

HALTING THE MINING JUGGERNAUT

People's Struggles Against Alumina Projects in Orissa

People's Union for Democratic Rights

July 2005

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Introduction

Kashipur, Rayagada district and nearby areas in southwest Orissa have been in the news for a number of bauxite mining and alumina refinery projects being set up by the Orissa government in association with various Indian and foreign mining companies. From the very beginning these projects faced persistent and militant resistance by the local people, largely tribal and scheduled caste. The resistance movements felt that these projects would result in large scale displacement, loss of livelihood and access to forest and water resources. This would further damage the already marginalized existence of the people. The projects would also cause large-scale ecological degradation through deforestation, water, air and soil pollution. The conflict reached a crisis in December 2000, when the police fired on anti-mining demonstrators, killing three and injuring many more. Even after the deaths, the police repression on the movement continued, as indicated by the findings of a PUDR team that visited Kashipur in 2001, and the reports published by various democratic rights groups from all over India. Over the last year, various reports mentioned intensified activity by the police and district administration including arrests, and general repression, as the government is adamant to push the projects through.

It is in this context that a five-member team from PUDR conducted a fact finding, from 16 to 23 April 2005, to examine the reported ongoing police repression. We tried to examine people's rights in the context of bauxite mining, land acquisition, resettlement and rehabilitation.

The current team covered three bauxite mining projects: Utkal Alumina International Ltd. (UAIL) in Tikiri and Kashipur PS area, Aditya Alumina in Tikiri PS area of Rayagada district and Vedanta Alumina in the Lanjigarha block of Kalahandi districts. The three projects are in different stages of completion. It interviewed people from nine project affected villages: Ramibeda, Kucheipadar, Kendukhunti, Bagrijhola, Doraguda, Maikanch (UAIL); Kopakhal, and Belamba (Vedanta Alumina); and Puhundi (Aditya Alumina), and the Vedanta resettlement site in Lanjigarha. It also met the Officer-in-Charge (OIC) of Tikiri PS; the Collector, Rayagada district; and the Chief Secretary and Additional Chief Secretary, Govt. of Orissa at Bhubaneshwar.

I. The Three Projects

Utkal Alumina International Ltd (UAIL)

UAIL was originally meant to be, in the early 1990s, a joint venture between Norsk Hydro Alumina of Norway, the government-owned Indian Aluminium Company (INDAL) and Tata Industries Ltd. Tata Industries withdrew from the project and Alcan of Canada, one of the largest aluminium companies in the world, stepped in. Due to the continuous protests, Norsk Hydro also withdrew from the project in 1997. Today, the Aditya Birla company HINDALCO (one of India's largest aluminium companies that had, in the meantime, bought over INDAL) and ALCAN hold 55% and 45% shares in this Rs 4,500 crore project.

UAIL proposes to mine the bauxite from Baphlimali plateau (*mali* means hill) of Kashipur block, Rayagada district, which has bauxite reserves of 200 million tons. The bauxite would be sourced through open-cast mining and transported via a conveyor belt to a refinery at Doraguda village of Kucheipadar some 22 kms away, where it will be processed into alumina. Because of protests by local people, construction of the refinery has not yet begun even though surveys had began in 1993. This refinery would produce 1 million tonnes of alumina per year in Phase I and another million ton per annum after expansion. (This, incidentally, is nearly double the alumina India needs for its current rate of consumption, a need that is already being met by existing refineries.) There also are plans to construct a railway line from Doraguda to Tikiri which will connect the Koraput-Rayagada railway line. Finally, the alumina will be transported by rail to the port at Vishakapatnam, and beyond.

UAIL documents state that the project would be spread over an area of 2,446

hectares, i.e. roughly 25 sq km. This includes the bauxite mining at Baphlimali (1,388 hectares); the conveyer belt corridor (77 hectares); the refinery and related infrastructure (326 hectares), the pond of red mud, a residue of the refining process (248 hectares), the ash pond from the captive power plant (137 hectares), the UAIL township (142 hectares); and finally the railway corridor (128 hectares).

The designated red mud area and the ash pond at Bagrijhola and Muchkui villages, and the plant fall within the catchment of Barha river. Water requirements for the construction of the refinery would be tapped from this river. The water needed for running the refinery once it starts operations would be tapped from San river, with Barha river as a supplementary source if needed. To meet the requirement of about 50 megawatts of electric power, a steam and coal-based power plant will also be installed.

The Infrastructure Development Corporation of Orissa (IDCO) acquired 872 hectares of private land in 24 villages and handed it over to UAIL on a lease basis for setting up the alumina refinery and other associated facilities near Doraguda.

There are contesting claims and counter-claims about how many people the project will displace and how many it will affect. UAIL claims that the project will displace only 147 families from three villages - Dom Karal, Ramibeda and Kendukhunti - and would affect people from only 24 villages. Norsk Hydro had put the number of Project Affected Persons (PAPs) at 750 families. Prakrutik Sampada Suraksha Parishad (PSSP), which is leading the agitation in the area, claims that the Doraguda plant alone will directly

affect 2,500 people living in 24 villages in Kucheipadar, Hadiguda and Tikiri panchayats. Mining in Baphlimali would adversely affect another 2,500 families in 42 villages in Chandragiri, Maikanch and Kodipari panchayats. Other literature puts the number of villages affected at 82. The Norwegian Agency for Development's

estimate puts it at 60,000 persons.

Clearly, there is no precise idea about the number of affected people. This lack of information is one of the characteristic features of the project. Worse, as we shall see in chapter 5, the official estimates leave out a huge number of those who will obviously be affected in many ways.

Vedanta Alumina

This is a project of the UK-based Vedanta Resources. The parent company has been entering India's mineral sector by buying over PSUs such as Hindustan Zinc, MALCO and BALCO. According to the company's Detailed Project Report (DPR), the Rs 4,000 crore project at Lanjigarha in Kalahandi district includes bauxite mines at Niyamgirimali (*mali* is a hill); a 1 million-tonne alumina refinery; and a 75 mega-watt power plant. The company plans to extract 3 million tonnes of bauxite every year for about 23 years through mechanized open cast mining. The water requirements of the refinery and power plant would be met by the Vansadhara and Tel rivers. The environmental clearance letter issued by the Ministry of Environment and Forests, puts the water requirement at 30,000 cubic metres per day, to be drawn from the Tel river.

The project would be spread over 1,073 hectares in Kalahandi and Rayagada districts. According to IDCO (Industrial Development Corporation of Orissa), 601 hectares of private land, 199.5 hectares of non-forest revenue land and 58.7 hectares of forest land is required for the refinery. This land falls under the Lanjigarha and Batelima panchayats. Significantly, the

company is carrying on the construction of its refinery without obtaining an environmental clearance for the entire project and when the project's Environmental Impact Assessment is still pending with the Ministry of Environment and Forests (see box *Vedanta: Mining by Hook or Crook*).

According to the Deputy Forest Officer (DFO) Rayagada, total land required specifically for mining is 722 hectares, of which 313 hectares in Rayagada district and 409 hectares in Kalahandi district. In Kalahandi, 49 hectares is revenue land. Of the total area required for mining, as much as 93%, i.e. about 672 hectares, is forest land of the Niyamgiri forests.

The DPR puts the total population of the area affected at 12,623, with 48% tribal and 21% schedule caste. Around 360 families of 12 villages would lose part of their land. The company has already got two villages, Kinari and Bandhaguda vacated. The displaced families have been given compensation and shifted to a resettlement colony. The movement itself puts the figure of those who depend on the Niyamgiri forest and its streams and who would be adversely affected much higher: at around 30,000.

Aditya Alumina

This Hindalco project includes mining bauxite from Kodingamali, Lakshmipur block, Koraput district and running a refinery at Kansariguda in district

Rayagada. According to a company press release, an MoU has been signed with the Orissa government in April 2005. It states that this Rs 11,000 crore integrated

Vedanta: Mining By Hook or Crook

The story of Vedanta Alumina Limited's bauxite mining and refinery project at Lanjigarh. is one of deception and illegalities at every stage.

The project comprises bauxite mining from Niyamgiri hills, a refinery for its processing to produce alumina and a captive power plant. The company filed an application for environmental clearance with the Ministry of Environment and Forests, Government of India (MoEF) under the Environment (Protection) Act, 1986 (EPA), only for the refinery. It did not seek clearance, required under the Forest (Conservation) Act, 1980 (FCA), for the mining of bauxite from Niyamgiri hills, which almost entirely affects forested areas.

On 22 September 2004, the MoEF grants environmental clearance to the alumina refinery and captive power plant conveniently ignoring the fact that the 'bauxite' can be processed only after it is obtained from some source. Strangely, the MoEF's clearance letter states that the "source of bauxite for the alumina refinery will be the captive bauxite mines near Kalahandi and Rayagada districts". It also ignores the fact that the nearest and most suitable source of bauxite is the Niyamgiri and Karlapat hills, both of which are known for rich forests of extremely high biodiversity. The ministry also chooses to overlook the fact that the clearance under the FCA and the Wildlife (Protection) Act, 1972, for mining from these hills had not been obtained. The clearance granted for the refinery is not merely a simple lapse on the part of the ministry but a clear violation of the laws of the land to favour an influential and powerful company.

Additionally, the MoEF letter granting environmental clearance for the refinery states that the "proposed area does not contain any forest land". In its application, the company had lied saying that it required only 720 hectares of non-forest land, hiding the fact that the area required by the refinery included 58 hectares of forest land as well. This was later 'discovered' by the government of Orissa. But instead of questioning the company, the government simply forwarded its application to MoEF for clearance of this land.

The matter does not end even here. The state government assigns the task of facilitating construction of the refinery to the Infrastructure Development Corporation of Orissa, which begins construction of the refinery. Which means construction has begun even though the environmental clearances for mining and also for the forest land required for the refinery are both pending. The violations are manifold.

First, the MoEF handbook clearly states that in any project that involves both forest as well as non-forest land, work should not be initiated on non-forest land until release of forest lands under the FCA is approved by the central government. Second, it's a violation of the EPA which stipulates that a project cannot be subdivided – in this case separating the mining from the refinery – in order to ease the clearance procedure. The company's strategy seems to be: first invest a huge sum in the construction and then make that a

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basis to pressurize the central government to grant clearance for mining from the forest land. The question that arises is: how did the company and the state government presume that the central government would grant clearance for mining? What then becomes apparent is the collusion of the state and the central government in ensuring that the company is able to set up its project.

When some NGOs filed petitions against these violations, the Supreme Court constituted a Central Empowered Committee (CEC) to probe the matter. The CEC team that visited the area not only found these allegations to be true, but also detected other irregularities. It found that the Orissa Mining Development Corporation had signed an agreement with Vedanta Alumina Ltd for long-term sale of bauxite extracted from Lanjigarha and Karlapat mines for being processed at Lanjigarh refinery without the approval of the mining site and the refinery site from the Government of India. It also recommended action against the company for having cleared village forest land at the project site, a violation of the FCA.

On 28 February this year, the CEC directed the MoEF to respond on issues including the validity of environmental clearance for the refinery, the reasons behind MoEF's accepting the clearance application separately and the action it proposes to take. It is simply shocking that in spite of these violations and the probe, the construction of the refinery continues unabated. Finally, important and tactically useful as its recommendations can be, a CEC can only recommend, and it's shocking how companies can get away with numerous violations with impunity.

aluminium project will comprise bauxite mines with an annual capacity of 3 million tons, an alumina refinery of 1 million metric tons per annum, an aluminium smelter plant of 2,60,000 tons per annum and a captive power plant of 650 megawatts. The survey of the *mali* was done about 8 years back and that of the villages which are going to be affected, a couple of years ago.

As per the company notices, four revenue villages of Podapadi and Bakam gram

panchayat would be directly affected by the project. Landowners of Podapadi, Puhundi, and Kansariguda of Podapadi gram panchayat would lose all their agricultural land. Those of Phulajuba would lose 90% of their land. It is estimated that 369 families will be affected by the project, of which 93 families of Kansariguda will also lose their homes or be displaced. This project being at a very initial stage little more concrete information is readily available.

II. The Persistence of 'Backwardness'

The people facing displacement due to these three bauxite mining projects, their hopes and aspirations, fears and reservations, and their struggles and demands, find few takers in the media. How this has come to pass can be seen directly to stem from the lives and livelihood of

people in this region. There has been a persistent denial of conditions and opportunities for improving their well-being, and today, their struggle for continued existence is viewed as an impediment to Orissa's 'development'.

The Region and its People

Situated at the junction of Andhra Pradesh, Orissa and Chhatisgarh, the region – which covers the districts of Koraput, Malkangiri, Rayagada, and Kalahandi in southwestern Orissa – is hilly with wide valleys. Both the valleys and hill slopes are cultivated. In some places forests still exist on the hills. This region is incredibly rich in mineral resources, particularly bauxite. Significantly, it also houses some of the poorest and socially weakest sections of the country's population. In fact, over quite a few years, it has been in the news for starvation deaths.

The region has a primarily tribal population, and the two tribal communities, Kond and Paroja (Jhodia) together accounting for over 60% of the population, while another 14% are dalits. In the villages our team visited, tribal population range between 45% and 100%. Dalits constitute over 40% in some villages (see table 1 'Who are the people?').

Population density is relatively low. Among scheduled tribes, the Paroja tribals in Orissa inhabit only this region while Konds constitute a larger tribal group and are more widely distributed across the state. In 2002-03, the Orissa government removed the Paroja tribals using the Jhodia title from the list of scheduled tribes. People continue to refer to them collectively as Paroja or Jhodia. But with this sleight of hand, the government made it easier for non-tribal private parties and non-tribal landed interests to take over Jhodia lands. Another interesting aspect of the area's social structure is the fact that of the 4.5 lakh dalits living in rural areas of the old Koraput district (present-day Malkangiri, Nabarangpur, Koraput and Rayagada districts), 3.5 lakh belong to those deemed the lowest communities, the Doms and

1. Who are the people?

District	ST (%)	SC (%)
Malkangiri	60.6	21.0
Koraput	56.5	12.9
Rayagada	62.8	13.9
Kalahandi	30.4	17.7
All Orissa	24.6	17.2
Village		
Kucheipadar	86.4	11.2
Bagrijhola	51.1	8.3
Dwimundi	47.2	47.2
Ramibeda	100.0	0
Koral	45.3	44.4
Puhundi	60.9	21.1
Podapadi	41.7	15.1

Note: Data covers rural areas only
Source: Census of India, 2001

Namasudras.

Very few people in the villages know how to read and write (see table 2. 'Literacy Levels'). Less than a quarter of Rayagada's population is literate, and there are sharp differences across villages. For instance,

2. Literacy Levels

Village	Literates (%)
Kucheipadar	26.4
Bagrijhola	18.0
Dwimundi	18.3
Ramibeda	5.3
Koral	23.8
Puhundi	20.4
Rayagada Dist	24.4

Source: Census of India, 2001

Kucheipadar has 26% literacy. In Ramibeda village, where literacy is just 5.3%, a school exists, but the teacher is never available. People here attempted to get their children enrolled in a school in Kucheipadar village but the school refused to admit beyond its capacity. In 1991, a decade earlier, literacy levels in the old districts of Koraput and Kalahandi were 14% and 23.3% respectively. Of these literates, nearly 90%

were educated only up to middle school or less, with most not having studied beyond primary school. Those who have studied beyond middle school comprise less than two per cent of the population in these districts. If these are any indication of the distribution of literates today, a large majority of the population would be unable to find remunerative employment outside of agriculture.

The Predominance of Agriculture

Land forms the principal means of subsistence in this region. In the rural areas of the four districts, self-cultivators and agricultural labourers jointly constitute about 80% of the people engaged in work through the year (main workers, i.e. those who get work for at least 100 days a year). Among marginal workers (those engaged in economic activity for less than 100 days a year), dependence on agriculture is higher - about 88%. This indicates most acutely how little non-farm activity and

employment there is in this region. Compared to the state average of 40%, half the people of this region work. Among villages we covered that figure is over 55%. Which means that in an average household size of about 5 members, three work, that too almost entirely in agriculture.

Women are engaged in a strikingly wide variety of work. Besides some forests everyday, to collect saag, kendu, material to make rope, seeyal, and wood for cooking.

3. Working Population and Occupation

District	Working Population	Main Workers in Total Workers	Cultivators in Main Workers	Agri Labour in Main Workers	Cultivators in Marginal Workers	Agri Labour in Marginal Workers
Malkangiri	50.3	61.3	73.8	13.1	37.5	48.5
Koraput	51.5	58.4	49.7	26.7	17.2	70.5
Rayagada	50.6	60.0	43.4	34.3	14.3	73.3
Kalahandi	47.7	60.1	42.8	35.3	13.2	78.5
All Orissa	40.2	64.1	42.9	25.5	17.8	63.4
Villages						
Kucheipadar	59.5	72.1	75.7	16.8	62.4	29.9
Bagrijhola	48.3	48.8	88.1	0.9	64.2	16.5
Dwimundi	58.7	92.4	59.4	33.9	48.5	45.5
Ramibeda	57.9	80.0	65.9	29.5	63.6	36.4
Koral	54.3	71.8	74.3	5.3	1.9	5.6
Puhundi	56.7	39.0	46.3	45.2	3.7	96.3

Note: All figures are percentages. Data relates only to rural areas.

Source: Census of India, 2001

The availability of work varies significantly across villages. While main workers constitute 92% of all workers in Dwimundi village, their proportion in Puhundi village is below 40%, i.e. 60% of the workers in Puhundi get work for less than 100 days in a year (see table 3 'Working Population and Occupation').

The occupational distribution also varies across villages, related both to the communities residing in the village as also the ownership of land. Occupational distribution for SC and ST communities varies significantly in this region as also in the entire state. While both STs and SCs are mainly dependent on land, 89% of Doms and about 95% of Konds and Parojas work as cultivators or agricultural labour, Doms also engage more in household industry and trade. In all the villages we visited, from the small shops in the village to the peddling of goods on foot, Doms are largely

Agrarian Relations: Landholdings, Sharecropping and Labour

Cultivated land falls into two parts: the plain valley area and the hill slopes. The ownership of patta lands has seen little change since the colonial period, except the division of plots through growth in the size of families. In Ramibeda village the largest landowning family of three brothers controls 32 acres according to a patta given by the erstwhile raja. In Kendukhunti, the predominantly Dom hamlet of Hadiguda has 15-20 families owning land while the rest, about 30 families, are landless. In Bagrijhola village, of the 150 houses, 3-4 own about 100-150 acres of land each while most own between 1-1.5 acres and landless households number 20-25. Of the 80 households in Doraguda village, the site for the alumina plant, 2-3 have 25 acres each, 6-7 households are landless, and most own 3-4 acres. In Maikanch village, where police opened fire killing three protestors in

4. Occupation by Community			
Occupation	Kond	Paroja	Dom
Cultivator	54.9	52.5	33.8
Agricultural Labour	39.6	43.2	45.3
Household Industry	1.4	1.0	7.9
Other	4.1	3.3	13.0
Total	100.0	100.0	100.0

Source: Census of India, 1991

involved. This difference is also related to differential landholdings. In general, dalit families own lesser land in comparison to adivasi families and form a slightly larger proportion of the wage labour. Significantly, the social hierarchy also places the tribal above the dalit (See table 4 'Occupation by community')

December 2000, of about 400 households, there are 100-150 landless families. The largest holding, that of a Sahu, is 125 acres. In Kupakhal village, situated close to the mining site of Baphlimali, 110 of the 200 families are Dom by caste. The Doms are all landless, as are 40 other households. In the main hamlet of Puhundi village, 120 of the 220 families are dalit while the rest are adivasi. Of the dalits 90 families are landless. The largest adivasi holding is 10-15 acres. Only 40% of the cultivated land is in the ownership of village residents. Ownership of the rest is in the hands of absentee landowners from Cuttack, Bhubaneshwar and Puri. The former Raja of Bastar still owns 30 acres and about 20 acres are owned by the Talcher raja. Land reforms seem to have had little impact in this village, or indeed in other villages we visited.

Ownership pattas exist mostly only for the plain lands. In some villages, temporary patta rights over dongar lands (hill tracts on which agriculture is practised) were registered at the rate of one hectare per family in 1996 through a programme of the International Fund for Agricultural Development (IFAD). But this was not done for every village. In Ramibeda village no one had even heard of patta rights over the dongar lands. Generally speaking, the hill slopes do not have *legally* defined ownership. This is partly because most of the dongar land has never been comprehensively surveyed by governments over the years. And hill slopes above 10 degrees incline have not been surveyed at all. Nor pattas given. Consequently, those cultivating dongar pay a fine to the government instead of a land tax, at the rate of Rs 50 instead of Rs 5 per acre each year. A sum they can ill afford, as we shall see.

A wide mix of crops are grown on these lands. The main kharif crop consists of maize, rice, bajra, kanda, and tomato. On irrigated plots, a second crop of gram, mustard, masoor, and onion is sown. Dongar lands, though, have much lower productivity, require backbreaking work and support a single crop at best consisting of lower cereals and arhar dal. Crops with different maturing periods are planted on the same land. There are little by way of inputs of fertilizer or pesticide. To maintain fertility the land is also left fallow after every two sowings. In addition to food crops, bamboo, used in house construction and for implements, is grown on the edge of the field as also fruit trees such as mango, jackfruit, and lichi. Oilseeds, mustard, some vegetables and onion are sold for cash. This is used to purchase necessities at the local *haat* that the land cannot produce such as kerosene, salt and clothes. There is little other engagement with the market.

To get adequate food and earnings, a family of five members requires around 2 acres of irrigated land, or double that amount if it is unirrigated. As can be seen from data collected during our visit, few families own such amounts of land. For instance, in Kashipur block of Rayagada district, 65% of the households own less than a hectare of land, most of which is unirrigated. It is striking that in Rayagada district 70 per cent of the families are below the poverty line (Orissa Development Report, p. 272).

This prevalence of landlessness or smallholdings, combined with low productivity on plains land, forced people to clear and cultivate dongars. Today, there is virtually no new dongar land that can be cleared for cultivation. What's interesting is that there is little correlation between landlessness and cultivation of dongar lands. Even those who have some land tend to cultivate dongar, to augment their produce.

Agricultural produce does not last through the year for a large proportion of the people, a dire situation obviously faced more acutely by those with less or no land. During the summer and early monsoon many families make mango and jackfruit a major part of their diet, conserving grain for the period after the fruit season. Some are left with no grain and look for tubers in the hills or else consume dried mango kernels and jackfruit seeds. In such a situation, **loans**, both in cash and in kind, become the only means for survival. People also resort to borrowings for marriages or to make market purchases. Those they borrow from, especially food loans in grain, are usually from the same village. But this is at steep rates of interest. One-and-a-half kilograms of grain is to be returned after a year for a loan of one kilogram of grain, i.e. 50% interest. The interest charged by the

moneylender in the local market is even steeper - 5% per month, or approximately 80% per annum, compounded. Formal sources of credit are rarely available since they require a valuable surety that few possess. In cases where a borrower is unable to pay back a loan taken within the village, it is usually repaid through unpaid labour performed for the lender.

These inequalities in land distribution and low productivity has also resulted in other inequitable practices. For instance, having to work as **agricultural labour**. As can be seen from the table, this is the situation of a large proportion of the people here: 40% of the Konds, 43% of the Parojas and 45% of the Doms. Many also go out of the village to distant towns in search of work.

Labourers from the same village are paid Rs. 25 a day along with one meal. If workers from another village are employed, the daily wage is Rs.30. In the occasional village, we heard of even lower wage rates for agricultural work. The wage payment is often made in kind. In Belamba village in Lanjigarh block, workers from the same village get 2 maunds of paddy or mandya per day while outside labour demands 4 maunds. Given the wage differentials, most wage workers tend to belong to the same village. These rates of daily wages are obviously acutely insufficient, and also below the stipulated minimum daily wage of Rs. 60 in Orissa.

Those without land also need to get into **sharecropping** arrangements. A single

landowning family is able to cultivate upto 4-5 acres of land. Land above this amount is leased to sharecroppers from the same village. The sharecropping rate is half the produce if the landowner supplies the seed. Else the sharecropper deducts the seed before handing over half the crop to the landowner. In the case of absentee landowners, as in Puhundi village, the entire land is operated through sharecropping. Dongar lands controlled by larger landowners are also leased out for sharecropping.

These inequities certainly inform the agrarian set-up, but we got the impression of some differences from mainstream rural India. The repugnant practices of brutal caste domination and loss of dignity do not seem to be as prevalent, and everyone works the fields.

To conclude, what is most obvious, on visiting the region, is the extreme marginalization of most people, partly due to near total dependence on a depressed agriculture, not particularly fertile land, and low irrigation facilities. This situation is worsened by inequitable land relations, extremely token and partial land reforms, and by extremely low educational levels and health care facilities provided by the state. It is in these social conditions that these three and other mining projects are being pushed through. For those who have always been marginalized, both historically and in the present, these mining projects will only result in a further and different marginalization, as we shall see.

III. Small Carrot, Big Stick

A crucial aspect of initiating an industrial project, particularly in scheduled areas, is informed consent by the people of the area. Instead, in villages covered by all three projects – from the initial survey to the

land acquisition – the people have had to deal with vagueness, lack of clear information, partial information, exaggerated promises, and the use of police terror. Essentially, the government's tactic was the time-tested

policy of carrot and stick. Except that much of the carrot remained imaginary; vague oral promises of permanent jobs and large salaries, made by the company and district administration. The stick, however, is anything but imaginary. From armed police and para-military presence everywhere, flag marches through peaceful tribal villages, beatings, threats, arbitrary warrants and arrests, to firing and killing of protestors- the regions even remotely affected by the alumina projects live under the constant

shadow of the stick.

The fact that, as the preceding chapter makes clear, the region is among the most economically backward in India, with virtually non-existent health, education or irrigation facilities, and hardly any employment opportunities outside of traditional agriculture, crafts and small trade, made both the carrot and the stick all the more powerful. In fact, as we write this report, news of continuing police terror, including attacks on a filmmaker documenting the resistance and further arrests trickles out of Kashipur.

The Dubious Process of Surveys, Consent and Land Acquisition

(i) Statutory requirements for land acquisition:

The Land Acquisition Act 1894 lays down specific procedures of consulting local people whose lands are going to be affected by such projects. According to section 4, first a notification of intent has to be published in the official gazette, and in two newspapers, one of which needs to be in the local language, and the Collector ought to ensure that the gist of these notifications are displayed in the area to be acquired and in its vicinity. Anyone can then send his or her objections to the Collector within 30 days (section 4 [1]). Only after their informed approval can the project proceed. Then the government can, based on the Collector's report issue a notification of acquisition, similar to the procedure in section 4 given above. The fourth step is that the Collector ensures the land is marked, land value gauged, and claims for compensation heard, etc.

Regarding scheduled areas, the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) states that "the gram sabhas or panchayats at the appropriate level shall be consulted before making the acquisition of land in the scheduled areas

for development projects" (section 4 [i]). It goes on to empower the gram sabhas to prevent alienation of land in the scheduled areas and to take appropriate action to restore any unlawfully alienated land of a scheduled tribe [S. 4.[m].[3]).

The draft of the Orissa State Policy on Resettlement and Rehabilitation of Project Affected People states that "project authorities will be responsible for public consultation, information dissemination and involving the affected people in the decision-making process" (section 10.1). It goes on: "The areas for information sharing, consultation and participatory decision-making include: the relevant details of the project; the resettlement plan and aspects of the project impact, including choices made by the affected people regarding project location" (section 10.2).

In reality these requirements have been regularly flouted. As can be seen in the following two subsections, the process of land acquisition as we examined was so different that it makes the above objectives seem like a hollow joke. When this happens repeatedly, it is not simply a lapse but

amounts to a serious violation of democracy.

(ii) Secret surveys:

Right from the very beginning, the people who knew least about bauxite mining projects were the very people who would be affected the most, villagers whose homes, land, rivers, streams and forests would be taken away. Every time, everywhere, the surveys happened through secrecy and deceit. In numerous instances, we were told of people not being informed about why a land or household survey was being conducted in their area. This was obviously done to ensure that initial opposition to the project is muted. In Ramibeda, one of the villages going to be displaced by UAIL, the surveyors, on being questioned by villagers, gave extremely vague answers. To carry out surveys in such a fashion also violates the National Policy on Resettlement and Rehabilitation of Project Affected Families, 2003.

In the neighbouring Kendukhunti, a dalit village, the company played a cruel joke - people were told in 1993 that the survey was for their children's education. In a village with no school, where very few children have ever seen the inside of a classroom, naturally this was welcomed. Even when some machines were used for a geological survey of the lands, even their fields, they were told their lands would not be taken away. Then the people survey started, taking a detailed account of number of persons, property, cattle, houses, etc. The excuse this time was that everybody is to be issued land pattas, and the survey was to that end. Slowly they realised that all this was for UAIL's mining operations. At which point they then beat up some company people on their next visit. This gave the company and the district administration the excuse to bare their fangs. So far, no government official had

visited the village in connection with the mining project. Now, the company got the police. Five villagers were arrested; this was in 1998. After being held for almost 3 months, they got bail from Raygada Magistrate's court. The case is still going on against five persons from Kendukhunti and two from another village. Understandably, these arrests and the frequent armed police visit to the villages terrorized the people. It was almost as if whoever would publicly speak against the company would get arrested. It was in this atmosphere of fear, the villagers were taken to the tehsilder's bungalow in Tikri, and forced to accept the compensation package.

In the case of the Vedanta Alumina project at Lanjigarha, residents of village Belamba were informed of the project in 2001 not by the government but by an NGO. The Collector came there only two years later, along with the tehsildar and the police, made usual promises of jobs and money, but failed to elicit consent.

To make things even worse, the survey of project affected persons is also perfunctory. There are instances of people being excluded simply because they were not present in the village on the day of the survey, having gone away for work elsewhere, or for seasonal migrations, or for any variety of reasons. For instance, at Ramibeda, nine families had left the village after being paid the first round of compensation. They were not counted as Displaced Persons.

(iii) Consent by force and fraud:

The government seems to have woken up quite late to its constitutional obligations that residents cannot have their lands taken away from them in Vth Schedule Areas without their consent. In Kashipur (UAIL), palli (hamlet) sabha and gram sabha meetings were held in 2004, years

after compensation was first offered in 1996. And even these have been held in a completely farcical manner.

At D. Karal, the palli sabha which 'agreed' to compensation by UAIL for their land was held with the collector arriving there with 28 police vehicles and cordoning off the whole village by the police. This palli includes villages D-Karal (Upper Sahi and Tala \ lower Sahi), Ghagra Khunti and G Karal. Apparently people only from the Tala Sahi were present in the meeting but it was claimed that the entire palli has given consent. Generally, these palli sabha meetings have been held in the armed presence of 2-3 platoons of police, and now even the Indian Reserve Battalion, scarcely a conducive situation for eliciting consent freely and democratically. And at times, the pressure has been more direct. In village Bagrijhola, which will be affected by UAIL's conveyor belt (the bauxite rubble transported from Baphlimali will be dumped here) and by the red mud pond, the Collector wrote thrice to the villagers in 1998 saying, "If you don't vacate the land and take compensation, we will acquire it forcefully." Some people did indeed accept the compensation, not out of support for the plant but out of sheer fear of pauperization. These people are still there, working on their land, hoping the movement will succeed and their land will stay with them. The money they had received is almost all gone, with nothing much to show for it.

In village Kendukhunti the collector and the company made promises of jobs with wages starting from Rs. 3,000 to 10,000 per month, allowance for the elderly and alternative housing in order to obtain approval of palli sabha in November 2004. Not surprisingly, neither the authorities nor the company have fulfilled these tall promises. Consequently, about 300 villagers from Kendukhunti, Ramibeda, D Karal, and

Dwimundi, many of whom used to do construction work for UAIL stopped working and sat on dharna in April this year. They were demanding three lakhs per acres as compensation, 20 decimals of land for their houses and a written agreement of giving jobs not to just the families now but to their children and grand children. They want that the job should pass down generations like the land.

The Aditya Birla project is in its initial stages. Surveys have been done and the formality of obtaining consent is on. The gram sabha meeting for one of the two affected gram panchayats Podapadi, was held in village Puhundi, on 17 March this year. The villagers, who received notice of that meeting only on 13 March 2005, were asked to send in their written objections by 15 March, the date of meeting. The villagers were given just two days to file their complaints regarding something that is going to affect their entire future. The notice simply had the village-wise break up of the land to be acquired and the number of families to be displaced or affected. It gave no details of the project, which family would lose what, how much forest land would be affected, which of the families would be displaced. At the meeting, residents were asked to sign on blank paper, allegedly for attendance. The minutes of the meeting were yet to reach the villagers when we met them and the formal decisions of that sabha are as yet unknown to them.

A similar constitutional requirement of getting consent in a Vth Schedule area led to a meeting by the Orissa Pollution Control Board (OPCB) in village Phuljuba, of the other affected gram panchayat Bankam, Kashipur tehsil, on 27 November 2004. The notice of the meeting gave no details of the environmental threat posed by the project or of any study conducted by the OPCB, on the basis of which people could give an

informed consent or otherwise. The minutes of the meeting -contain responses to the project by 18 people. Even those who welcomed the project had some questions and three expressed specific fears. But there was no attempt to hear the views of the entire gathering or to have a vote. The OPCB disregarded the fears expressed, concluded that people approve the project and made some vague recommendations. The village representatives were made to sign the minutes, which were in English,

People's Resistance

In all the three projects we investigated, a majority of people fear getting displaced and losing their land and means of livelihood. Not surprisingly, resistance began as soon as the implications of the surveys became clear. Importantly, this resistance has almost always had a militant character: people have taken away the equipment of survey teams, chased police away; chased away survey teams by throwing water mixed with cow dung or *bicchu-butti* (a herb that causes irritation). At other times, barricades have been set up to prevent the entry of police and company representatives in the area. It's this democratic opposition that the current police repression is seeking to undermine as the state attempts to push the projects through.

In **Kashipur (UAIL)**, people were initially helped by an NGO, Agramee, in seeking information, in signature campaigns and legal assistance in cases slapped on protestors. In 1993, a team of villagers met the then chief minister Biju Patnaik, demanding the project's cancellation. Villagers from the area also held demonstrations against the arrest of some in false cases. In April 1994, when two protestors were arrested from Kuchiepadar, a large number of people attacked the police

without explaining its contents.

What is significant is that the affected people are never *consulted*, they are always *told*. Their opinion is never sought prior to starting work on the projects. The PUDR team was struck by the fact that apart from Kuchiepadar, Puhundi was the only village where we could see any papers related to the project. In such a situation there is hardly any opportunity for the people to make informed choices.

station and set them free. Following this popular opposition, the gram panchayats of Kuchiepadar and Maikanch recommended the scrapping of the UAIL project in 1995.

The opposition to UAIL and other mining projects crystallized further with the formation of Prakrutik Sampada Suraksha Parishad (PSSP) in February 1996, a collective of various groups in Kashipur area resisting bauxite mining and related projects. PSSP currently comprises seven samitis in the region: Baphlimali Surakshya Samiti, Maikanch; Gaon Mati Surakshya Samiti, Siriguda; Sasubohumali Surakshya Samiti, Khurigaon; Anchalika Surakshya Samiti, Srunger; Basundhara Surakshya Samiti, Barigaon; Bankam Surakshya Samiti, Puhundi; and Sunathei Surakshya Samiti, Baghrijhola.

The organization's understanding has evolved into a rejection of 'development' through industrialization for the region. They argue that since people there are located in a primarily agriculture-based economy, they will only benefit with the development of agriculture. Which includes improved irrigation facilities to enable people to grow two crops a year, better agricultural practices and re-forestation. It has also demanded better educational and health services in the region.

But their central issue of mobilization has been the opposition to the mining projects. In September 1996, the PSSP led a rally from Kuchiepadar to Tikiri and gheraoed the office of UAIL. In July 1997, protestors demolished a half-constructed resettlement colony at Dom Karal and set up barricades at Kuchiepadar to stop entry of the company people and the police. A huge padayatra was organized in late 1998 and 1999 to coordinate opposition to the three projects. In May 2000, the creation of a helipad at Tikiri was prevented

The people have also resisted the manipulation of public opinion by mainstream political parties and other elites. One such act of resistance led to the tragic firings at Maikanch on 16 December 2000, in which three protestors were killed (see box: *Bullets of Development*). Four days after the firing, a huge gathering of local tribals organized a road block at Rapkana chowk. The next month, a protest march was held, from Maikanch to Kashipur. In what has become an important symbolic protest on the death anniversary of those killed, a programme is held in the area each 16th December. PSSP finally managed to get three FIRs registered against the police in October 2004, nearly four years later!

Widespread as the resistance is, the opposition to the projects is not universal. Following the recent four-fold increase in compensation some are opting for it resulting in resentment by some others who are still holding out. This caused temporary tensions in September last year with some residents of Kucheipadar and Bagrijhola cutting the crop of villagers from Kendukhunti and Ramibeda. Though the villagers are now willing to let bygones be bygones, the administration is blowing it out of proportion. It is using this "violence" to justify increased police presence in the area.

Any new tensions are exacerbated by an already existing lack of harmony between a section of adivasis – who are the predominant landowners here – and the Doms and other dalits, many of whom do agricultural labour. We were told that some among the latter buy small forest produce from the adivasis and sell it, leading to some resentment about the small profits they earn.

Three, in an agricultural scenario of low productivity and pathetic wages, those without land or with marginal holdings try to earn some money through project-related work that is going on, such as road construction. Some of them regard those with the movement – the '*sangrami*' – as a threat to continued employment in case the project is terminated.

The movement has its base predominantly among the landed, small as they are. The absence of issues such as land reforms and low agricultural wages on the agenda has meant that widespread support from the landless is lacking. Whereas the fact is that these projects will affect both landed and the landless, though to a varying extent, and in different ways.

Having said the above, it is important not to miss out some of the movement's achievements. The very fact that the project has been delayed by so many years is one achievement of the people in the area. It is only due to the continuous protest by the adivasis and dalits of the area that Norsk Hydro was forced to withdraw from the UAIL project in 1997. Even the four-fold increase in compensation, mentioned above, is a consequence of the resistance. A UAIL document says so in so many words: "Due to the resistance of the anti project local villagers it [the company] was unable to get possession of the acquired land. After consultation with the Government of Orissa

and based on their advice, UAIL agreed to pay additional amounts as ex-gratia to the Project Affected People for getting the possession of the land.'

Opposition is growing against **Vedanta Alumina** in Kalahandi as well. The resistance there is under the banner Niyamgiri Surakhya Samiti (NSS). Formed in 2001, NSS has spread across 12 villages, in the face of considerable police harassment.

In March 2003, around 700 adivasis gathered in Muniguda town to protest against the project at a public hearing held

by Orissa Pollution Control Board. They were not allowed to go inside the room by the company goons and the police, still they forced the ADM to accept 11 affidavits and several petitions voicing their opposition. In April 2004, about a thousand tribals marched to Lanjigarha. Thirteen activists were arrested and released on bail only in May.

What is striking is again is its consistently militant character. A second aspect of the resistance to all three projects is the high involvement of women, particularly in facing the police and

Bullets of Development: The Road to Maikanch

The attacks on people protesting the UAIL project reached a flashpoint on 16 December 2000, when the police fired upon adivasis in Maikanch village of Kashipur block killing three and injuring many more.

Evidently, exaggerated promises, harassment, false cases and police terror were not deemed enough to tip the scales in favour of the project. A pro-mining 'movement' was built, under the aegis of the company, the administration and police. We were told that this pro-mining lobby comprises: functionaries of mainstream political parties, the Congress, BJP and the Biju Janata Dal (BJD); other local elites; paid goons; a section of the media. Some poor tribals form the numbers, some among them misled by promises or bought over by alcohol or cash. There have been instances of scuffles between the pro-mining lobby and the anti-mining agitators.

The Maikanch firing occurred in the context of an all-party committee meeting in favour of the project, to be held in Nuagaon village on 15 December 2000. UAIL and an NGO, Care International, had handpicked members of this committee. These included representatives of various pro-project parties such as BJD, BJP and Congress. But the committee along with some officials could not reach the meeting place because residents of Maikanch, Kucheipadar, Bagrijhola and other villages had put up barricades on the road leading to Maikanch to prevent the meeting from taking place. When the officials tried to break the barricade and move ahead, they were forcibly stopped by the agitators. These pro-project people were compelled to return to Rayagada. Subsequently, cases of assault were registered against the agitators.

The next day, at around 11 am, three platoons of police personnel (about a hundred), reached Maikanch ostensibly to prevent clashes between the pro- and anti-company people of the village. We were told that the police inquired about five youths including Prakash Jodhia of Maikanch and threatened that they would open fire if these five were not handed

contd. - on page 17

resisting the entry of authorities and the company representatives in their area. We came across another such instance in Belamba village (Vedanta). Sometime last year, a huge police force raided some houses in the village ostensibly against the illegal production of liquor. People from here feel the police had come to terrorise them so that they stop opposing the project. The villagers, with the women in the forefront, chased them away.

Support and solidarity for the

movement is growing in the area and beyond. In December 2004, a number of left parties and organizations, including a front including CPI(ML), CPI(ML-New Democracy), CPI(ML-Red Flag), Samajwadi Janparishad, Loka Pakhya –under the banner Deshapremi Jana Samukhya issued a joint appeal against the ongoing police repression, together with the PSSP. The Bahujan Samaj Party too has been very active in the area mobilizing against the project. Dharnas were organized against

over. Women had gathered in front and they did not let the police enter the village. The Circle Inspector kept issuing threats every few minutes. He pushed an old woman and threw her down. She fainted and remained unconscious for some time. Some other women were hit with lathis. Hearing the cries of women, the men came out. It is at this point that the police, ordered by the executive magistrate, opened fire. People began to run away in fear towards the surrounding hills. Firing continued for about half an hour. In all, nineteen rounds were fired on the retreating people, killing three: Damodar Jhodia, Anhilas Jhodia and Raghunath Jhodia. Eight others were injured.

The police claimed that they resorted to firing because the adivasis pelted stones on them and attacked them. They say the Circle Inspector and a driver of a jeep were seriously injured by arrows and that the DSP was hit by a stone. They also claimed that the adivasis were under the influence of alcohol, though the post mortem report of the 3 killed showed no sign of liquor.

Following intense protests in the area immediately after (despite the fear that crept in), an inquiry commission, under Justice P K Mishra, was set up to investigate the firing. In its report submitted in January 2004, it concluded that there was no need for such a large police contingent to enter the village that day and that “grossly excessive force had been used”. It basically suggests that the firing was unwarranted. He blamed the then SP Rayagada, Y.K. Jethwa, DSP KN Patnaik, Officer-in-Charge, Kashipur, Prava Shankar Naik, and the executive magistrate Golak Chandra Badajena for their role in firing, and one Subhash Swain for assaulting two tribal women. Curiously, no FIR was filed against the guilty officials. It was only on 19 October 2004 that PSSP managed to file three FIRs about the Maikanch firing against the police at Tikiri PS.

In one of its more significant observations, the Commission’s report attributed the escalation of tensions to the large armed police presence in this predominantly tribal area. But the number of guns or policemen wielding them has not gone down. If anything, they have since intensified. Visits by police or IRB personnel with automatic weapons are a regular occurrence in most villages. The anxiety in the villages is palpable. Another Maikanch just waiting to happen.

the World Mining Congress held in Delhi in November 2003, and again in March earlier this year. A dharna was also organized by a solidarity group in Mumbai in May this year in front of Hindalco's office,

State Response

On the journey from Rayagada town to Kashipur, one is struck by the number of guns one sees. The area has an unexpectedly large number of armed policemen, including Indian Reserve Battalion (IRB) personnel, a special police branch. In an area that desperately needs more schools and healthcare facilities, money is being spent on a new police outpost at Doraguda near D.Karal village.

The repression in Kashipur and Lanjigarha has intensified in recent months. Even in the darkest days of the Maikanch firing, there was not the constant police presence and harassment that people there have been experiencing over the last 8-9 months. The government has decided to get these projects off the ground and clearly they intend to ram them down people's throats. If the people don't avail of the carrots, they get the stick.

The administration used the excuse of the misguided attack on the villages of Ramibeda and Kendukhunti by people from Kucheipadar mentioned above to increase their presence in the area even more than earlier. Also, cases of trespass and dacoity were filed against 71 people, and against Ratan Jhodia, Purna Jhodia and 70 others for the attack on Ramibeda and Kendukhunti.

Police harassment has intensified since 1st December 2004. On that day, about 300 adivasis and dalits held a protest against the setting up of a police post and barracks at D. Karal near Kucheipadar. It was being set up against the express wish of their panchayat, in an area that has little history

of crime and there's already a police station not far away, in Tikiri. Significantly, this police post is set on land already acquired by the company. Some we spoke to alleged that the food for the camping policemen comes from the company. It seems that even the farce of state neutrality is not needed anymore.

The protestors were attacked by the police led by the District Collector P K Meherda and the Superintendent of Police Sanjay Kumar. Protesters had tear gas shells fired at them, they were verbally abused, and lathi-charged. At least 16 persons, mainly women, were injured in the unprovoked attack. Numerous eyewitnesses allege that the police Officer-in-Charge (OIC), Tikiri PS, K C Mund publicly threatened to rape adivasi women if they continued to resist the company. This in the presence of his superiors. Bizarrely, eighteen protestors were arrested. Cases of rioting (section 147, IPC) armed with deadly weapons (S. 148), and other sections of the IPC (S. 149, 332, 236, 237, 506, 186, and 294 IPC) and S. 7 CrPC, and S. 27 Arms Act - some of the protestors were there with their traditional bows and arrows - were slapped against 9 named and unnamed others in Tikiri PS.

Two activists of PSSP, whom our team met in Rayagada lock-up, had been arrested in February 2005 when they were coming out of a local bank having withdrawn Rs 20,000 for organizational work. The money was taken from them and no receipt given. Through the last year there have been at least six criminal cases registered against those who oppose the UAIL project. Those

arrested stay at least a month in jail since the district court routinely refuses bail. While the police claim that they are impartial, and their presence is just to maintain peace between the anti-mining and pro-mining groups, the fact of the matter is that only those protesting against the UAIL project are being arrested.

The police are targeting not just PSSP's activists, but also, as they commonly do, its mass base. Intimidation of the people at large by the police and the Indian Reserve Battalion (IRB) increased substantially after this incident. Before the anniversary of the Maikanch firing, police went around the villages threatening people against attending the programme. On that day, they blocked the main entry points of Maikanch, Dasmantpur and Tikiri. A delegation that included two MLAs from Left parties were prevented from attending by detaining them at Tikiri.

There has been large-scale deployment of police and IRB forces, firings, flag marches by the armed forces in the villages, arresting people under false charges, forcing the people to accept compensation. We were told in more than one village that policemen from Tikiri PS routinely raid village haats in search of people from the protesting villages claiming they are wanted in one criminal case or another. In Kashipur, it's a crime to merely hold an opinion against UAIL, let alone refusing to give up one's land and livelihood or organising democratic protests. We were told that the police have been forcing people to give in writing that they will not oppose

the company. The sarpanch of Maikanch village was threatened with arrest warrants on him and his villagers and pressured into giving a written declaration to the police promising not to oppose the mining project.

And it's not just the police. Numerous people complain that criminal elements hired by the police have been threatening people. There's no way to confirm some of this independently, but it's very plausible. In April 2003, a local dalit leader was arrested for 'instigating local tribals'. When people went to Lanjigarha to enquire about him, they were attacked by company goons. More recently, it has been alleged that some goons were responsible for the killing of an activist of the Niyamgiri Surakhya Samiti, Sukru Majhi, in Lanjigarha. There needs to be an independent enquiry into his death to ascertain the facts

Rather than respond holistically to the issues people are raising, the state response has been one of suspicion and repression. One increasingly alarming aspect of the frayed nature of Indian democracy is how varied kinds of people's movements are being viewed and dealt with as law-and-order problems. Earlier, it used to be mainly Marxist-Leninist parties, even their front organizations, which used to be dealt with brutally. Over the last 10-15 years, that hostility is being extended to all kinds of movements; in fact, some are branded 'Naxalite' – as if that is by itself a term of political abuse – and repressed. The scary part is it's become so commonplace that one has begun to expect nothing else.

IV. Why Mining: Orissa's Industrial Policy and Aluminium

The depressed state of agriculture and low income levels in the region discussed in chapter 2 are reflected in and in turn

impact the level of industrialization and pattern of industrial development that unfolds. Orissa's industrial development

has remained concentrated around a few types of basic industry. As of the late nineties, over 80 per cent of value added and nearly 60 per cent of industrial employment in the state came from just three types of industry: electricity, basic metals and alloys, and non-metallic minerals. Even these and the presence of natural resources have not resulted in diversification into related industry such as engineering goods (just 3% in terms of value added), chemicals (less than 1 percent), food products (4%) and wood products (0.21%). And although agriculture dominates Orissa's economy in terms of employment and state domestic product, agro-based industry has not taken off (just 4% of value added).

There certainly was considerable stress placed on small enterprises in the 1980s. This resulted in a sharp increase in the number of firms (a 4-fold increase), in capital invested (6 times) and employment (4-fold) as compared to the 1970s. But even this industrial growth was concentrated in the coastal districts that has historically been the more advanced region within Orissa. Of Orissa's 13 districts at the time, Cuttack, Puri and Ganjam districts cornered nearly 40 per cent the number of units and nearly half the capital invested. Although a number of units were set up in rural areas, the economically backward districts of Bolangir, Koraput, Mayurbhanj, Kalahandi, etc, gained little. (Planning Commission, *Orissa Development Report 2002* [ODR], p. 212). And even this growth of small industry was allowed to taper off in the 1990s.

The non-coastal districts remain overwhelmingly dependent upon agriculture. Hence, it's only with a radical restructuring of land relations and adequate surplus income from agriculture,

that demand for industrial products or services can be generated. But in fact there has been, since the early 1970s, a sharp growth in agricultural labourers with depressed wages, a decline in agricultural income per worker compared to other sectors, and continued predominance of small and marginal farms. Most farmers in old Koraput district barely grow enough to feed themselves through the year. All this is a situation scarcely conducive to generating the growth of local business or services sector in the area.

Instead of addressing these issues frontally, government industrialization strategy seems to be one of setting up big projects that target the state's mineral wealth. These capital-intensive projects will have very limited gains for people from this region. Yet, this is being reported completely uncritically. Witness the glee with which the 12-million-ton steel plant investment in Orissa – proclaimed as potentially the largest single foreign direct investment ever in India – by the Korean company Posco is being reported in the entire business press.

The primary objective listed in Orissa's *Industrial Policy 1996* is "harnessing Orissa's vast natural resources". To mention just a few kinds, it possesses 1,733 million tonnes, nearly sixty per cent of India's known bauxite reserves, i.e. bauxite that has already been identified and can be exploited economically. It also possesses a whopping 51 billion tonnes of coal (a quarter of India's reserves) which is essential in power generation and in making steel. And for good measure, Orissa possesses a good chunk of some other mineral reserves in India as well – chromite (98%), iron ore (28%), nickel ore (92%), manganese (28%), mineral sand (30%), and two-thirds of India's graphite and pyrophyllite (Govt. of

Orissa, *Orissa Reference Annual 2003*, p. 40).

Economic liberalization has meant two major differences in mining, from the past. One, the privatization of public enterprises. For instance, within aluminium, Balco's controversial sale to Vedanta Resources. Or witness the current pressure over the possible privatization of NALCO, India's last major aluminium public company. This has meant greater access of private companies to mining resources and, within aluminium, the concentration of aluminium mining in the hands of just a few major players. And second, the opening of India's mineral reserves to foreign companies. Orissa has always witnessed low employment relative to capital invested (ODR, p. 207); this will worsen with greater mechanization that foreign multinational capital tends to bring in.

In Orissa, work on mining projects worth Rs 30,000 crore has already begun and further proposals worth over Rs 110,000 crore are in the pipeline, mainly in steel, alumina and power. Projects already underway or in the pipeline include the Posco steel project, a 6-million ton Tata steel plant at Duburi in Jajpur district, Vedanta Resources' investment in alumina and steel, a 4-million ton project by Ruia's Essar Steel, besides the Alcan (UAIL) and Hindalco projects discussed in this report.

Not just can these and other companies access Orissa's mineral resources, they can do so cheaply. As states begun to get greater say in investment policy, they have been competing with each other in bending over backwards to make their states more attractive for investment. In two ways: in making it cheaper to invest, and by promising 'labour reforms. Consequently, Orissa's industrial policy pardons entry tax for 'mega' projects for a number of years.

Industrial estates, industrial areas, parks, growth centres, etc are excluded from municipal and other local taxes if they agree to maintain the infrastructure (Orissa's *Industrial Policy 2001*, section 18.6). Water is provided at half the rates for five years (section 19.1.i). And like numerous other states, Orissa too has categorized some areas as Special Economic Zones, which it defines as "duty free enclaves ... with exemption from customs duties, and a more liberal regime regarding other levies" (*Policy on SEZs, 2003*, section 1.2). This policy also exempts industry from payment of electricity duty/tax for twenty years (section 5.2), and exempts goods purchased by SEZ units from entry tax (section 8.2).

Regarding 'labour reforms', Orissa's industrial policy is horribly blatant. It promises (section 22) to amend chapter 5A, 5B and 5C of the Industrial Disputes Act (pertaining to lay-offs, retrenchment and closures of industry) to "make processes of lay-off, retrenchment, lock-out easier for undertakings employing less than 1,000 persons (which apply to all undertakings employing 300 persons under existing law). This has been one of the most strident demands by capital for some years now. Export-oriented units (which include UAIL, Vedanta, etc), those in Special Economic Zones, in IT, biotechnology etc will be exempt from the working hours limitations of the Factories Act. These, and agro- and marine-based processing units, have been declared 'public utility services', hence limiting the rights of workers to strike and take other industrial action. This combination of hand-outs, i.e. public funds, to industry and handicapping workers' rights simply loads the dice strongly in favour of capital.

Can such a developmental strategy really work? But before we address this

question, we need to address issues that pertain specifically to aluminium and its uses. Simply put, are the UAIL, Vedanta, Aditya Alumina and other impending

Aluminium: Whence it Came, Where it Goes

Aluminium production consists of three process: mining the bauxite, refining the bauxite to alumina, and smelting alumina to make aluminium. Typically, in India, producing a ton of aluminium needs two tons of alumina and each ton of alumina needs three tons of bauxite. These processes are inexpensive in India compared to western and international standards. That's thanks to multiple factors: much of India's bauxite – such as the ore in Rayagada – is gibbistic (less impure), which translates into lower power consumption in smelting, and power is the single highest cost in manufacture; two, the bauxite is close to the surface, which makes access easier and cheaper. Then there's the comparatively low cost of electricity; and crucially, labour is cheap. Mining bauxite in India costs a quarter of the world average, and producing the aluminium is 25-30% cheaper according to a director of Vedanta.

Huge bauxite reserves, one billion tons, were unearthed in Orissa and contiguous parts of Andhra Pradesh in 1995, which made India a fairly significant player in the bauxite and aluminium market worldwide. India currently has about 3 billion tons of known bauxite reserves, the fifth largest in the world, nearly 60 per cent of it in Orissa. India's aluminium production – over 7 lakh tons in 2003 – already comfortably meets domestic demand and in fact 1.65 lakh tons are currently exported. However, India's aluminium demand – 6 lakh tons in 2004, or 0.6 kg per person – is lamented by industry as being too low by world standards: it's 15 kg annually in Japan, and

aluminium projects really necessary? And for whom? It is to these questions that we now turn.

25-30 kg per person in the US and Europe.

And how does Indian aluminium actually get consumed? The movement alleges that aluminium is used hugely in defence weaponry and aircraft, here and abroad. Surely there can be nothing more socially useless than weaponry, and it needs to be asked why Kondh tribals in Kashipur will have their lives turned upside down because India wants to control the Siachen glacier or because the United States wants to bomb Iraq.

The uses of aluminium are actually much more varied, such aluminium cans, wire, utensils, transport, etc. What's more important is the class bias in consumption, which the figures above paper over. Domestic consumption has been rising sharply, mainly in automobiles (currently nearly a fifth of India's aluminium goes in transport), consumer durables (12%) and packaging. Domestic demand is expected to rise 7-10 per cent annually, to about a million tons by 2010. The president of the Aluminium Association of India recently identified three main growth areas: "automobiles, electrical wiring, and food packaging". These areas reflect urban, elite consumption lifestyles, which took off in India in the 1990s. It is this that needs to be questioned, for urban consumption is increasingly impacting upon communities and resources in rural areas.

In the coming years, a lot of aluminium will also be exported: it's expected to jump six-fold to about a million tons a year by 2010. The alumina output from UAIL alone is nearly double the alumina India needs

for its current rate of consumption, a need that is already being met by existing refineries. In fact, much of the output of these three projects will be exported. Hypothetically, exports by itself are not a problem, but again they have this elite consumption bias. It's simple: goods go where the money is. It's hardly new. When NALCO started smelting in Angul district in Orissa in 1987, half its output went to France. This will intensify with the greater entry of huge foreign companies, for they facilitate deeper links to globalized production processes and markets. And what is the global consumption pattern? Over half the aluminium worldwide and in the developed world is consumed by the packaging industry and transportation (GOI, Ministry of Mines, *Press Release*, 4 April 2003). Transport consumes a lot of aluminium in the developed world because of the quite widespread dependence on cars in particular and also on aircraft.

Some of the apprehensions being expressed about the Posco deal are that mining is the worst sector for foreign investment since minerals are exhaustible. Once the mineral ore get exhausted, the companies up and out, leaving the area with no resources any more, little gains to show for it, and polluted waste to deal with.

In a globalized world and with Indian capital coming of age, what also matters is who actually controls people's resources, who pays the costs and who benefits. In fact, the fundamental question is not just one of aluminium, but what trajectory of development can benefit the people. Even within a capitalist trajectory, two pre-conditions need to be met before which tapping natural resources can conceivably benefit people. One, that they have the educational and social skills to get well-paid

jobs in such industry. And two, that they possess the income to consume the output from such industry if they need to. The two factors are linked. Chapter 2 makes it amply clear that both these conditions simply do not exist in the regions we visited, in which bauxite mining is currently planned.

To which a question is sometimes posed, what about people elsewhere? Don't they need aluminium? Any opposition to a mining project elicits the query, "Are you anti-mining"? Or sometimes, depending on what is being debated, the question is, "Aren't you being *anti-development*?" as if the concept is class and gender neutral. 'Development' is not just a concept any more, it's become an ideological garb that hides the cornering of people's resources increasingly by private capital. The fact is that we need to question every single industrial project as to whether they are actually socially necessary, because they consume enormous resources that could potentially be put to better use. For instance, producing a single ton of aluminium needs 17,500 kilowatts of power (Dept of Mines, GOI, *Annual Report 2000*) and enormous volumes of additional water. The water for constructing the UAIL refinery would be tapped from the Barha river nearby. The water needed for the refinery once it starts regular operations would be tapped from San river. In times of lean flow, Barha's water will be used as a supplementary source. The MoEF has put the water requirements for the Vedanta Alumina refinery at 30,000 cubic metres of water every single day. And all this is to say nothing of the land being taken over. All these projects have enormous costs. And some of these costs are nowhere part of the calculations, as we shall in the next chapter.

V. The Myth of Rehabilitation

Inherent Flaws in the Rehabilitation Policy

The government of Orissa does not as yet have a comprehensive rehabilitation policy. The Chief Secretary, and the Additional Chief Secretary Govt of Orissa, in a meeting with our team, presented certain broad parameters that are being followed in the projects underway. There are two categories of people affected: displaced people (DPs), those who lose their homes. Of these every household is entitled to employment, "subject to availability and skill". Those who can will be trained, those who can't will get unskilled jobs, but the jobs are at best one per household, and given the qualification above, it is clearly not mandatory. More importantly, given how capital intensive projects like these tend to be, it is not assured. They will also get housing in rehabilitation sites, some specifics of which are given below.

The second category is of Project Affected Persons (PAPs), i.e. those who lose their lands or parts of their lands, to whom compensation will be paid, but to whom no jobs will be given. The UAIL document says PAPs would be given preference in jobs, after DPs in the order of priority, but again this is subject to availability and skill. Though a certain preference is mentioned without any commitment being made even about one job per household.

These officials then said that a survey is needed to freeze the list of DPs and PAPs so there is no dispute or fraudulent claims by people later. They also said that the definition of project affected peoples cannot be extended beyond a point. The UAIL Rehabilitation and Resettlement Package, "approved by the Revenue Dept, Govt of Orissa, on 24 November 2004", follows these two broad classifications. Within DPs, "a son over 18 years old, irrespective of marital

status" is counted as a separate family (Part A, a), but "all unmarried brothers and sisters whose parents are not alive shall constitute a separate family" (Part A, e). (In this regard, it follows section 3.1.j of the *National Policy on Resettlement and Rehabilitation of Project Affected Families 2003*, which states that " 'family' means Project Affected Family consisting of such persons, his or her spouse, minor sons, unmarried daughters, minor brothers or unmarried sisters, father/mother and other members residing with him and dependent on him for their livelihood".) In addition, going by the UAIL package, each displaced family will be given 1/10th of an acre for homestead purposes, pucca houses of 480 sq feet, with facilities. And both DPs and PAPs are eligible for 'land for land' to the extent government cultivable land is available. But in none of the villages we visited has land for land actually been offered.

The Detailed Project Report (DPR) of the Vedanta project at Lanjigarha mentions no such thing as land for land. Those displaced would get homes of 400 square feet with asbestos roofs and brick walls and 10 decimals land on which these houses would be built. The resettlement colony would also have a school, a PHC, a tubewell for every 15-20 families, a well and 2-3 acres for a burial ground.

1. Is Land for Land Actually Viable?

The 'land for land' issue had come up regarding the UAIL project way back in 1993. The PSSP later questioned this offer on two grounds: that 'land' by itself had no meaning, unless the land in exchange was an exact equivalent. And two, that the land to be given in compensation would be acquired by dispossessing other people like

those getting already dispossessed here, and hence was hardly a solution.

Be that as it may, does surplus land really exist for it to be a viable R&R option? Already, the pressure upon land has meant that agriculturists in this area have been tilling dongar land for years. The ADM Rayagada told earlier PUDR team that visited the area in 2002 that no agricultural land was available in the area to ensure that 'land for land' is implemented. In Ramibeda, we were told that the pressure upon land has meant that forests have been denuded, and dongar cultivation is the only means of sustenance for numerous landless and marginal farmers. Given that, is it realistic to expect that a significant amount of alternative land exists for those who will lose their lands now? These three projects aside, what of the numerous other mining projects that the Orissa government plans to initiate in the near future? And regarding irrigated land that will be lost to the project, how is the government to ensure that the quality of any conceivable alternative land approximates that being lost now? Given the above, it is hardly surprising that nowhere in our meeting with the Chief Secretary and other senior state government officials did the issue of 'Land for land' come up. It cannot be a serious part of rehabilitation here because it simply does not exist to any significant degree. UAIL is simply trying to pull a fast one.

2. The Problems of Compensation:

The UAIL policy document lays down several rates of compensation for eleven different categories of land depending on their quality, such as Atta land (Rs 1,00,000/ acre); Mala land (Rs 1,20,000/ acre); Bema (Rs 1,30,000/ acre), Bahal land (Rs 1,50,000/ acre), etc. Most of the rates we heard about fell within these 3-4 categories mentioned.

The compensation package ignores

those who currently cultivate dongar land, and they constitute a fair number among the people affected. As mentioned in chapter 2, given the low productivity of regular agricultural land, even those with some land are dependent on dongar cultivation for their sustenance. Additionally, in all the villages our team visited, the proportion of landless was at least 25 per cent, and it went up to over half in some hamlets such as Kendukhunti. For those landless whose houses are not being displaced, dongar lands are the *only* means of livelihood. But they are not being compensated for it. This is also a violation of the *National Policy on Resettlement*, which defines agricultural land for compensation as "lands used or capable of being used for the purposes of agriculture and the raising of crops, grass or garden produce" (section 3.1.e).

In 1996, when the first round of compensation was offered by UAIL, it was at Rs 21,000-Rs 28,000/ acre and payment was made by cheque into bank accounts they could access. (They also received a one-time payment of Rs 25,000-Rs 75,000 for their homes.) This higher figure is clearly a success of the people's resistance, but equally may impact it adversely in the near future as some people, who have held out till now, opt for the higher compensation figure.

A number of people we met had opted for compensation or knew of those who did in 1996 at the rates mentioned above. Those who did had their *pattas* taken away and their money put into bank accounts they could access. With few exceptions, it simply seems to have been blown away, in marriages, illness, or in higher alcohol consumption. This is a recognized hazard even in urban areas when industrial workers opt for VRS; what seems like a large sum of money gets spent in illness, marriage, etc., and one is left with neither

the source of earning nor savings. If such are the effects on settled urban communities, one can imagine the limited benefits of compensation on people whose interaction with the market has been limited. Though a number of them do migrate to towns for employment, the collective sensibility to make the most of a sudden large sum of money is limited, and hence where a few have bought cattle, the general story we were told is that the compensation was frittered away. One person had bought a bus; that was lying rusted and rotting in village Bagrijhola. Now that much larger sums of money are being offered and taken, it will only intensify these practices.

Clearly, cash compensation cannot be a substitute for livelihood, from which one earns not just sustenance or money – however meagre – but also a sense of self-worth and dignity. Cash compensation also tends to have adverse effects upon women because they often do not have access to and control over the compensation money. Their status also gets adversely affected since they can no longer do productive agricultural labour and end up doing only housework. Also women stand little chance of getting employment in industry.

3. Are Jobs Available?

One constant refrain in meetings authorities have had with villagers at panchayats and other meetings is the promise of jobs, were the companies to start operations. Given that this is also a major point of arguments in favour of large companies entering backward areas - and is a real crucial issue to people's lives - we need to subject it to some scrutiny.

It certainly appeared from our fact finding, that certain kinds of work had already begun prior to the company's direct operations: the laying of roads, the digging of pillars for the conveyor belt, etc.

Construction workers have been hired on contract, for the most part through two contractors, one based in Rayagada town and one elsewhere. The wage levels for the work ranged from Rs 40-60 a day, and work was available for 10-12 days a month, or Rs 500-700 a month.

By any measure, that is an abysmally low wage. But not by the measure of those landless labourers who are engaged in backbreaking agricultural work either for an even lower wage or sharecroppers who get about half of a low output. In the absence of land reforms by the government or of movements that force land redistribution on the agenda, and in the absence of measures to improve agricultural productivity, local agricultural labourers will be forever stuck in the dilemma of such underdevelopment, where in fact being made to work 10-12 hours a day for Rs 700 a month seems a more attractive option. These jobs also tend to be extremely medium-term in nature. A road gets built, or the pillars get set up, how long does that take. A couple of years at most? What then?

Two, for most locals, jobs that they will get will be of this kind, construction work or some menial contract work were the factories to come up. The Chief Secretary made an important qualification when he met us: jobs will be provided, "subject to availability and skill". Whereas jobs for anyone are welcome, these people here who are getting displaced will end up with the jobs at the bottom of the heap. They simply do not possess the levels of education or skill to take optimum advantage of such companies entering their areas. The better job gains are made by those already privileged, either by class and education. In all villages our team visited, barely a few people had completed schooling, let alone anything above Xth class. A few are being trained in the ITI at Bhowanipatna, but

these are very few, just a handful.

In fact, third, the current policy leaves out a large number of employable people. With the policy giving at best one job per household, and declaring that "all unmarried brothers and sisters whose parents are not alive shall constitute a separate family", it leaves out many working people who used to till land. As mentioned in chapter 2, three out of five people in every household work. Now at best, one person from each displaced family is getting a job. As one person told us at Vedanta Alumina's resettlement site, "There are 11 members of my family, one of the sons has got a job, how can the entire family manage with that?"

This weighs even more heavily on the middle-aged and the elderly, who had a place in the agrarian set-up. Now they are deemed useless, because companies tend to consider people even in their forties past their prime, not up to intense factory work. Those slightly older, in their late forties or fifties, will simply not be employed. And the loss of work is not merely a loss of income, it's also a loss of self-worth, a loss of dignity, which will be even more difficult to take for those who have been in an agrarian setting all their lives and are suddenly in another setting without work.

It is clear that the number of people that will get jobs is too few when compared to the number of project affected people. The UAIL claims the project will employ 1,400 people, including 400 non-technical posts (which locals have a chance of getting). The Vedanta Alumina DPR in fact reveals how limited the benefits of employment are relatively. It says the Vedanta Alumina project will directly employ 250 people, and another 500 through indirect employment, a total of 750. Another 1,800 will be employed in the "initial phase", doubtless those engaged in construction and other

temporary work. But the open-cast mining, the DPR says, covers 1,073 hectares in which there lives a population of 12,623, of which 48% are STs and over 21 per cent SC. And even these figures are by the 1991 census; current figures are doubtless even higher.

4. Environmental issues, what rehabilitation and compensation leaves out:

The rehabilitation policy documents are also silent about those these projects might affect as a consequence of the environmental hazards. Since mining operations have not yet begun in any of the three areas we visited, what follows may seem speculative. However, studies elsewhere confirm extremely harmful consequences of bauxite mining on people's health, well-being and daily life. This necessitates a serious independent study of these impacts, of which there seems to have been none in any of the three projects we visited. If one were to take all these potential effects into consideration, the very rationale for these projects gets further into question. Perhaps that explains why they are nowhere in the dry rehabilitation and resettlement calculations.

Let us examine the effects of bauxite mining in somewhat of a chronological process of operations (each part of the mining process has its associated problems), substantiating our argument with effects that have been observed elsewhere.

Most obviously and first, it will involve a loss of forest cover and loss of access for those who use forests. The forest cover is extensive in Lanjigarha (Niyamgiri), and in Laxmipur (Kodingamali). Local adivasis and non-adivasis depend on the forest for minor forest produce and other products. In Belamba, a hamlet of the Battlima village, Lanjigarha, we were told that people there collect mahul, kendu, saag,

leaves used as plates, raw material for making rope, and also wood for houses from the forests around. In other villages we were told that bamboo too is sourced from the forest; the reliance on bamboo of local tribals and dalits in Orissa has been documented in detail. But nowhere is all of this part of the compensation calculations.

Two, the dust that flies around both because of removing the top soil and because of the small size of raw bauxite and alumina will affect both people's individual health and water bodies in the area. Twenty years ago, PUDR's report *Gandharmardhan Mines: A Report on Environment and People* said, "The dust [due to blasting of the top-soil], along with the overburden of the ore washed by rains, can be carried to streams thus leading to water pollution. In fact, people told us that debris from the hilltop has polluted Nrusinghanath stream" (p. 9). This is not just in the blasting and mining; it's also while transporting the bauxite ore from the mining area to the refinery, a distance of 22 km in the case of the UAIL project.

There is the hazard of streams drying up as a consequence of bauxite mining, which has not been taken into consideration. For people who depend on local streams for their daily needs - bathing, washing up after defecating, washing clothes, the bathing of buffaloes and other livestock - one can imagine what the effects of less water or a stream drying up can be. Then, streams are also used in some villages for irrigation. For instance, in Kopakhal village, we saw a long stretch of green because the entire stream had been planted with rice. They get water throughout the year, and get two crops thanks to the stream; it's their only source of irrigation. In the last few months two springs passing through Belamba village which is about 3 km from the alumina and the power plant

have dried up because the company is also taking away the water from the springs at higher levels. We were told that twenty-one streams emerge from Baphlimali, the hillock that will be mined by Utkal Alumina. Those streams currently serve 22 villages, including Dandavada, Malegaon, Paikuphakal, Chandragiri, Kendumundi, Oari, Baphla, and others. There was no way we could confirm these numbers, but the point is that there has been no study by the SPCB or any other body to comprehensively examine these potential effects of mining on people's lives.

The process of refining bauxite into alumina leaves a toxic residue known as 'red mud'. UAIL documents state that 3,000 tonnes of red mud would be generated in the refining process every day. Red mud usually contains iron oxides, silica, zinc, phosphorus, nickel, etc. This by-product, whether it is dumped into the mined areas (as was the practice earlier), or whether it is dumped in sealed ponds, percolates into the soil pretty quick. In Jamaica, readings from wells in the vicinity of alumina refineries reveal unusually high sodium hydroxide and pH readings. Studies have revealed pH values of 13 in water downstream from refineries, which makes the water unusable for drinking.

In the current context, treated effluents from the UAIL refinery would be discharged into Barha river near the plant site. In the case of Vedanta Alumina, there's the fear that the mining and refining work around the Niyamgiri Hills will seriously pollute two major rivers, Vansadhara and Nagavalli. Already the company has installed a sewage pipeline opening into the Vansadhara river. The sewage along with the reduced flow has polluted the Vansadhara river water. There's also the problem of fly ash from the captive power plants: for instance, the UAIL power plant

would generate 600 tonnes of fly ash daily.

Aluminium smelters, from which alumina is transformed into aluminium – the Aditya Alumina project has one such – emit extremely hazardous chemicals known as polycyclic aromatic hydrocarbons. People in the vicinity of four Alcan's smelters in Canada were discovered to have unusually high rates of cancer and birth defects (IPS/TNI, *Behind the Shining: Aluminium's Dark Side*, 2001).

As always, workers within workplaces are usually the first to be exposed to and affected by industrial pollution. Doctors found unusually high rates of malignant tumours among smelter workers in various aluminium smelters operated by Alcan in Jonquiere, Canada. Another study in 1995 "confirmed the relationship between exposure to coal tar pitch volatiles and bladder cancer among primary aluminium production workers". Finally, in December 1999, Alcoa admitted "a small increase in cancer could be expected at lower levels of exposure than had previously been expected".

Another known hazard from processing alumina is from fluoride emissions. It has been found that villagers living in the vicinity of NALCO's aluminium smelter in Angul, Orissa, suffer from brittle bones, tooth and gum disease, lumps of dead skin, and other symptoms of fluorosis. There's also been an unusually high death rate among cattle reported. The NALCO smelter's discharge canal flows into the Nandira river, which is used by these people for bathing, washing clothes, and drinking. A study of an INDAL plant by scientists from Sambalpur published in the *Journal of Environmental Biology* in October 1990 revealed a shockingly high two-thirds of people in the sample studied suffering from fluorosis. The scientists found the water and vegetation in the region "highly

contaminated by fluorides". (*Aluminium's Dark Side*, pp. 71-72).

5. The Problems with the Rehabilitation Site:

Many problems were visible in the Vedanta Alumina resettlement colony we visited. The site has residents from Kinari and Bandhaguda villages who were shifted here recently.

There are as yet about 130 houses here, and it is not uncommon that two families share a house. The occasional house has been given out on rent to workers from other regions who have come to work in the plant. The houses themselves are small, pucca constructions, with a little space in front of each house. We were told there was also a functioning primary health centre and a school, which in theory has classes until the 5th standard. A few people had gained visibly from the entry of the company, through transportation contracts and the like. About twenty youth have been sent to an ITI centre in Bhowanipatna for a training course, and a number of others had also applied to be sent. But only 20 or so in 130 families are being trained, and it is not clear whether they would get assured jobs in the company.

But these resettled people, having lost their lands and means of livelihood, seemed completely at a loss, particularly the middle aged who had nothing to do. Among the specific problems they have is lack of access to forests and forest produce, to fuel or land for grazing cattle. But water, many said, is the biggest problem. There are seven hand pumps but most are not in working condition. There is a tap but the water supply is erratic. The quality of drinking water leaves a lot to be desired.

The overwhelming feeling we got was a depressing sense of bewilderment. The elderly had been promised pensions for two years but had not received it. Suddenly they

had nothing to do, and the future seemed completely uncertain. Some people have begun saying, within less than a year of this resettlement site coming up, that they want to go back.

6. Is a just rehabilitation at all possible?

While debating the relevance of these projects, one has to examine whether meaningful rehabilitation has ever happened in the case of any project anywhere in the state, so one could say with some confidence that a just rehabilitation may happen here.

Alas, no such evidence exists. NALCO, also a bauxite mining project, which was set up in Koraput district in the early 1980s, displaced 2,500 households, of which nearly half were adivasi, and 10 per cent dalit. The Upper Kolab dam project displaced 3,067 families. Even the extremely partial rehabilitation that took place has been slight. A study of the Machkund hydro-electric project in Koraput reveals that of the 2,938 households displaced - this is actually an underestimate - only about six hundred were rehabilitated, less than 20 per cent (P. Sainath, *Everybody Loves A Good Drought*, pp. 95-96).

Effectively, the absence of any meaningful rehabilitation contributes to a **land alienation** that happens partly because of these projects: As it is, tribals and other marginalized communities, both in Orissa and elsewhere, have historically been dispossessed of their lands which they had cultivated, either through the forest department or through firing ranges (Netarhat), through dams or because of land fragmentation. And most of all it happens because the inability to repay loans to moneylenders; land is often pledged and lost. A study also points out that in "four districts of Orissa - Dhenkanal, Ganjam, Koraput and Phulbani - over half (56%) of

tribal land was lost to non-adivasis over a 25-30 year period". A 1993 study on 'Development, Displacement and Rehabilitation in the Tribal Areas of Orissa' by the Indian Social Institute said that "in Koraput district alone, over 100,000 tribals have been dispossessed of their land [which includes] 1.6 lakh hectares of forest on which they had depended for their livelihood. More than 6 per cent of the district population, a majority of them tribal, have been displaced" (*Everybody Loves a Good Drought*, p. 96). This larger process of land alienation faced by tribals and by other marginal communities is accelerating with the greater entry of large mining companies.

Even after all the qualifications and precautions the law may lay down, this kind of extent of land alienation has resulted in public lands, a good part of which is accessed and tilled by the people, being taken over by the government and handed over to the private parties. Court judgements such as *Samata vs. the State of Andhra Pradesh* (July 1997) lay down that only governments or cooperatives of tribals can take over lands in scheduled areas. The Orissa government has said the *Samata* judgement does not apply to the state. Which is absurd, because the *Samata* judgement derives from the Constitution.

Mind you, government mining can do sufficient damage, as witnessed in Gandhamardhan in the mid-1980s. But even that caveat is being thrown to the winds as the government of Orissa has recently frenetically opened out its mineral resources to private multinational players. And hence public land and public resources are being handed over for private use and private profit, all in the name of some 'public purpose'.

But that 'public purpose' is extremely vaguely defined, not elaborated at all, and

in fact hides the class character of such acquisition of land and resources. When this kind of mining is linked to international production and consumption, the gains are cornered by large domestic - international mining companies such as Birla and Alcan, and by consumers in the First World. In an unequal society such as ours, the gains will also accrue to urban elites in India. Whereas the costs and consequences are borne by adivasis and dalits in Orissa and elsewhere. More and more, due to the absence of land reform, land fragmentation and low productivity, and due to these mining companies, people are being pushed into

landlessness and further impoverishment. Every year in India, an additional two million people are forced into landlessness. As we witnessed in the villages we visited in Kashipur and elsewhere, people are being pushed into the reserve army of labour, forced to work in cities at abysmal wages, in conditions completely alien to them. Hence what passes off as 'public purpose' or 'national interest' is an ideological attempt to hide a sustained and serious class assault on marginalized adivasis and dalits by large capital. Which makes us fundamentally question the need for these mining projects at all.

Conclusion

Truly, bauxite mining in Koraput is the continuing story of dispossessing tribal and dalit people from their traditional land and professions, through administrative sleight of hand and police persecution. Taking advantage of the abject poverty of the people through the false lure of unsustainable, insignificant jobs or by forcing people into accepting inadequate compensation. It is the march of a supremely arrogant state, serving profit-hungry private players, that completely disregards the needs, desires or the rights of a marginalized people.

Our investigations revealed a series of very serious violations in all three projects, in the generation of 'consent' required under the Constitution, in land acquisition and in the rehabilitation process. To regard these as aberrations or mistakes would be to miss the high-handed, elitist way in which a centralized bureaucracy has viewed and treated marginalized people for decades. Those who implement the law are themselves very much part of the dominant class and caste structures that benefit from 'development'. Additionally, the administration tends to believe in the dominant ideological view that private, particularly foreign investment is a

wonderful thing. As a consequence, when faced with popular opposition to mining projects such as these, state authorities at different levels refuse to function democratically, and treat any opposition to the projects as a law-and-order problem. Hence the recent intensified police presence and repression. Because the state is hell-bent on pushing these projects through even though the people of the region have resisted them for over a decade. We fear this police repression will only increase in the near future.

The question is, when economic life is dominated by agriculture, and with local people located at the margins of a market economy, can such a development strategy focused upon mining really help the people? We just need to ask two simple questions about the condition of the people who are supposed to benefit. One, do they have the educational and social skills to get jobs in such industries? And two, do they possess the income to consume the output from such industry if they need to? The two factors are linked. Our findings make it amply clear that both these conditions simply do not exist in the regions where the mining projects are currently planned.

An economic strategy that ignores agriculture, and focuses primarily on mining-related industrialization will only mean for the people a further and different kind of marginalization. There is no indication that their fate will be any different from the millions of other dispossessed victims of 'development' over the years in different parts of India. A huge number will be forced to migrate, to swell the ranks of the urban working poor, or join the reserve army of the unemployed, offering industries an unending supply of cheap labour. Some will be forced to choose between a pitifully low wage in these industrial projects and an even lower wage in agriculture. The elderly and the women, who have a role to play in the agricultural economy, will be deemed unemployable, and face a feeling of uselessness. Life will not be any easier for those who remain to work the land; not with environmental damage being added to the continuing underdevelopment of agriculture.

It is ironic that the very reason that invalidates this model of development - continuing underdevelopment - is presented as an excuse for it. It's the rusty, old "at least they'll get something" logic. But as we have seen, the jobs are few, underpaid, and transient. After the temporary, low-paying, unskilled work like loading-unloading or road works get over, and people have lost their land and livelihood, then what?

In reality 'development' and underdevelopment go hand in hand, unable to exist without one another. Capital is interested, above all, in just two things. One, profits from the mineral resources of the region. And two, cheap labour. Persistent backwardness ensures a steady supply of cheap labour. And these aren't jobs that people need for their well-being, but those that capital, and urban elites, want to get done. Fact is, the promise of

prosperity for the people is nothing but a myth. Unfortunately, in the absence of a visible alternative, people made desperate by years of poverty are sometimes willing to clutch at any straw; believe the most unbelievable of promises. And where they don't - well, what's the long and well-muscled arm of the law for? Fear and hope. The stick and the carrot. The choices offered to the poor and the marginalised are never too many.

People located in a primarily agriculture based economy, with little engagement with the market, mostly untrained for any other form of employment, will only benefit with the development of agriculture. Significantly, demands for better agricultural infrastructure, unfettered rights over forest and other natural resources, as well as improved educational and health facilities are increasingly being voiced here.

Also, in a region where the ownership of *patta* land has changed little since the colonial times, where the majority of the people are landless or have below-subsistence holdings, the question of land reforms and better agricultural wages is nothing less than crucial.

While the people's struggle in this region is centred around opposition to mining, and the consequent displacement and dispossession, it is also a resounding rejection of a certain model of 'development'. This is not an isolated case. In recent years, numerous other struggles against people's resources being taken over by private capital have erupted elsewhere in Orissa, in Chattisgarh, in Jharkhand, in Andhra Pradesh, and other states. The experiences of all these struggles clearly shows that for the people here, development in any meaningful sense has to begin with halting the mining juggernaut.

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Published by: Secretary, Peoples Union for Democratic Rights, Delhi (PUDR)
For Copies: Sharmila Purkayastha, Flat No. 5, Miranda House Staff Quarters,
Chhatra Marg, Delhi University, Delhi - 110007
Printed at: Hindustan Printers, Navin Shahdara, Delhi - 110032
E- Mail: pudr@pudr.org and pudrdelhi@yahoo.com
Suggested Contribution: Rs. 5