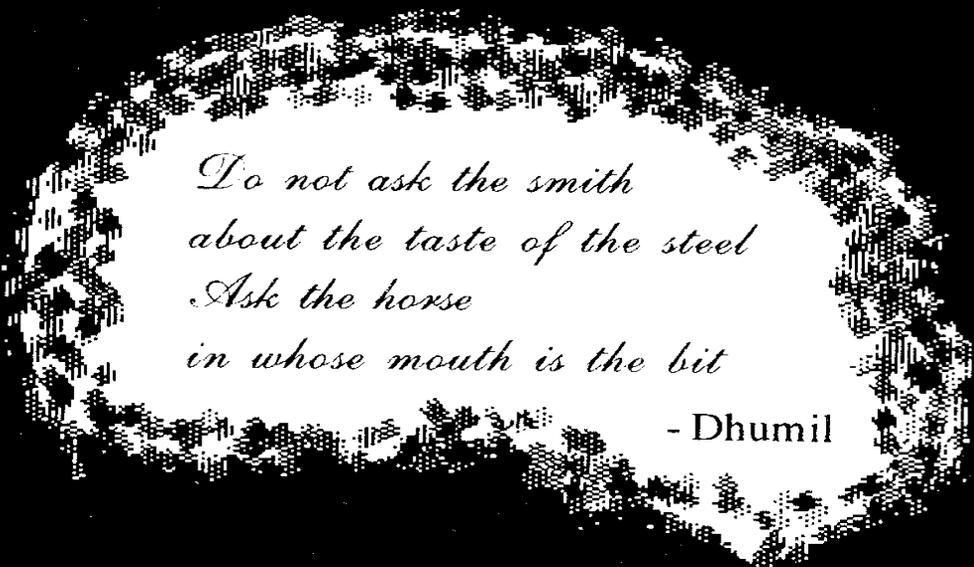


# GOPALPUR

*Steel Plant, Displacement and People's Struggle*



*Do not ask the smith  
about the taste of the steel  
Ask the horse  
in whose mouth is the bit*

- Dhumil

People's Union for Democratic Rights, Delhi  
Association for Protection of Democratic Rights, West Bengal  
May 1997

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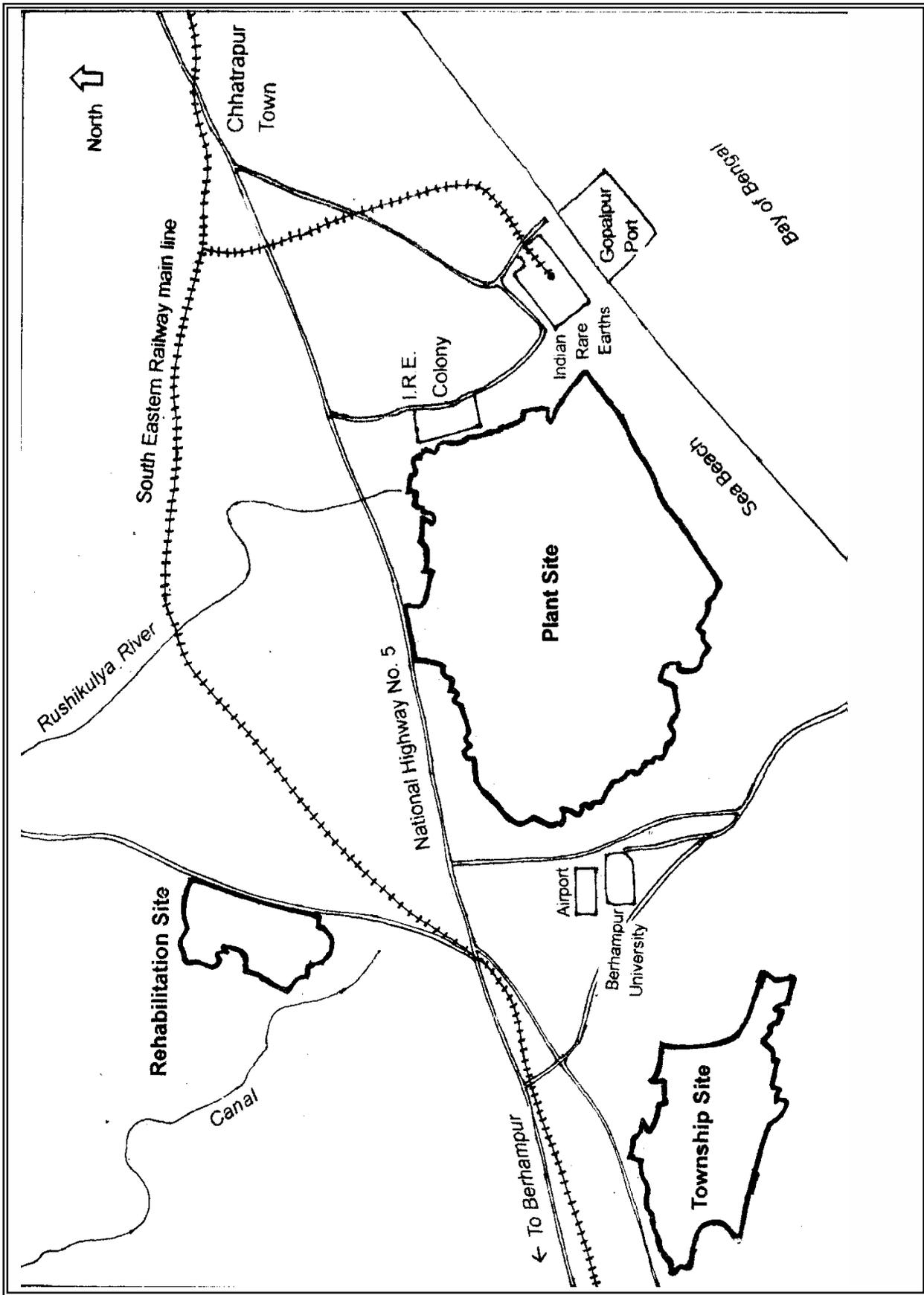
## PREFACE

IN August 1995, a Memorandum of Understanding was signed between Tata Iron and Steel Company (TISCO) and the Government of Orissa for the setting up of a steel plant and township, near the well-known Gopalpur beach and port, in Chhatarpur and Berhampur blocks of Ganjam district in Orissa. The plant is being projected by the government as well as by TISCO as a model solution needed to address the lack of development in the state. The project, popularly referred to as the Gopalpur Project, involves the acquisition of over 7,000 acres of land covering 16 revenue villages.

The residents of these villages started protesting against the acquisition of their lands soon after the Memorandum of Understanding was signed. An umbrella organisation called the Gana Sangram Samiti (GSS) was formed, actively supported by the local unit of the CPI, with membership spanning across political affiliations. The Samiti unconditionally rejected the compensation and rehabilitation package announced by the government.

In July 1996 the state government used the National Security Act against a leading member of the Samiti. Reports of *lathi* charges on villagers by the police, to forcibly survey their land for acquisition purposes reached the national press. Such attacks on the residents were expected to recur with the deadline for the land survey coming closer.

In this context a six-member joint fact-finding team from Association for Protection of Democratic Rights (APDR), West Bengal, and Peoples Union for Democratic Rights (PUDR), Delhi, visited the 11 revenue villages falling within the proposed project site in September, 1996. The team met the residents of these villages, those injured in lathi charges, officers from the district administration, police officials, local medical authorities, concerned citizens in Berhampur town, activists of the Gana Sangram Samiti and representatives of TISCO. The following is the report of the team.



## The Proposed Plant

"In order to maintain its pre-eminent position in the steel industry and to be a global player. Tata Steel needs to defend its current market share and have the vision to increase it.... Given the growth prospects in domestic steel demand. Tata Steel can realize its strategic intent of growth through creation of new steel production capacity."

*Resettlement & Rehabilitation at Gopalpur*  
A Tata Steel Document

South of the National Highway No. 5 and the South-Eastern Railway main line connecting Howrah with Madras in Chhatarpur block of Ganjam district lie the 11 villages which are slated to be displaced for the construction of the steel plant. The Bay of Bengal marks the southern boundary of this site. On the eastern boundary of the site is the fair-weather port of Gopalpur, and 12 kilometres west is situated the town of Berhampur. Adjacent to this town are situated another 3 villages on whose lands TISCO wishes to develop the township to house its management and staff. Some distance north of the National Highway are situated 2 more-villages which are to be acquired for resettling the people displaced from the initial 11 villages.

Proximity to the National Highway, the rail line and the port became the reason for this site being preferred over 18 other sites that were considered by TISCO for the setting up of their new steel plant. Further advantages are the existing lease that TISCO holds over iron ore mines at Mankadnacha and Beliapahar in North Eastern Orissa. The Rushikulya river flowing close to the site is expected to cater to the water requirements with the construction of a dam that would cost Rs. 138 crores. The government of Orissa was also committed to the deepening of the Gopalpur port to make it an all-weather port. This would facilitate the export of the finished product and the import of raw materials, especially coal, since the plant's total requirements of this fuel are planned to be met through imports.

The establishment of this steel plant is a prerequisite for TISCO to maintain its premier position in steel manufacture in the private sector in the country. Its current production of 2.7 million tonnes per annum (mtpa) would be expanded by 0.5 mtpa at Jamshedpur which has lately been undergoing a modernisation programme. But it is Gopalpur that is expected to contribute an additional 2.5 mtpa by year 2000 and ultimately between 10-12 mtpa. The entire cost of the project is estimated at Rs. 9,300 crore.

According to TISCO, the proposed largest steel plant in the country would provide employment to 2,500 persons by the year 2002. In addition between 1,000 and 8,000 people will be employed in construction work in the initial years. Another 10,000 jobs would be created in direct ancillaries and an equal number in indirect ancillaries.

## The Affected People

"Why are you asking all these questions? Come with me right now and see my land. See all that is growing on it. Come with me and you will understand everything."

*An Oriya peasant, pulling  
a team member's arm, in Village Narayanpur*

According to the 1991 census, over 19,000 people reside in fifteen of the villages that are facing acquisition for the Gopalpur project- 14,000 in the plant site, 4,000 in the township site and 1,500 in the rehabilitation site. Details of one village, Ankuli, are not available from the census data since the village

has been merged with Berhampur town. (Officially the villages to be affected add up to 16 i.e. each village is a revenue unit, thus recognised in the census. Actually these revenue villages are made up of several villages or hamlets. For the villagers each hamlet is a village in its own right. Thus, by their count, the plant site constitutes 25 villages). Census data can be quite unreliable for any village level study. However, TISCO continues to rely solely on census data for all its plans and projections. The district administration too has not published any list of affected people, nor details about them.

Located along the coast, these areas of Ganjam district seem an antithesis to the drought- stricken images of Orissa. Since the 1960s Ganjam has been one of the most agriculturally productive districts in the state. The incomes in the coastal tracts are however larger than the productivity data presents because of the increasing cultivation of highly remunerative minor crops. The 16 villages form part of the most fertile coastal tracts in Ganjam. Approximately 62 percent of the cultivated land in these villages is irrigated.

Name	Households	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.

The 11 villages failing under the plant site area form the centre of the present struggle and it is these villages that the team visited. The people living in these 11 villages form a mix of linguistic groups. Around half of the residents are Oriya speaking (with castes such as Pradhan, Behra, Das, Nayak and Sahu) while the other half speak Telugu (mostly Reddys). Most of the Telugu speaking population comprise backward castes. 30 percent of the total population are Scheduled Castes. 30 percent of the population is literate, the literacy figure for women being 15 percent. Agriculture provides livelihood to 78 percent of the main workers - 44 percent as cultivators and 34 percent as agricultural labourers. However, an overwhelming majority of the households hold land and this includes a significant proportion of the agricultural labourers who operate less than an acre of land.

A part of these cultivated lands comprise forest lands and village commons which have come under the plough. The proposed steel plant and sites related to it require the takeover of 7,598 acres in the 16 villages. Of this, 6247 acres is private land and the remaining 1351 acres is government land. According to the Additional District Magistrate, Ganjam, roughly 700-800 acres of this government land is under cultivation.

In the 11 revenue villages earmarked for the plant site the average landholding of a household is 2.53 acres. There being noticeably few big landowners, landholding pattern is not highly skewed. This pattern of landholding, which contrasts sharply with the rest of Orissa, is the result of a history of mobilisation of peasants since the colonial period.

<b>Profile of Land</b>					
<b>Name</b>	<b>Village Area (acres)</b>	<b>Cultivate Area (%)</b>	<b>Irrigated Area (%)</b>	<b>To be Acquired (acres)</b>	<b>Govt. land in acquired (%)</b>
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	16
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
<i>Sources:</i> Census of India, 1971 for village, cultivated, and irrigated area. TISCO document for acquired land and govt land acquired.					

The present-day Ganjam district was part of the Madras Presidency, and became a part of Orissa with its formation in 1936. The plains were administered mainly through the Zamindari system while there existed some areas under Raiyatwari and Inamdari systems. With reference to the present site, while Kalipalli village came under Zamindari, the hamlets of Sriramchandrapur were administered under the Raiyatwari and Inamdari systems. During the 1930s, as in other areas in the country, the movements led by the Communist Party of India mobilised the raiyats and agricultural workers against the zamindars and the government. In 1930 the Ganjam Zila Kushak Sabha was formed which became part of the All India Kisan Sabha in 1936. Demands of the raiyats' rights over land and freedom from

oppressive taxes were unceasingly raised by the movements which continued for over a decade. The movements intensified during the time of the Tebhaga uprising in Bengal.

With the abolition of Zamindari after Independence, a substantial number of tillers were able to gain control over land due to the existence of village-level political organisations. Many of the dalits and backward caste households too were beneficiaries in the land distribution. Thus in Chandrapada, a dalit hamlet in Sriramchandrapur village, all families own small plots of one or two *bharans* (0.2-0.4 acre) of land. In Mayapatna, another hamlet of the village, the sarpanch is a dalit. Yet dalits constitute the overwhelming majority of the landless.

Zamindari abolition however also marked the end of land related struggles in the area. In 1952, the CPI candidate was elected as Member of Parliament. And the CPI continued as a dominant party for the next forty years. Their strong presence has been responsible for the existence of a plethora of associations in the villages: of cultivators, agricultural labourers, kewada growers, kewada distillery owners and distillery labourers. The word 'committee' (to loosely designate an association of common interests) is a household word among non-English speaking villagers. Such a history of mobilisation and organisation, that secured for the people a better deal through land reforms, has also had a continuing impact on the wages and conditions for agricultural labour. These organisations as well as the dependence of an overwhelming proportion of the people on their own lands contributes to the strength of the struggle against acquisition being waged today.

Daily wages in agricultural work range between Rs. 35-45 for men and Rs. 25-30 for women. For cultivators, according to accounts given by the villagers, even one *bharan* (0.2 acre) of land yields an income between Rs. 7,000-10,000 per annum, over and above a family's food consumption. Apart from foodgrains, plantation crops provide an additional yield.

Plantation crops include coconut, cashew and kewada. These are grown in addition to rice, pulses and vegetables. A small patch of cashew can provide an income of approximately Rs. 10,000 per season. While cashew is primarily remunerative for the cultivator coconut and kewada also generate marginal work for agricultural labourers and the landless.

Coconut palms form the entire skyline in these villages, there being literally thousands of these trees both in the village settlement and in the fields. An acre of coconut plantation provides Rs, 15,000 per year to the owner. Coconut also provides work in collection the wages for which are as high as Rs. 100 per day. Marginal work is also provided in the form of a payment of Rs. 5 for climbing a single tree; and by making brooms, mats etc. from its coir. A further significance of the availability of different kinds of work is a round-the-year security such that when the season for one crop is over, there is another to fall back on.

**Damayanti is a 22 year old Gana Sangram Samiti activist from hamlet A.Totapalli in village Sriramchandrapur. Married at the age of 13 she lost her husband three years back. Her husband's family gave her 5 *bharans* (one acre) of land which she now cultivates. The land gives her rice, pulses and cashew. She annually earns Rs 15,000 from Kewada and another Rs. 10,000 from the cashew.**

**She says : "We are so self reliant here. Our youth does not have to run around for jobs Not getting admission in colleges is not painful for us. What self-interest can I have? We live off the land and are secure for the future because of the yields. How can we let TISCO snatch it away?"**

**"On the first day I faced the police lathicharge I was in shock. But the situation is very desperate for us. The first lathi blows made me lose all my fear. And I decided that now there is no going back even if I get killed. Now I organise village meetings and mobilise the women."**

A very interesting example in the context of agricultural wages is that of revenue village P. Laxmipur where a village 'committee' fixes the wages every year. In 1996 the monthly wage was fixed at Rs. 1350. 1996 was also a year of less rainfall and consequently less work in the area, but the farm labourers were getting their due.

The effect of organisation in the village on wages is however most clearly visible in the case of kewada, locally called *kia*. This intensely fragrant flowering bush is unique to the Chhatrapur and Rengilunda blocks of Ganjam district. According to the National Bank for Agriculture and Rural Development (NABARD) this belt accounts for about 90% of India's Kewada produce. The commercial value of kewada has grown steadily over the years, and phenomenally in the last decade, due to the demand in India and abroad (mainly the Gulf states) for its aromatic extract used in sweets, paan masala and tobacco. The current market price of kewada essence is approximately Rs. 2 lakh per kilogram.

Kewada grows wild in the plant site villages, requiring no cultivation. It is also planted extensively as a fence on the boundaries of fields. The bush grows up to a height of 15 feet, produces flowers after 4-5 years of planting and reaches its maximum yield after the plant is 15 years old. The flowers are produced throughout the year, though the main season is between June and September. Scent extraction by a crude distillation process is carried out within the villages. There are 57 distillation factories or *bhattis* in the 11 villages which further send the extract to markets in Delhi and U.P.

The kewada economy thus encompasses kewada growers, *bhatti* owners, *bhatti* labourers and landless villagers or those with little land who earn by plucking and delivering flowers to the *bhattis*, as well as by making rope from kewada roots. The local price of one flower has increased in the last few years from 75 paise per flower in 1990 to Rs. 5 in 1996. A cultivator owning an acre of land would grow approximately 100 plants on the boundary alone. (While each mature plant yields around 120 flowers in a year, the plants on the boundary yield about half that number). Thus, the annual income from Kewada alone, from just the boundary area of five *bharans*, amounts to nearly Rs. 30,000.

The wages in kewada are regulated through the Kewada Flowers Chasi (cultivators) Sangh, Kewada Distillery Workers Union and Kewada Distillery Owners Association. It is mostly the landless who work as *bhatti* labourers. Each *bhatti* permanently employs between 4 to 15 workers. Additional workers are employed during the flowering season. In 1996 the wages for distillery labour was fixed at a monthly amount of Rs. 1350. In certain villages, such as Manguaripetta, the system has been rationalised keeping the seasonal nature of the work in mind — those who are employed for the whole year earn Rs. 950 per month (irrespective of the lack of work in some months); those employed for six months earn Rs. 1350 per month; and those employed only during the three peak season months get Rs. 1500. Still shorter employment during the flowering season can fetch the worker Rs. 2,000.

The marginal employment generated by Kewada brings in regular income, mainly for women and children. About a 100 flowers can be gathered in an hour's time bringing in 20 rupees. In fact many cultivators who have no time to collect and deliver their own flowers regularly lease out this work for the season to the landless. The dried Kewada root coir as well as ropes made from it are collected weekly by trucks that come from Madras. About two handfuls of coir was fetching 8 rupees in 1996.

The plant site villages thus give a picture of a fertile coastal tract with a substantial proportion of land under irrigation; relatively low levels of landlessness and lack of absentee landlordism; existence

of organisations of peasants and workers; possibilities of growing remunerative crops with the unique factor of Kewada thrown in — all of which make for viable agriculture for the peasants and gainful employment for the landless and marginal peasants. It is this material condition, this organic relationship between land and life (and not solely emotional attachment with ancestral land, customs and culture) that form the basis for the struggle, which has rejected the offer of compensation and rehabilitation in lieu of acquisition of their lands.

## **The Offer**

"The displaced community individually and collectively must be fully compensated for all losses. This includes lands, trees, houses, wages, livelihood, community properties, community amenities and services, access to natural resources etc.... Resettlement must provide for an improved resource base so that the displaced in their new place can have access not only to shelter but also food and income generating systems, communications, and social infrastructure not inferior to that of their original habitat..."

*Draft National Policy for Rehabilitation of Persons  
Displaced as a Consequence of Acquisition of Land  
Ministry of Rural Development*

The consultations between the Government of Orissa and Tata Steel resulted in a settlement on the amount of compensation to be paid to the village residents for their land and immovable property, the measures to be taken to rehabilitate the people and on the question of employment for the oustees. The financial liability arising from these is to be met by Tata Steel. This package is the total offer being made to the villagers. An offer with a difference. For the villagers are given no right to decline it.

## **Compensation**

The land requirement for the steel plant is to be met by the Orissa government through acquiring village land under the Land Acquisition Act. Thus all persons whose ownership land falls within the proposed boundary are to be paid compensation at the rate of Rs. 1 lakh per acre. In addition, compensation would be paid for coconut and other trees and crops that fall within the site area. The rate of this compensation has however not yet been declared.

Families that do not possess their own agricultural land and are cultivating government or forest land would be paid compensation at the rate of Rs. 1 lakh per acre, upto a maximum of Rs. 1 lakh; (i.e. if they have been cultivating more than an acre of land, no matter for how many years they would still be compensated only with Rs. 1 lakh). Such families who do not even own homestead land (i.e. do not own the houses they are living in) would be paid Rs. 15,000 for the construction of a house on government land.

## **Rehabilitation**

Seven months after the signing of the Memorandum of Understanding with Tata Steel, the Revenue and Excise Department of the Government of Orissa came out with the guidelines on rehabilitation. These provided for 0.1 acre of land to be given to each family for homestead purposes, with developed infrastructure. Compensation for the house itself would be made on the basis of the actual possession of each family. Rs. 3000 would be given for the construction of temporary sheds. Tata Steel would construct houses with 26 square metres covered area for those families who would lose their houses, on the condition that the families deposit the compensation received for the house. A monthly maintenance allowance of Rs. 500 would be paid to each family for a maximum period of one year subject to the

condition that the family vacates by the date set by the Collector. The oustee family is provided the option to swap this entire package with a one-time payment of Rs. 30,000.

Other rehabilitation measures remain in the realm of possibility. "All efforts will be made by the steel plant to carry out compensatory plantation of kewada in the vicinity...Efforts would be made to facilitate employment...to the extent possible. The steel plant will give preference to members of displaced families for employment...consistent with the skills of the persons and the needs of the job." A Technical Training Institute is supposed to be set up by the steel plant for training the youth of the area.

### **Job Loss: From Promises to Profits**

**TISCO's promises of employment generation can be well assessed if placed in the context of massive retrenchment at their Jamshedpur steel plant. In 1995 a modernisation programme — of cutting costs and "streamlining" production — was launched here. In March 1995 the first of the plant's three melting pots was closed down. The second pot was replaced by automated technology. Finally 6 out of the 8 furnaces in the third pot were closed down. As a result production rose upto 3.2 million tons per annum.**

**During this process 1600 workers were forced to accept the Early Separation Scheme in 1995. By 2000 AD, 8000 more workers will lose their jobs.**

### **The Objections**

Before a discussion of the problems inherent in this package it is worth remembering that the villagers are not struggling for a better compensation or rehabilitation deal but are unconditionally opposed to giving up their land itself. And on the other hand, providing land for land or secure jobs to the oustees has not even been remotely considered either by the government or by the company.

The first objection concerns the quantum of compensation for acquisition of land. Given the relatively high levels of agricultural productivity, as is apparent from the earlier chapter, an acre of land can per year yield for the owner Rs. 25,000 worth of foodgrains, Rs. 30,000 from Kewada and Rs. 5,000 to 10,000 from a small patch of Cashew. The total of Rs. 60,000-65,000 per year is impossible to generate from the compensation amount of Rs. 1 lakh. The interest on a safe investment of Rs. 1 lakh would yield barely Rs. 12,000 per annum. For families owning less land, the compensation amount would produce no income stream and would simply be consumed.

Secondly, this inadequacy of compensation gets heightened when understood not merely as a question of compensation-as-payment for land acquired, but of loss of livelihood. If we take the large number of people who own between 0.2 and 1 acre of land, the compensation amount ranges from the pathetic figure of Rs. 20,000 to Rs. 1 lakh, which is insufficient to prove a source of livelihood. The experience of one-time compensation payment to displaced persons shows that the amount quickly gets spent in repaying debts, dowry for the daughters, investing in some business for which a cultivator has no skill, etc.

The livelihood question is sought to be addressed by TISCO's package in the language of unenforceable, non-binding promises. Behind the superficial statistics cited by TISCO, which present an attractive picture of employment opportunities in thousands [see chapter 1], lie certain harsher facts. Of the 2500 jobs the plant is supposed to generate by 2000 AD, none would benefit the locals, these jobs being highly skilled in nature. Nor have efforts been made to impart technical training to affected persons, systematically (for instance, on a per family basis) before their pauperisation. While the company

promises a Technical Training Institute it fails to mention the time within which this would be set up, the number of persons it may train, the question of fees, etc. And of course, any reference to the number of affected people employed or the mode of employment, with such training or without it, is carefully avoided throughout.

TISCO is also categorical that but for the main steel plant itself, every unit that feeds the plant, all ancillary services and all services that would be maintained within the TISCO township would be given out to contractors to operate. Thus, none of these jobs would have any semblance of job security, observance of workers' rights or even a minimum guarantee of fair payment. The transient nature of the construction work generated hardly needs to be pointed out. Deplorably, the state too has abdicated all responsibility towards the all-important question of livelihood and is happy to function merely as a facilitator for acquisition and the doling out of compensation sums.

The third problem with this compensation is that it totally ignores the question of village commons or government lands. In the areas under consideration, 700-800 acres of government land has been brought under the plough. The Land Ceiling Act specifies that such government lands as are available in a village are to be distributed to landless Scheduled Caste families in the village, or those owning less than one acre. However, over the last 30 years, the state has failed to transfer such lands to the potential beneficiaries. This has resulted in people who till these lands being treated as "encroachers" and being denied rightful compensation for land that they may have cultivated over years, trees and crops — all of which have been reduced to a one-time payment at the rate of Rs.1 lakh per acre. Around 550-650 acres of government land has not been encroached upon and is lying fallow. This comes free for the Tatas solely because of non-implementation of government laws and policies. Such lands also serve crucial purposes as grazing grounds for cattle, sources of firewood, house construction material, and particularly in this region yield the highly valuable kewada and coconut. No compensation is envisaged for these invaluable resources.

The fourth objection concerns the manner in which TISCO has sought to manipulate the boundary of the plant site to deny the status of "affected persons" to the residents of 4 villages, whereas by any definition these villagers would be "affected" and displaced by the plant. The boundary has been drawn in such a way that it intentionally excludes the settlement area of revenue villages Basanaputti, Chamakhandi, Jagannathpur and Manaswarkota. These villagers thus are losing their agricultural land (which fall within the site) but not their homes (which are clustered together at the very edge of the plant site). Tata Steel is not paying for their rehabilitation.

Of the estimated 3550 people who fall into this category of invisible displacement the poorest would suffer the most. As a consequence of the acquisition of most of the adjoining land, earning opportunities for the landless and for marginal peasants dependent on working on others' lands would be drastically reduced. Subsistence peasants, a small part of whose lands may be acquired would be pushed to below subsistence levels at a pittance. Moreover, the experience of villages situated close to large industries testifies to the inevitable contamination of land and water, making the area unfit for cultivation, lowering simultaneously the quality of life and the price of land, forcing people to move elsewhere for livelihood. The cruel joke is that TISCO points out this deliberate drawing of the boundary line as an instance of its consideration for the people.

All of the problems discussed above are actually symptoms of the fact that neither the state nor the company have any interest in a genuinely participatory and democratic development process. From the beginning it has seemed that the government and TISCO are the only two parties involved in the project; let alone enjoying an equal third-party status, the potentially affected people have not even figured in the elaborate consultations and negotiations. Measures that affect the very life of thousands are thus decided from 'above' without consulting or even informing them. And are sought to be imposed without justiciable, contractual guarantees of recompense. It is hard to visualise TISCO being taken to courts by

those displaced for the breach of the many promises it is advertising, or the government of Orissa enforcing these promises. This blatant infringement of peoples' right to be involved in the making of decisions directly affecting them is the most objectionable of all and is the actual source of the struggle.

## **Resistance and Repression**

"A phased chain of well planned actions is called for rather than sporadic ad hoc one time step, and a participatory process, involving the representatives of the people in the planning and execution of development plans at appropriate levels is required. All phases of planning, execution and monitoring must involve the representatives of affected people."

*Principles Governing Rehabilitation,  
Draft National Policy for Rehabilitation of Persons  
Displaced as a Consequence of Acquisition of Land  
Ministry of Rural Development*

Consider the following process. The Memorandum of Understanding between TISCO and the Government of Orissa was signed on 25th August 1995. The notice under Section 4[1] (which informed the villagers that the government intended to acquire their land) was issued in December 1995. Guidelines on rehabilitation were sent to the Collector on 19 March 1996. The constitution of the Rehabilitation Advisory Committee took place on 6 July 1996, And the Company constituted its own Steering Committee on the matter on 26 October 1996.

At no step in this decision making and decision facilitating process were any of the village representatives consulted. The villagers came to know of the imminent loss of their land and livelihood by newspaper reports, a newspaper notice and a foundation stone laid by the then prime minister Narasimha Rao — each event giving a signal of non-negotiable finality. Since no other channel was made available they had no option but to take to agitational means. And this is how the state responded.

The Gana Sangram Samiti was formed in August 1995 itself. While the leading role in the Samiti has been played by the local unit of the Communist Party of India (CPI), the Samiti comprises across the spectrum of political representation and non-affiliated activists. Village sarpanches are playing an important role in mobilisation. All the members of GSS including the leaders reside in these villages and are cultivators.

By 25th December 1995, preventive detention warrants were issued against all the main leaders of the GSS in order to foil protest attempts on the prime minister's arrival for the foundation stone ceremony, on 30th December. Heavy lathicharge was deployed against villagers who nevertheless managed a demonstration numbering thousands, with black flags, on that day. Women describe how they carried the black flags hidden in their sarees. The next day the foundation stone was demolished.

As part of the land acquisition process, in order to implement the notices under Section 4(1) of the Land Acquisition Act official teams were formed to survey the villages to determine the nature and extent of immovable property for compensation purposes. The villagers decided to disallow and actively oppose this survey operation, Wooden barricades were erected on the few entry points leading to the 11 plant site villages and a drum-based communication system was developed, such that, on the arrival of a survey team all of the community could be informed. Most of the ensuing struggle and repression was lived out by the villagers on these barricades throughout 1996.

From January to June no survey team could enter the area. On 3rd July the Special Land Acquisition Officer tried to enter Basanaputti with a heavy police force and a confrontation ensued. Criminal cases were registered against 40 activists.

In July GSS planned to demonstrate outside the secretariat in Bhubaneswar. On 21 st July, two days before the appointed date, Narayan Reddy— one of the leaders of GSS—was arrested from his village at midnight. This was followed by protest demonstrations of 2000 people at Chhatrapur police station, 2000 people blocking the National Highway, a gherao of the District Collector's residence and on the 23rd, 5000 people at the Bhubaneswar secretariat. Since attempts to keep Narayan Reddy behind bars without any actual criminal evidence failed, a high level decision to book him under the National Security Act was made. The NSA, for long criticised as a draconian anti-democratic Act, was invoked on 23rd July. By the end of July a police chowki came up in front of the GSS office on the national highway.

In August the government decided to begin the survey work. On 16th August an attempt was made to enter the hamlets Kuanpalli and Narayanpur (village Sriramchandrapur) with a heavy police force. Facing resistance from the villagers the police resorted to lathicharge. The fact-finding team saw the injuries of about 20 women.

On the 17th, about 500 policemen came with a survey team to Hariapalli and were faced with a large number of village women and children lying on the ground, blocking the way with their bodies. The police lathi charge that followed grievously injured many. The injuries visible were swollen eyes, swollen arms and shoulders, and torn toe nails.

On the 19th the targets were Badaputti and Chamakhandi where the pattern was repeated. Resisting women - many holding small children -were teargassed, beaten up, and some thrown into nearby ponds. The women here described the presence of the police force "in about twenty vans". The lathicharge and teargassing started at 3.30 p.m. and went on for an hour. Lakshmi Amma of Badaputti, aged 55, was injured and died two days later.

On the 21st the site of confrontation was Basanaputti. S.Yerramma, aged about 60, from village P. Laxmipur was injured and died on the 29th.

The police refuses to accept responsibility for the above deaths since they did not occur on the spot. Most of the people injured in these incidents did not go to the Civil Hospital at Chhatrapur fearing that they would be arrested. The few who did go cannot establish the fact of police excesses since no medico-legal cases were registered in the hospital records.

On the other hand 60 policemen have been shown to be injured in four FIRs registered against the protesters at Chhatrapur police station. Yet the DIG (Southern Range) himself, in an interview with the team, never described the people as being armed even with sticks. In describing what the police had to face he said, "women lie on the ground", "they throw chilli powder at us", "they even take off their clothes". This, in opposition to a police force drawn from Central Reserve Police Force, Rapid Action Force and Home Guards, armed with tear gas, lathis and rifles!

By September most of these moves came to nought as the state retreated in face of militant resistance, stopped further survey attempts and contented itself with the myth that survey work had progressed satisfactorily. (Within a span of two days, in two separate interviews, the DIG claimed that all the survey work was complete whereas the TISCO representative admitted that the survey could not be carried out). Narayan Reddy's detention gained national coverage. A broad spectrum of people in Orissa protested against it, including various political parties and non-party groups and the matter caught the attention of democratic opinion outside Orissa as well. Narayan Reddy had to be released on 11 September.

### **Since We Returned...**

After a few months of waiting and watching the state relaunched its offensive in February 1997. Early in the month Narayan Reddy was arrested, this time on charges of ballot snatching in the local panchayat elections. He was detained in the Berhampur jail and released later.

On 19 March at 11 a.m. a large contingent of police personnel, with the ADM, and Additional Tehsildar reached Sindhigaon. Fearing another survey attempt the women working in the fields nearby tried to stop them. This resulted in a lathicharge that hurt many of the women. By afternoon, protest against this police action had taken the form of a road blockade of the National Highway. Some of the Gana Sangram Samiti leaders and others gathered at village Sitarampur which adjoins the National Highway. The police caught them unawares, opened teargas, lathicharged and finally fired on them. A ruthless house to house search was undertaken in the course of which doors were broken down.

Nearly 50 persons were injured in this assault. The 4 persons hurt by bullets had to be taken to Berhampur Medical College. According to *The Economic Times*, Raghu Sethi, aged 22, was suffering from small pox and resting in his house when the police entered and beat him up. He was interviewed weeping and obviously injured.

According to the police explanation given out later, the raid was targeted at illicit liquor manufacturing going on in Sindhigaon and they were forced to fire at the villagers in self-defence. This is clearly an attempt to find a face saving story for the police since there was large scale newspaper reporting of the firing and questions were raised about it in the state assembly too. More significantly it is yet another attempt to discredit the struggle. Chief Minister J.B.Patnaik in his reply to the criticisms and demands for judicial enquiry also stated that local people attacked the police instigated by the liquor mafia. This story fails to explain that if the police party had nothing to do with a survey attempt why were various revenue related officials such as the ADM, Additional Tehsildar etc present for a mere liquor raid ?

### **Conclusion**

The cost arising from the resettlement and rehabilitation to be borne by TISCO is estimated by the company to be Rs. 150 crore. Of this, payments to the displaced people would amount to Rs. 113 crores while the rest is earmarked for site studies and technical assessment, setting up of the technical training institute, engaging consultants, and creating rural development societies. This expenditure however would constitute a small fraction of the State government's expected annual earnings from taxes and excise and a smaller fraction of the TISCO's annual profits from the proposed plant. The profitability of the venture and the economic sense it makes for TISCO and the government is nowhere in question.

Questions arise on the subsistence of the proposed oustees and on the role played by the state in providing compensation. For, the compensation for agricultural land at the rate fixed by the government is incapable of providing peasants with earnings anywhere comparable to what they get from cultivating their own lands or selling their labour in the villages. Firstly, because the compensation rate for land is exceedingly low. And secondly, because the villagers, once dispossessed from their means of livelihood, have no place to productively employ their labour.

The first arises from an administrative fixing of the price of land. This is stated to be arrived at logically, as the existing "market price" at the time of the notification under Section 4 of the Land Acquisition Act. Both the administration and representatives of TISCO justify such practice on the

ground that payment at market prices is fair and that its fixation on the particular date is needed since land prices are bound to escalate once the fact of acquisition for the steel plant becomes common knowledge.

The basic premise of the existence of a going "market price" is highly questionable. Sale and purchase of land in this region being minimal, prices that are arrived at in any specific instance are generally accidental in form. Sale of land by peasants in most cases can be classified as distress sale. And in such circumstances the prices charged would be far below the value of land. Reliance on such prices for acquisition is objectionable. Another factor which compounds the problem is the extent of the region surveyed to arrive at the land price. It remains unclear whether variations in land prices within any such region arising from geographical location or productivity (and the number of crops included in the productivity calculations) have been incorporated.

While the above argument points to the inadequacy in the land price figures fixed by the government and the injustice involved in implementing compensation on such a basis, this is not to deny the need for government's role in regulating the market mechanism especially where the commodity concerned is the principal means of livelihood of the people. Such intervention is necessary to ensure that people are neither duped nor coerced to sell their lands at a pittance. For instance, in the case of Scheduled Tribes, the state is bound to rule out the market in land, to prevent expropriation of Scheduled Tribe families from their lands.

Another example of such intervention is the Land Acquisition Act itself. Here compensation is awarded according to whatever policy guidelines the state may set for itself, in the present case this being the "market price". But the rural regions of Ganjam district are not the kind of regions where a market for land exists. A land market is created for the first time with the announcement of precisely such projects as TISCO's. In effect therefore the state has merely ensured the fixing of the compensation rate at a notional point, before market forces can actually come into play. The villagers' bargaining power is killed before they are aware of it. The state's role in such a case is a highly unfair one; it is instrumental in subsidising the land for the company at the expense of the villagers.

But the Act also specifies that the land is to be acquired for a "public purpose". And the purposes that the state finds essential seem to diverge increasingly from the aspirations of the people. In the present case the definition of public purpose has been extended to include the purely private purpose of TISCO "to maintain its pre-eminent position in the steel industry and to be a global player". Land prices apart, it was still possible for the government to negotiate with TISCO to ensure employment for the displaced. Specious arguments by TISCO that the peasants are not trained for industrial labour sufficed as reason to deny them employment. The wastage of their skills as cultivators irked no one.

Thus, the moment the possibility of a large market in land in Chhatrapur became a reality, the state intervened. Not to ensure that the peasants get due compensation, but to restrict the land prices at a depressed level. Not to ensure that the buyer and the seller can gainfully bargain, but to crack down on attempts by the peasants to organize and create a bargaining position, while discussing displacement and compensation modalities with TISCO. Not to ensure gainful work for the oustees but to announce a rehabilitation package that maintains villagers' employment at the mercy of the company. It is this role played by the government that needs to be opposed. This report is an attempt in that direction.