

### Industrial Development vs Resistance - A Study of Posco Project in Odisha

Nayak, Subhakanta

Veröffentlichungsversion / Published Version

Zeitschriftenartikel / journal article

**Empfohlene Zitierung / Suggested Citation:**

Nayak, S. (2015). Industrial Development vs Resistance - A Study of Posco Project in Odisha. *International Letters of Social and Humanistic Sciences*, 50, 55-67. <https://doi.org/10.18052/www.scipress.com/ILSHS.50.55>

**Nutzungsbedingungen:**

Dieser Text wird unter einer CC BY Lizenz (Namensnennung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:

<https://creativecommons.org/licenses/by/4.0/deed.de>

**Terms of use:**

This document is made available under a CC BY Licence (Attribution). For more information see:

<https://creativecommons.org/licenses/by/4.0>

# Industrial Development Vs Resistance [A study of posco Project in Odisha]

**Subhakanta Nayak\***

Bhuwalka Group of Companies, Bhuwalka Centre, No. 71, 3<sup>rd</sup> Cross,  
Residency Road, Bengaluru-25 Karnataka, India

\*E-mail address: subhakantanayak345@gmail.com

## ABSTRACT

Magnitude of resistance to mega-industrial & other developmental projects by the project affected peoples has gradually been noticed in a greater scale in India. The present paper attempts to focus on the emerging issues related to the out raged protest movement launched by a large number of local inhabitants against land acquisition & other process for POSCO project in Jagatsingpur district of Odisha (India). Since there appears to be two conflicting groups on the rationale for POSCO project, this paper also examines & analyses the perception of pro-project local peoples on the potential development prospects of the region during post –project implementation period. Since this study is explorative & descriptive, data collection was made using qualitative research methodology through both primary & secondary source.

The study reveals that the economic & socio-cultural factors associated with the resistance of large number of local people are attributed to the issues like threat for land alienation, threat for loosing their agrarian structure of permanent livelihood source, threat for socio-cultural disintegration due to proposed displacement from their ancestral home, threat for water crisis due to poor water management policy & threat for ecological imbalance in the region etc. The study also suggests that the other section of peoples who supports the project, on the contrary, found very much optimistic regarding the positive impact of the project on the quality of lives of the local community in particular & inclusive growth of the state in general.

**Keywords:** Development; Displacement; Land acquisition; Resistance; GDP; Economic growth

## 1. INTRODUCTION

Although equitable growth of all states has been recognized since first five year plan after independence in India, the states like Bihar, Madhya Pradesh, Rajasthan, Uttar Pradesh & Odisha have been lagging behind other states & union territories of India as regards to their inclusive growth rate & their share to Gross Domestic Product [GDP] of the nation. However, significant efforts towards driving benefits of the ongoing development processes to these under developed regions have been found accelerated during past few years. The states which are lagging behind in terms of development are progressively altering their growth dynamics by changing their economic & industrial policies; the one among these states is Odisha.

To facilitate the states for moving towards the desired sustained growth, Indian national government has announced number of reforms designed to promote business friendly

environment for the domestic as well as overseas investors. Besides above, the government has also recognized the importance of facilitating international trade for sustained growth of economy & increased contribution to the GDP of the nation through its novel initiative declaring certain areas as special economic zones [SEZ] and encouraging for foreign direct investment [FDI] on specified trade & business.

Odisha is rich enough with vast mineral deposits such as coal, iron-ore, manganese ore, bauxite, chromite, and lime stone etc. The changing policies & initiatives of the state government have been aimed at leveraging these abundant minerals & other natural resources and promoting maximum value addition to create employment opportunities within the state which would continue to be an important growth driver [1].

According to a report by Team Orissa, the state has attracted investment of over US \$ 200bn during the last few years out of which majority of investment has been in the manufacturing sector especially in metal industries, which is a significant indicator for development. As a result, Orissa's gross state domestic product [GSDP] grew at a robust pace during these periods. The state wise analysis of the economic growth & projection in state wise share in incremental GDPS [%] made by D&B India suggests that the Odisha would continue to leverage its huge potential in minerals & value addition process through the manufacturing sector attracting huge investments from home & abroad. Thus, the annual growth [GSDP] rate of Odisha during current decade [FY 2020 decade] has been forecasted to be around 11.8 % [2].

The above discussed developmental process through large scale industrialization has no doubt contributed a lot for the state's & national growth & prosperity. At the same time, some previous studies argue that due to this development induced land acquisition & displacement coupled with lack of will power of state /nation's governance process for the true welfare of the project affected people, large scale resistance by the project affected people supported by civil societies have been experienced across India including Odisha state culminating to the protest movement against these development projects. Such protest movements have not only created national awareness of the problem but also raised the question of equity, fairness, justice and equality before law in matter of distribution of benefits and burden. [3].

The said agitations by the project affected people sometimes turn violent causing enormous damage of public properties & loss of many lives. The violent incidents at Tata's Kalinganagar Steels project in Odisha & withdrawn NANO car project at Nandigram & Singur in West Bengal which claimed many innocent lives bears a great testimony on the above said issues. This growing consciousness among the project affected people & civil societies to adopt such means to protest against the land acquisition for the development driven industrial projects has dragged the project implementation of many industries to an uncertain phase hindering the path of desired national growth.

The project proponent & the Odisha government has also been facing similar problems for land acquisition for POSCO's proposed mega steel plant at Jagatsingpur district in Odisha state [India] which has posed a challenge for project implementation.

## **2. POSCO'S ODISHA PROJECT & STATEMENT OF PROBLEM**

Considering the abundant availability of raw material & other infrastructural framework in Odisha & moderate industry policies of state & national government, south Korean conglomerate, the Pohang Steel Company [POSCO] signed a memorandum of understanding [MOU] with the state of Odisha on 22<sup>nd</sup> June 2005 to incorporate an Indian subsidiary & set

up an integrated steel plant of a total capacity of 12 million tonnes per annum in three phases in Jagatsinghpur district of Odisha with the proposed investment of Rs. 51000/- crores [12 bn US \$]. Initially the company would set up a steel plant with the production capacity of 4 million tones crude steel which would be increased in phased manner to 8MT & 12 MT respectively. Accordingly, POSCO India Pvt Ltd was incorporated by POSCO in August 2005 with the Registrar of Companies, Odisha, under the provisions of India's Companies Act, 1956.

As per MOU, the company would also develop and operate:

- mining facilities in the areas allocated by the government of Odisha / Government of India;
- road, rail and port infrastructure including dedicated railway line from the mines belt to Paradeep;
- an integrated township;
- water supply infrastructure.

The state government assured to make land acquisition for the company & to facilitate statutory clearances and approvals of the central government as & when required and to smoothen the process of obtaining other state clearances and ensure that the project proceeded accordingly to plan schedule.

The integrated steel plant is proposed to be located in Kujang Tahsil of Jagatsinghpur district of Odisha about 12 KM from Paradeep. The proposed project requires a total of 4004 acres of land of which 437.68 acres [about 10%] is private land, and 3566.32 acres is government land out of which 2958.79 acres forest land and the rest 607.53 acres non-forest government land [4]. The land demarcated for the proposed project lies in 8 villages of 03 Gram Panchayats, i.e., Dhinkia & Govindpur villages in Dhinkia G.P, Nokasahi, Bhuyanpal, Polanga and Bayanalakanda in Gada kujang G.P, and Nuagaon and Jatadhar villages [the later, an uninhabited villages] in Nuagaon G.P. Out of the eight project affected villages, two viz, Nokasahi & Patna fall fully within the project area and the families in these villages would need to be resettled & rehabilitated in other areas. According to the Mrs. Meena Gupta committee report, a total of 471 families would be displaced by the project. The location of proposed captive minor port at Jatadhari River Muhan is about 12 km south of paradeep port and adjacent to the proposed steel plant The lease for captive iron ore mines probably in Sundergarh district as recommended by Odisha government is yet to be granted. The company has also announced a compensation package for the land austeas [whether title holders or illegal occupant of government land] over & above the relief provided in Orissa R & R policy, 2006 along with assurance to provide alternative source of livelihood to the land austeas /displaced people who would lose their ancestral occupation. But, the local people of proposed project location have been found divided in to two conflicting groups on the issue of setting up the POSCO's steel plant. While a large number of people under the banner of POSCO Pratirodh Sangram Samiti, Nava Nirmana Samiti & Bhitamati Bachao Andolana have been protesting against POSCO project & obstructing the government officers & employees of POSCO India company for land acquisition as well as other processes for project implementation, the other group of local people put their points in support of speedy project implementation. This conflicting stands between two groups of people many times turns violent class resulting law & order situation in the region. Ultimately, due to the said outraged protest movement the land acquisition & other process of the project implementation has got abnormal delays despite state government's sincere effort & repressive action against the movement's leaders.

### 3. TREND & DIMENSION OF PREVIOUS STUDIES

Review of previous studies undertaken by different scholars in the similar branch of knowledge bears the worth to the research to have a proper insight & baseline to address the problem under the present study. Thus, the observations of the few earlier studies have been reproduced below to know the trend & direction of their studies which would provide a theoretical orientation for this present study.

Few studies on displacement due to Industrial Projects/other development projects reveal the fact that a large number of displaced persons are yet to be re-settled & rehabilitated properly for whom the so called development have been proved as a curse. S. Kothari[1995] observed that development projects of the Five years plans have displaced 0.5 million persons each year primary as a direct consequences of administrative land acquisition which does not include displacement by Non-Plan projects , changes in land use, acquisition for urban growth, & loss of livelihood caused by environmental degradation [5]. Vijay Paranjpye[1988] claims the number of people displaced due to dams alone counts at 21.6 million [6] . Furnandes Walter[1991] in his study estimated the number of person displaced during the last four decades due to country's development projects is approximately 20 million people out of them roughly 75% people have not been rehabilitated. Their earnings & livelihood have not been restored [7]. While studying the dimension of development induced displacement, Smithu Kothari[1996] observed that displacement creates psychological trauma among the poor & weaker section of people particularly women folk who have been displaced due to this process which causes their socio-culture dis-integration including loss of access to fuel, fodder & food collection of which inevitably requires greater time & effort[8]. R.N.Sharma[2003] in his study focused on the present criteria of the government for selection of the location for the proposed Industrial Projects & the legal rights of the project affected people without exploring the possibility of alternative location which may not cause displacement. According to him, the present model of development necessitates the setting up of large industrial & related projects, mostly in locations close to the natural resources. It alienates people from their traditional sources of sustenance such as land forest & village habitats. Their voice is seldom heard questioning on the legitimacy of setting up rights in the name of public interest [9]. Discussing the human rights perspective of the development induced displacement & resettlement, Upendra Buxi[2008] in his article expressed his views that no development without displacement is the mantra of the government that makes good sense only to the few who stands to gain from the development projects. He termed these groups of persons as develop mentalist & described the displaced persons as developpees. According to him, these developpees not only bear disproportionate cost of development but are also treated less than citizens & human beings. If they raise any voice against the displacement & re-settlement policies of the government they face victimization though repressive police or paramilitary action being accused as a anti-national element [10]. Neera Chandhoke[2007] likewise argues that displacement of the local people from their habitation in the name of public purpose affects adversely to the socio-culture & economic fabric of these communities. She opined that displaced means breaking up communities, sundering their ties with their ancestral lands, dividing people who are tied by organic links making in short people rootless. She further described this process as systematic violation of fundamental rights i.e. right to move & live freely in any part of India including other basic right like right to livelihood & right to culture & community. She again observed that violation of above said fundamental & basic rights of the people around the project location leads to resistance by these communities which are called protest movements or people's

movements. According to Chandhoke, these movements expose class biased state policy & raise wider issues about justice [who benefits and who loses & questions about development]. [11].

According to Anthony Oliver-Smith [2002], resistance to development induced displacement & re-settlement is a call for greater democratization & participation of local people in decision making on the social, culture and economical dimension of the development & industrial projects. He further views that violation of basic human rights & environmental right is the core substance of resistance movement. Smith also observes in his study that resistance not always means reluctance to relocate & in some cases resistance becomes a tool for negotiation to increase the quantum of compensation [12].

The prominent social activist Medha Patkar[1998] is of the view that the issues relating to the rights, resources & the life of the deprived section of people are the central focus of these protest or people's movements against the Industrial Projects. According to her, all these are directed for seeking an alternative approach towards development projects, policies and paradigm. So, she defines these people's movement as struggle for paradigms change for an alternative model of development [13].

The above brief review of literature reflects that the previous studies have largely concentrated on the genesis & objective of the resistance of the local people against development induced land acquisition, displacement, re-settlement & re-habilitation of the project affected people, while some studies have attempted to focus on the magnitude of displacement due to the setting up various industries during post-independence period in India & how the issues of re-settlement of many displaced remains unsolved. Further, it appears from the above reviewed studies that majority of the scholars have undertaken their study with an academic approach. Therefore, this author has been tempted & preferred to highlight the issues & concerns of the project affected people along with the potential development prospects of the POSCO project in Odisha inducing an integrated approach to this present study i.e. both academic & pragmatic approach.

#### **4. OBJECTIVE OF THE STUDY**

The objectives of this study are as under:

- to investigate in to the economic & socio-cultural issues associated with the outraged resistance of the affected people against POSCO project at Jagatsinghpur district in Odisha State [India].
- to examine & analyze the perception of pro-project local people on the potential development prospects of the proposed POSCO steel plant in Odisha for the improvement in the quality of life of the people around project location in particular & for the inclusive growth of Odisha in general.

#### **5. SIGNIFICANCE OF THE STUDY**

Regular confrontation & resistance of the local people to development oriented industrial projects has posed a serious threat & challenges for the forecasted economic growth of India in general & odisha in particular for the current decade [FY 2020]. Thus, this kind of study with an integrated approach of both academic & pragmatic bears a pivotal importance, which would provide adequate feed back to the policy makers to formulate judicious &

approachable policy/strategy to address the issues of land acquisition, displacement, resettlement & rehabilitation relating to the present & up-coming developmental projects in Odisha.

## **6. METHODOLOGY**

At initial stage, a pilot study was made to understand the developmental prospects of POSCO project & the issues related to the resistance of the local people to the project in it's fuller perspective. During this period, few intellectuals including leaders of POSCO Pratirodh Sangram Samiti were contacted & discussed about the reasons of their protest to the proposed Mega steel project & arrived at a specific basis for data collection.

Since the present study is exploratory, descriptive & explanatory, no hypothesis had been framed for the study & qualitative research methodology was adopted. Accordingly, data were collected through primary & secondary source. In depth interview, focus group discussion with respondents & observational techniques were adopted for collecting information through primary source where as content analysis of the published/unpublished papers/articles of other scholars in the issue of the development induced displacement & resistance in Indian context & report of various committees surveyed the ongoing issues of POSCO project were made use of for data collection through secondary source.

The data collection from primary sources was made in two phases during the period August 2012 & February 2014 respectively. The first phase data were collected from the local people who protest to the project where as the second phase data were relating to the potential development prospects of the POSCO project which were collected from the people who supported speedy project implementation. The sample size of universe in each phase of data collection was limited to 50 people only & the convenient sampling method was used for selection of respondents.

## **7. ISSUES ASSOCIATED WITH RESISTANCE OF LOCAL PEOPLE TO THE POSCO PROJECT IN ODISHA**

Basing upon the nature & characteristics of the protest movement launched by the local people of POSCO project location at Jagatsinghpur district in Odisha & the relevant data collected through primary & secondary sources, an attempt has been made in this paper to explore & explain the economic & socio-cultural factors/issues associated with the out raged resistance of a large number of project affected people to the POSCO project.

### **7.1. Economic factor**

Economic deprivation in operational terms are attributed to two issues i.e. land alienation leading to change in land holing & land use structure & loosing the agrarian structure permanent livelihood source.

#### **7.1.1. Land alienation**

As per information collected from collectorate, Jagatsinghpur, 4004 acres of land have been earmarked in Kujang Tahsil of Jagatsinghpur district, Odisha for the purpose of setting

up the integrated steel plant & associated facilities including the captive port facilities & storage yard for coking coal of which 437.68 acres is private land, & 3566.32 acres government land [ 2958.79 acres is forest land & 607.53 acres non-forest government land]. The demarcated land for proposed project lies in 8 villages of 3 Gram Panchayat, Nolia sahi, & Nuagaon & Jatadhar Villages in Nuagaon Gram Panchayat. The indepth interview with the village elders in the project affected eight villages & the focus group discussion with the active members of three organizations of the movement i.e. POSCO Pratirodha Sangram Samiti, Nava Nirmana Samiti & Bhita mati Bachao Andolan , reveals & explores their concerns & apprehension in the following terms. Though official report discloses that out of 4004 acres of land needed to be acquired for POSCO Project, only 4137.68 acres are private land & the rest is government land under forest land or recorded 'anabadi', the real picture on land holding is something different. As per the respondents, major parts of those government [revenue land, forest land & gramya jungle land] lands about 900 acres are under the possession of the local inhabitants who have been doing the betel vine, cashew & other cultivation for generations to which the government report hides. Further, they claim that since these lands have been under peaceful, continuous & uninterrupted possession of the local people who have also been paying illegal occupancy fine to the local revenue administration, the Orissa Land Reforms Act, 1960 mandates regularization of titles & record of rights in their favor. According to them, applications for claims on titles have been repeatedly made by these occupants; but regularization & settlement of these lands have been kept pending by the revenue department. Likewise, the respondents also claim that besides the above said 900 acres government land, the local scheduled tribe & other indigenous communities have also occupied more than 200 acres of forest land for more than three generations. Thus, the title & settlement should have been regularized in their favor since the Scheduled Tribes & other Forest Dwellers [Recognition of Forest Rights] Act, 2006 bestows rights on these occupants.

However, the above analysis of data suggests that although regularization of title, record of rights & settlement of major government lands are pending officially, the local people who are already in possession of those lands for generations have already acquired occupancy rights under the provision of the law of the land. The proposed acquisition of the private lands & the above indicated government lands under possession & use of the local people would certainly bring a change in land holding & land use pattern in the region. Therefore the above said process would lead to the Land alienation of the local inhabitants which in turn may results de-peasantization, they apprehend.

### **7.1.2. Loss of agrarian, self sustained & permanent source of livelihood**

As per the official data collected from the Kujang Tahasil office, only 471 families would be displaced due to POSCO project where as the information collected through primary source reveals the fact that since no thorough survey has been possible due to strong resistance of a large number of local people, the statistics which has been prepared by the government & project proponent reflects an approximate figure & not the actual figure. On the other hand, the leaders of the protest movement against POSCO project figures the affected families & the population to more than 400 families & 22,000 people respectively [including estimated displacement]. It is further revealed that the livelihood of most of these affected families is dependant largely on the betel vine cultivation, pisciculture, cashew nut cultivation, & fishing in Jatadhari & Mohana rivers where the captive port of POSCO is expected to come up, while a section of project affected families maintain their livelihood



partially through the above noted source along with the earning of their families members by taking up the job in different manufacturing industries located within & outside the state. The report of an independent fact finding team on Odisha's POSCO project also substantiates the above data that the local economy is a thriving, labour intensive one based on agriculture & fishing. The economy is based, apart from crops such as paddy, coconut, largely on cash crops such as betel, cashew, supari & kewra along with fishing & pisciculture. The report further suggests that the said thriving & highly labour intensive activities provide income throughout the year to all age group of the local inhabitants through engagement in various productive tasks related to cultivation, plucking, transport & selling of betel leaves [14].

The point of their resentments & discontentments which are revealed from the discussion with the respondents that if their lands would be acquired for the POSCO Steel Project & the proposed captive port coming up in Jatadhan/Mohana river, they would definitely lose self sustained agrarian structured permanent source of livelihood. The views of the respondents on the employment prospects in upcoming POSCO Steel Plant & Port founds to be disappointed with the apprehension that due to lack of requisite skill, the local people may not get employment benefit to the required extent as compared to their secured livelihood which they presently enjoy.

## **7.2. Socio-cultural factor**

Socio-cultural factor in operational terms has been attributed to the issues like proposed displacement, poor water management & threat to environment sustainability which emerged as the some other concerns of the project affected people which drive them to be involved in the on- going protest movement against POSCO project.

### **7.2.1. Proposed Displacement**

Emotional bonding with own mother & mother land bears a great testimony in Indian culture. Thus, displacement from their own home/home stead land due to proposed project posed a threat for breaking their socio-cultural fabric for which they protest to the project with a strong determination not to leave their mother land even at the cost of their lives as viewed by the respondents.

As per the official statistics collected from the Kujang Tahsil office & Jagatsinghpur collectorate, 471 families from the following six villages would be displaced since their home/home stead land lies within the demarcated project location.

- i) Gadakujang Panchayat: Polang village-62 families, Bhuyanpal village -12 families & Nuliasahi village-135 families
- ii) Dhinkia Panchayat: Dhinkia village -162 families, Govindapur village-90 families
- iii) Nuagaon panchayat : Nuagaon village-10 families

While asked about the claimed lucrative Resettlement & Rehabilitation Package declared by the Odisha government & POSCO India Pvt.Ltd, majority of the respondents [74%] described the declared R & R package as an act of hypocrisy by the government & the respondents cited the example of the present state of sorrowful life of the displaced families of Indian Oil Corporation Ltd. [IOCL] plant near Paradeep in their own district i.e. Jagatsinghpur.

The leaders of protest movement while interviewed described the Orissa R&R policy-2006 as a non effective instrument to address the issues related to displacement & explained the following fact. The policy envisages that alternative land will be made available to the

displaced people who would lose all their agricultural land subject to availability, has clearly remained non-committal to ensuring land for rehabilitation which is essential to agrarian communities. The policy is also non-committal about guaranteeing employment for the project affected including displaced people.

### **7.2.2. Poor water management policy**

Human beings are also emotionally attached to water, much more than to any other resources like food or energy. This emotional attachment has made efficient water management a difficult process. Throughout history water has been used & abused as seen fit. We have yet to accept that water is limited resource which must be managed prudently [15]. Likewise, the government of Odisha without forecasting the quantum of water required for drinking water & agricultural purpose in Cuttack & adjacent four districts has decided to provide a large quantity of water from the river Mahanadi to the POSCO plant, which emerged as one of the concerns of the civil societies & the people of affected districts to support the protest movement against POSCO project.

While interviewing some leaders of different political parties [except the Ruling BJD] & the civil societies those extended their moral support to the said protest movement on the issue of poor water management planning of the government for the upcoming POSCO project, they expressed their deep concern over the indifferenceness of the government towards an efficient water management policy considering the present & future requirement of water of the nearby districts those depend on the River Mahanadi. They vehemently argued that withdrawal of large quantities of water for the project from river Mahanadi would not only affect the local communities but would also have a far-reaching adverse impact on drinking water supply to Cuttack & irrigation supply of four neighboring districts. The apprehension of the respondents that if the POSCO project would be implemented, the effect of the above process shall turn the area drought prone.

On the other hand, during focus group discussion with the movement's leaders it was revealed that Jatadhari & Mohan rivers are crucial to rain water drainage of the whole Jagatsinghpur district. If the proposed captive port of POSCO would be built there, this natural drainage system will be adversely affected resulting chances of floods which may bring misery for the lives of displaced people again. The analysis of above two situations leads to the fact that the poor water management policy for the POSCO project has also emerged as one of the concerns of the local people.

### **7.2.3. Threat to environmental sustainability**

Sustainable development & inclusive growth ensures the socio-economic development of the region & quality of life of all citizens without posing a potential threat to harm the present & future generation. Thus, the impact of developmental processes shouldn't be negative on the environmental sustainability in the region. The previous studies observe that the present development model through mining of various natural resources & rampant industrialization in the tribal & rural areas in India has caused ecological imbalance due to deforestation, emission of large volume of carbon dioxide & carbon monoxide in the Air & various water pollutants resulting frequent devastation on humanity in terms of climate change & natural calamities. As a consequence, the inclusive growths of the region gets jeopardize.

As per the perception of the respondents of the present study, the proposed mega steel, mining & captive port project of POSCO India has posed several threats for environmental sustainability in the green/ forest belt in Jagatsinghpur district. According to official statistics the project would acquire 4004 acres of land of which 438 acres falls under private land & the rest 3566 acres are government lands, which includes forest & village jungle, major part of which are under the possession of the local people who cultivate betel vine & cashew trees on those lands. As regards to their environmental concerns they raised the issue that the proposed acquisition of earmarked private & forest land will lead to deforestation & destruction of coastal, riparian & estuarine ecosystem which would have adverse impacts on the entire East Coast in the long run. The apprehended sea ingress as a consequential effect of forest loss is found to be the area of their concerns too.

## **8. PERCEPTION OF THE PRO-PROJECT LOCAL PEOPLE ON POTENTIAL DEVELOPMENTAL PROSPECTS OF THE PROJECTS**

An attempt has been made in the present study to elicit the perception of the people who welcome the decision of the government for POSCO project in their locality. The focus group discussion with those people [respondents] reveals that they view the upcoming POSCO Mega Steel Plant in a different approach. According to them, the socio-economic transformation of the underdeveloped region have undergone in different phases of development. The so called self sustained local economy based on traditionalism has been replacing by a new model of development based on technological innovation to ensure rapid growth in today's competitive age. They are very much optimistic about the potential development prospects of POSCO project which would have a tremendous impact on improving socio-economic condition of the people of their region in particular & the economy of the state in general. They expressed their faith on state government & the project proponent to keep up their promises to take up the skill development measures for the project affected local people to enhance their employability in the steel plant & captive port. Due to this mega project, other trade & business would also flourish in that locality which would provide potential earning sources for the local people besides ample employment opportunities in the proposed integrated steel plant, as they perceive. Further, they are also very much hopeful regarding improvement in their quality of life due to various CSR activities of the company in the field of infrastructure development, health care, education, food security, women empowerment & enhancement of employability among local youths etc. citing the experience of post implementation period of TATA Steels project in Kalinganagar in Jajpur district of Odisha. The above process would post implementation period of definitely result in the rapid growth in their socio-economic status through the occupational mobility, they believe.

While enquired about awareness & views about the R & R package for the land austeas & displaced people, they urged the government to explore the way to minimize the displacement. It is revealed that they are well aware of the R & R package so declared by the POSCO India to the fact that as part of rehabilitation benefit, the original displaced families losing homestead land & agricultural land will be given employment, cash compensation varying from Rs.1.00 Lakh to Rs.5.00 lacs, & house in resettlement habitat. Similarly families losing all agricultural land will be compensated with best land value in recent 3 years & simultaneously would be entitled to jobs & cash compensation. Betel vine growers will get special compensation as per guidelines of the policy. But they are of the views that the government & the Project proponent should provide alternate land at least 25% of the

agricultural land to the project affected people who would lose all their agricultural land for the project. Besides above, they also urged the project proponent to pay at least double of the land value in recent 3 years, 50% of which should be paid in cash & the rest 50% of the compensation amount in the shape of preferential share recognizing them as development partner. The above perception & ideas of the respondents appears to be sound on the ground that the project affected people particularly the land losers & displaced persons should not feel alienated from the proposed development process. In addition, being a stake holder of the proposed development process, their participation/involvement in such process will be spontaneous/voluntary which would support for the success of the developmental endeavor of the entrepreneur. Moreover, the respondents also put the emphasis on the legitimate & ethical role of the state government & expected to be a watch dog for the compliance of additional 60 numbers of conditions as stipulated in the Environment clearance to POSCO project issued by the Ministry of Environment & Forests, Government of India vide their order dt.31.01.2011 to ensure environmental sustainability.

The report of India's National Council of Applied Economic Research on the social cost benefit analysis of POSCO India project in Odisha also substantiates to the perception of the local pro-project people which claims that Indian economy would be substantially benefitted from the POSCO project through mining iron ore & producing steel locally in the state of Odisha. The said report further claims that the POSCO India's FINEX Steel manufacturing process will be superior in preventing air pollution in India as it is 10 times less polluting in sulphur oxide [SO<sub>x</sub>] emissions than currently used BF process in India. The report also claims that the POSCO process will be 25 times less polluting in nitrogen oxides [NO<sub>x</sub>] & 5 times less polluting in particulate dust terms than the process presently used by steel plants in India [16].

The analysis of above primary & secondary data suggests that without prejudice to address the concerns of the project opponents on priority basis for a practicable solution, the overall potential development prospects of POSCO project for the sustainable socio-economic growth of the community as well as the Odisha state cannot be denied.

## 9. CONCLUSION

Sustainable development refers to the well pattern of resources use that aims to meet human needs while preserving the environment. POSCO project like any other industrial/developmental project aims at sustainable & inclusive development of the community/state of Odisha in particular & India in general through iron ore mining & producing steel in Odisha. But, the land acquisition & other process for project implementation has got abnormal delay due to resistance of large number of the project affected people at project location. The study suggests that the major issues & concerns of those project opponents founds to be land alienation due to proposed land acquisition for the project, threat to their self sustained agrarian structured of permanent source of livelihood, socio-cultural disintegration due to proposed displacement from their habitation, poor water management posing threat for drinking water/irrigation water crises in Cuttack & neighboring districts & threat to environmental sustainability. Since, the successful implementation of the POSCO's developmental project is dependent on the participation & partnership [Psychologically, economically & socially ] of three basic stake holders i.e. project proponent, government & people, the government & project proponent should formulate a transparent & benevolent Re-settlement & Rehabilitation policy specially for the POSCO project inter alia

making provision there in to issue of preferential shares in favor of the land losers/ displaced persons to ensure their voluntary involvement in the said development process.

Resistance to change is a natural phenomenon among the human beings. While effort was made to computerize all government offices in India during the year 1990, a wide ranged protest was experienced from all corners of India with a pre-text that the move would raise the un-employment problem to a greater scale in an over populated country like India resulting higher trend of social crime; but today the positive impact & benefit of that initiative is felt by every individual of this country even a child of three years old. Our society has undergone in different phases of socio-economic transformation. All stake holders of the POSCO project including the civil societies, the project affected people, project proponent & the government should come forward with a positive attitude to be a partner of the proposed developmental process keeping in mind the Darwin's philosophy that it is not the strongest of species that survive, nor the most intelligent, but the ones most responsive to change.

However, keeping aside the afore said issues & concerns of project opponents to be addressed promptly, genuinely & proactively, the study highlighting the perception of the project supported local people also suggests that the POSCO steel project if be implemented in the line of its assurance & commitment, would have a profound positive impact on the quality of life of community around which the project would be located & the inclusive growth of Odisha/India as a whole.

Thus, considering the sensitive & critical stands of diametrically two opposite groups of local people, the concerted role of the state government, all political parties, civil societies & project proponent bears a pivotal importance to chalk out a practicable & comprehensive policies to address the emerging issues of the project affected people much benevolently so as to avoid further delay in project implementation.

## References

- [1] Orissa – Moving towards more sustained growth in India's Macro-economic outlook 2020 – India 2020 economy available in [www.dnd.co.in/India2020economy outlook/Macro\\_Economic\\_Outlook2020](http://www.dnd.co.in/India2020economy outlook/Macro_Economic_Outlook2020).
- [2] Ibid.
- [3] Binaya Kumar Rout & Balaji Pandey, Development induced Displacement in India: Impact on women, National Commission for women, New Delhi, P.13 (2004).
- [4] Report of the Meena Gupta committee constituted to investigate into the proposal of the POSCO India Pvt Ltd for establishment of Integrated Steel Plant & Captive Port in Jagatsinghpur district, Odisha submitted on October 18, (2010) to the Ministry of Environment & Forests, Govt of India, New Delhi.
- [5] S. Kothari, Development, Displacement & Official Policies: Critical Review, *Lokayan Bulletin*, March-April, No. 11.5, New Delhi (1995).
- [6] Vijaya Paranjpye, Development Induced Displacement of Women (1988) available in [www.ncw.nic.in](http://www.ncw.nic.in).
- [7] Fernandes, Walter, Power & Powerlessness: Developmental Projects and Displaced Tribals, Social Action 41, Indian Social Institute New Delhi (1991).

- 
- [8] Smithu Kothari, Whose Nation? The Displaced as Victims of Development, *Economic & Political weekly*, vol. 31, No. 24, PP.1476-84, June (1996).
- [9] R. N. Sharma, In Voluntary Displacement : A Few Encounters , *A Economic & Political weekly*, vol. 38, No. 09, PP. 907-12 (2003).
- [10] Upendra Buxi, Development, Displacement, And Resettlement: A Human Right Perspective, Indian Social Development Report 2008, CSD, Oxford University Press, New Delhi, PP. 17-24 (2008).
- [11] Neera Chandhoke, People's Movement And The Articulation Of Rights, *Indian Journal Of Human Rights*, Vol. 10 & 11, No. 1 & 2, PP 55-73, Jan-2006, Dec (2007).
- [12] Anthony Oliver Smith, Displacement, Resistance and the Critique of Development: From The Grass Roots To The Global, Refugee Studies Centre, University Of Oxford (2002).
- [13] Medha Patkar, The People's Policy On Development, Displacement & Resettlement : Need To Link Displacement & Development, *Economic & Political Weekly*, Vol. 33, No. 38 (1998).
- [14] Bijulal M V, Manshi Asher, Sridevi Panikkar & Sumit Chakravarty, Report Of An Independent Fact Finding Team On Orissa's POSCO Project, *Mainstream*, Vol. XLV, No. 21, 14<sup>th</sup> May (2007).
- [15] Peter Brabeck-Lethmathe & Asit K. Biswas, Very Few Drops to Drink, The Times Of India, Hubballi Edition, 7<sup>th</sup> March (2015).
- [16] Venkatesan R, Wadhwa W, Saluja M R, Basu S & Rastogi R, Social Cost Benefit Analysis Of The Posco Steel Project In Odisha, National Council Of Applied Economic Research (NCAER), New Delhi, India (2007).

( Received 16 March 2015; accepted 22 March 2015 )