

# Update

Series 13

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January 2007

# Charade of 'Industrialisation' & 'Development'

The year 2006 may be a watershed in the history of India.

The year began with barbaric massacre of 16 tribal protesters in **Kalinganagar, Orissa** on **2nd January** by the special police force armed with sophisticated weapons deployed to grab, fence, and protect the land acquired by the Government of Orissa on behalf of TATA Steel. Since then Orissa was simmering with protests and resistances against the charade of 'industrialisation' & 'development' *mantra* of the ruling classes of India. Resistances and angers of the uprooted tribals and the people living on agricultural activities spread like wildfire across the state — from Jagatsingpur to Rourkela, or Paradip to Keonjhar. Even the evicted and landlost tribals of Jharkhand and Chhattisgarh who paid the price of 'industrialisation' & 'development' since the fifties upheld their demands taking cue from the Kalinganagar revolts.

Kalinganagar could have been a rare example. But the ruling classes of India did not think so. They are now riding to sky-kissing height propelled by the *mantra* of 'industrialisation' & 'development'. Thus, Kalinganagar is almost repeated at the end of the year in different form. Here is a report:

“Police let loose a reign of terror here today ransacking houses of farmers who refused to give up land to the state government for the Tata small-car factory. Policemen set haystacks on fire, barged into dwellings, threatened recalcitrant farmers and lobbed teargas shells to “control” protests..... [T]his reporter saw a police contingent accompanied by CPI-M cadres barging into the homes of what a ‘Red’ activist termed “rebel farmers”. Complaints that womenfolk were threatened poured in. Policemen climbed on to the roofs of houses searching for the rebel farmers....” (*The Statesman, 03.12.06*)

This was what happened on **2nd December** in **Singur**, a village in the district of **Hooghly in West Bengal**. More than 80 persons belonging to “rebel farmer” families

were arrested, hundreds had been injured, several “rebels” absconded. This reign of terror was unleashed in West Bengal, ruled by a party with ‘communist’ tag!

Is it surprising? Not at all. These self-proclaimed “communists” are doing exactly what the ruling classes desire. Is it not the era of liberalisation & New Economic Policy (NEP) where everything will be governed by the laws of market-forces and super-profits? Are not the parties like CPI(M), CPI, etc. were ‘compelled’ to obey these laws of capitalism as they ‘succeeded’ to govern West Bengal ‘peacefully’ for a record thirty years at a stretch?

In fact, all of the parliamentary parties including the ‘lefts’ are now busy in implementing the so-called ‘industrialisation’ & ‘development’ schemes of the capitalist-industrial classes of India. It started since the inception of NEP in late 1980s. At first, it ran with slow pace. But, since the mid-1990s, it accelerated and rolled over the working people rendering lakhs of workers retrenched/unemployed, making rural & agricultural people more pauperised, developing pockets of luxurious islands of cities & *bazaars* amidst the darkness of miseries & poverty. Now, at the dawn of the new century it gathered momentum. States ruled by the parliamentary parties of every colour joined the race of attracting investments for ‘industrialisation’ & ‘development’ projects. States like Gujarat, Maharashtra, Tamilnadu are far ahead in the race. Other states ‘should run first’ to catch them. In this market-economy no state cannot ‘survive’ without this fierce competition — said the capitalist and management *gurus*. Within two to three years the governments of **Orissa** and **Jharkhand** — two underdeveloped states — ranked at the bottom of human development index — signed **43 & 45** Memorandum of Understandings (**MoUs**) respectively of investments proposals of more than **Rs. 5 lakh crore** in total! The state like **West Bengal** also jumps to the business. The ‘Marxist’ ministers are now begging capital in the form of dollars & rupees from the foreign and domestic investors. **TATA** comes to Singur & Kharagpur. **Jindal** is coming. **Reliance** is also keen to invest. **Indonesian Salim** is also coming. German Company **Metro** makes a foothold here. Crores of investments will pour in. It is also claimed everywhere in the country (including Bengal) that these investments (both foreign & domestic) will also generate ‘massive’ job opportunities. And these claimed investments will pour in under the **conditionalities** of vast amount of tax-breaks, concessions, incentives and/or subsidies. But there is a ‘little’ snag which must be weathered by the people. Industry/roads/flyovers/shopping

malls “cannot be developed in the sky” — said the CPI(M) leaders echoing the voices of big industrial houses. It needs lakhs of acres of land. This vast amount of land is locked in agriculture. The governments have no land ready in hand (please forget the programmes of “land reforms” once taken half-heartedly by the ruling classes)! Hence the peasants, sharecroppers, bargadars and even rich farmers should hand over the land for ‘greater interest’ of the country (read: foreign & domestic industrialists)! If they are not willing to hand over their single-crop/double-crop/multi-crop land, etc. to the companies (through the hands of the Left Front or other state government), impose the colonial & draconian Land Acquisition Act 1894 and grab the lands for ‘public purpose’ (according to LF and these state government ‘public purpose’ = ‘private purpose’). That means, the benefit of Tata or any private capital/business = benefit of West Bengal! Bravo! So naked these policies of the CPI(M) led Left Front parties that an analyst known to be close to the leftist leaders, Praful Bidwai writes with utter surprise:

It (the LF government) clamped Sec 144 of the Criminal Procedure Code, banning the assembly of five or more persons, and imposed the Land Acquisition Act, 1894 (LAA) — a colonial law whose application the Left parties rightly oppose in many states! The LAA permits forcible land acquisition for “public purpose”, but the Tata Motors factory fulfils no public purpose, as distinct from purely commercial objectives.... (*South Asia Citizens Wire, December 24-25, 2006, www.sacw.net*)

In 2006, the ruling classes of India ‘discovered’ another path to ‘develop’ quickly. Look at China. It is rushing with breakneck speed with burgeoning rate of growth with the marvellous projects of **Special Economic Zones (SEZs)**! Billions of dollars are invested there each year. Chinese Exports of billions of dollars are flooding the markets of developed countries. India should follow the footsteps of China. Hence the Central Government of India hurriedly formulated a marvellous **SEZ Act** and started to implement it from the month of February, 2006. Already, India has 28 government-developed SEZs. They produced a mere **5% of total exports of India in 2004-05**. This cannot be tolerated. Giving them more advantages is not enough. Grow new private SEZs and give them incentives (read: subsidies) in a massive scale. Make these SEZs ‘foreign territories’ in a ‘sovereign’ country and give them ‘liberty’ to produce, earn and gain more and more. So lucrative the packages of SEZs that **within ten months, 650**

**applications** have flooded the government. In a press conference held on 19th December 2006 attended by Mr. Kamal Nath, the commerce minister of the Government of India, it was reported:

“The initial response to the SEZ policy has been tremendous, with the state governments showing a lot of enthusiasm for the scheme. Over **650** proposals received from **21** states and **3** union territories till now involve investors from both India and abroad. Of these, **237** approvals have been granted spread over **17** states and **2** union territories and **51** SEZs have been notified.”

What’s a marvellous response! **China has only 6 SEZs**. All over the globe, there are only **400** SEZs functioning with full steam. But India alone will operate **more than 650, probably thousands!** What’s a strong growth, indeed! But a problem is developing on this ‘gigantic path of growth’. SEZs also *“cannot be grown in the sky”* as told by the CPI(M) leaders! So, in this case also vast amount of land is needed. This land must be contiguous as parcels of land cannot help to set up large, even medium SEZs. It is estimated by some experts that **in the first phase only, 1.5 lakh hectare of land will be required!** This means that **3 lakh 75 thousand acres of land will be required immediately** (taking 1 hectare = 2.5 acre, approximately). If ‘only’ **650 SEZs** are to be set up in near future, the land required **may cross 10 lakh hectares!** Surprised at this gigantic drives for land-acquisitions, an eminent historian, Sumit Sarkar said:

“This is liable to create one of the greatest land grabs in modern Indian history,”...  
India has never before witnessed the transfer of hundreds of thousands of hectares of agricultural land to private industry. Nor probably has any other developing country.”  
*(retrieved from <http://ipsnews.net/news.asp?idnews=34732> on 25.09.06)*

Moreover, in other countries, SEZs were made at the coastline to take advantage of the sea-lanes which is the most important route of export. But, the policy-makers of GoI generously granted SEZs in the landlocked states (“anywhere”) offering lucrative incentives and fabulous tax-breaks and other facilities unheard before in India (which will be studied later in details). Such is the craze for setting up SEZs that even the government of the state of **Haryana** — famous for green revolution in agriculture — and is situated

far away from the nearest ports in Gujarat — has recommended **57** proposals of SEZs. (*Financial Express, 22.08.06*). Even **Punjab** has recommended **23** proposals (*ibid*)!

Who will have to give up the land required to set up these gigantic schemes? Yes, they are the people of rural areas. These people overwhelmingly dependant on agricultural activities have to sacrifice for 'greater interest'! Respective state governments have started to acquire huge amount land coercively from the peasants and ruralfolks. In **Maharashtra** alone, **70** SEZs will be set up and **31** of these SEZs will be in the **Konkan region** only. But, the governments ruled by the all hues of parliamentary parties (including the 'lefts') cannot grab this land with ease. Almost everywhere landholding peasants, along with ryots, pattadars, sharecroppers, agricultural workers, and other affected people, etc. are preparing for battle to resist the respective governments (who are acting on behalf of the big business houses) to grab their land. At the present moment, the affected people of the Konkan region of **Maharashtra** are **struggling against** the acquisition of thousands of acres of land entitled for the proposed SEZs by the big industrial houses such as Reliance Industries. The people of outskirts of **Pune** are also simmering with protests against the land-grabbing. The protests are going on in **Dadri, Uttar Pradesh** defying the state-atrocities. In **Haryana and Punjab**, the farmers are out on the warpath against the acquisition of their multi-cropped & super-fertile land they tilled for years. These protests are now spreading to **Andhra Pradesh, Karnataka, Tamilnadu, Chhattisgarh, Jharkhand, Assam**. The state of **Orissa** which witnessed continuous and brave resistances of the people against indiscriminate and outrageous land-grabbing by the Orissa government on behalf of the foreign and domestic mining corporations and industrial houses for the last few years are now boiling with new vigour against the projects of POSCO, VEDANTA, Tata Steel, and proposed SEZs etc. These fire of protests are now going to engulf the state of **West Bengal**. More and more news of protests and discontents are coming from several districts like **West & East Midnapur, South & North 24 Parganas, Hooghly, Howrah, Burdwan, and some places of North Bengal**.

Thus, several states are now simmering with discontents and protests against forced land acquisitions. Interestingly, all the parliamentary parties have jumped to the bandwagon to make electoral dividends. Each of these parties including the 'lefts' are

playing **double standards**. On the one hand these parties and/or the state governments governed by them unleashed reign of terror on the protesters in one state; and on the other, they extend support — even actively participate — in the agitations against the land acquisitions in other states. Afterall, they have same character. In essence they are serving the interests of big domestic and foreign capital.

Another interesting converging point of all these parties that all of them want 'industrialisation' & 'development'. Anyone who oppose forced land acquisitions are branded as “**anti-industrialisation**” and/or “**anti-development**”. All the mainstream media have joined these chorus and most of them are proactive in branding these protesters as those 'ignorants' who don't want progress, development, etc. “If you want to develop and/or industrialise your country should be ready to make some sacrifices for greater interest.” Thus, the land-acquisitions are justified. In face of this strong campaign, even the sympathisers & organisers of the movements have been confused and in some cases echoing the policies of the ruling classes in any way. They are trying to chalk out an “alternative” route of 'industrialisation' & 'development'. “Yes we also want industries, development projects, etc. But these industries should not be set up in fertile/multi-crop land. Please go to the areas where large number of land are either barren or single-crop” — they argued. Thus, It is prescribed to the government that single-crop land can be acquired, instead of mutli-crop. No one asks the policies of the LF government which lasted for 30 years at a row — why are vast amount of land areas remained single crop? Why are the lands are not properly irrigated? Is it a fault of the peasants or the government or the policies undertaken by the ruling classes of India? Moreover, some of them argued, “Why do the governments procuring land for private business houses? Tell the Tatas to go to the peasants directly to buy land from open markets at market rates.” Another set of advisors/organisers 'oppose' 'industrialisation' & 'development' of the governments as it doesn't provide 'proper' compensation and/or rehabilitation. In fact, all of these oppositions to the present nature of 'industrialisation' & 'development' undertaken by the ruling classes of India **cannot come out the present model of capitalist development** of the country taken after the so-called independence.

Moreover, it must not be forgotten that these ‘development’ currently happening all over the country are for whom. Is it not the minuscule minority who appropriate the fruits of these ‘industrialisation’ & ‘development’? In **Update 11**, we had published an excerpt of *Times of India* (27.04.05) which referred the statement of the Finance Minister (Asim Dasgupta) of Bengal:

[T]hrough 1991-2004, Bengal could create only 70,000 jobs. This year, the **govt. admits to 7 million unemployed**. “The pattern of investment here has been capital intensive”, confesses (Asim) Dasgupta. **Some new investors import captive – and docile workers from other states and keep them within the factory’s walls with the little interaction with outsiders. “These are sweatshop conditions**. Even chaiwallas outside these plants get no business, because workers can’t come out”, frets a senior CPM leader in Delhi...

In fact, after the ‘independence’, the big bourgeoisie of India had taken a long, zigzag, and skewed path of capitalist development. Being afraid of the working class-led agrarian revolution they were compelled to take this roundabout path at the behest of their imperialist masters. Since then, capitalism developed in India in a slow and limping manner. Even after the inception of the NEP and liberalisation processes, this path was not discarded at all. Moreover, after the inception of NEP and liberalisation processes, the onslaught of capitalism & imperialism became fiercer and oppressive. And in the new century, it had gained tremendous momentum. In fact, in this era of imperialism, the capitalist classes of India did not want or could not take the revolutionary path of capitalist development. Hence, the processes of ‘industrialisation’ & ‘development’ undertaken all over the country and in the states are nothing but the execution of the policies of the Indian big bourgeoisie & big landlords depending upon their imperialist masters. (See **Update 12** for detail).

Under the circumstances, if anyone want to oppose the present ‘industrialisation’ & ‘development’ processes undertaken by the governments, should oppose the overall policies/path of the ruling classes. Any ‘alternative’ model will serve only to confuse the masses by hoodwinking them regarding the class character and anti-people (and anti-nature) nature of the present ‘industrialisation’ & ‘development’. Any such model-making (or alternative suggestions) are bound to engaged within the confine of the present



imperialist-dependent big bourgeois-big landlord state/system and its trajectory of 'development'. Without establishing a people's state (after destroying the present state) this goal cannot be achieved. And this means to be prepared for developing class-struggle and for preparation of the vanguard of the people's democratic revolution in India. Only in a people's state the working class and the peasantry will be able to work and think independently about the development of all toiling people; they will be able participate in the central planning of development. They will decide their own future: What industries are to be set up (and what need not, or should be dismantled), where to set up, how to develop the whole of the hitherto downtrodden people. As whole of the working people will share the pain and suffering as well as the gains and advancement, these will not arise any bitter antagonism. This is the people's path of 'industrialisation' & 'development' which cannot be materialised within the present structure of the society. Hence, the protests and agitations of the masses against the present forced land-acquisition have good potential to be developed along the revolutionary way. One who is participating in these agitations and struggle should have this vision. Otherwise, all of these movements and agitations will be wasted. In other words, these movements will be used up by the reactionary and opportunist parliamentary parties and other organisations (e.g., foreign-funded NGOs) serving their narrow interests. This is, in fact, happening in Singur, Kalinganagar, and other states where the peasant-unrest is growing.

In this issue of ***Update*** we are trying to study and analyse these agitations and unrest in this perspective. We wish that this issue of ***Update*** may be regarded as a weapon to address properly the issue of industrialisation & development. This issue is subdivided into two broad sections:

1) The charade of 'industrialisation' & 'development'; 2) SEZs — great robbery in the name of 'development'. The first section is broadly sub-divided into: a) West Bengal: virtual war; b) Orissa: 'industrialisation' at gunpoint; c) Jharkhand, Chhattisgarh & other states: caricature of 'development'. — ***Update Editorial Board (UEB)***.

## West Bengal: Virtual War

“We will not budge an inch from Singur,” he (Buddhadeb Bhattacharjee, the CM of West Bengal) told mediapersons. “People want industrialisation. The door for negotiations is open, though it could only be on the quantum of compensation.”

*[Times of India, 16.12.2006]*

“The Front government seems desperate to attract private corporate investment, including foreign investment, at any cost, and irrespective of whether it generates employment, skills and other spin-offs, and contributes to public welfare. This means the Front is adopting the neoliberal model in which the corporate investor *calls the shots and sets the market rules...*”

*[by Praful Bidwai, Dec. 24-25, 2006; [www.sacw.net](http://www.sacw.net)]*

**[From UEB:** Just after the record victory in assembly elections 2006 of **West Bengal** by the CPI(M) led Left Front (for a consecutive seventh term), a frontrunner business daily jubilantly writes:

Buddhadeb Bhattacharjee is the newest Big B on the block.... There is little doubt that the seventh Left Front government has swept back with a landslide victory, triggered by the ‘Buddha factor’.... “This victory is a clear mandate of our move to industrialise West Bengal,” Mr. Bhattacharjee affirmed frankly.... We have to speed up our activities to achieve our targets. We have to make **calculated moves** to achieve our goals in the key areas of economic development and industrialisation,” Mr. Bhattacharjee said. “Industrialisation is not my own policy. **It is the policy of my party and the Left Front government as a whole.** (*Brand + Business = Buddha, Economic Times, 12.05.06*)

The CM of Bengal amply clarified that the ‘industrialisation’ process incepted in Bengal is the policy of his party, and of the Left Front Government. The same policy of ‘industrialisation’ & ‘development’ is the policy Mr. Narendra Modi in Gujarat, it is the same policy followed by Bhupindor Singh Huda in Haryana, Bilasrao Desmukh in Maharashtra, Navin Patnaik in Orissa, or the Congress Government in Andhra Pradesh and so on. In fact, it is the very policy of Indian ruling classes. So credibly the CPI(M)

party is implementing these policies of 'industrialisation' & 'development' that at the oath-taking ceremony of *Buddhababu* as CM, the barons of the industrial houses flocked together to greet him! Interestingly, a day after this ceremony, Ratan Tata came to Writer's Buildings to meet the CM of Bengal and inked the small-car project in **Singur** in Hooghly district slated to be developed on **nearly 1000 acres** of land! The CPI(M) and the CM of Bengal are stepping forward with some "**calculated moves**" with the schemes of 'industrialisation' & 'development' projects of the **Tata, Jindal, Videocon, Reliance, Indonesian MNC Salim, proposed SEZs** etc. Thousands of acres of land are entitled to be acquired. Though "**calculated moves**" have been taken from the very beginning by the Left Front government, the overwhelming majority of the people of Singur cannot be budged. Hence, state-terror let loose on the belligerent protesters. These atrocities on the people of Singur have nothing different to the punishments meted on the protesters of **Kalinganagar, Jagatsingpur, etc. in Orissa, Dadri in UP or Raigad districts & Pune in Maharashtra, or in Bastar district of Chhattisgarh**. This is the true face of the 'industrialisation' & 'development' policies of the ruling classes undertaken by the LF government in West Bengal.

Here is a brief chronology of the resistances put forth by the peasants of **Singur**. Eight months ago they formed '*Krishi-jami Bachao Committee*' (Committee to save agricultural land) and staged continuous demonstrations, held meetings, rallies etc. But, the administration and ruling parties exerted tremendous pressures on the peasants during the last eight months to give up land. **On 25th September 2006**, a demonstration of peasants — unwilling to hand over their land — was brutally lathicharged before BDO office. On the last week of November, **144 of CrPC** was imposed to terrorise the protesters. Finally came the day of **2nd December** when the state-police-forces **acted like private militia of Tata**. The land of the unwilling peasants had been forcefully grabbed, fenced and brought under the protection of private security guards mostly comprising party goons. **On 18th December**, Tapasi Malik, daughter of a peasant and an activist of the '*Krishi-jami Bachao Committee*' was gangraped and murdered. Till date, the peasants of Singur are striving to reorganise themselves against the forced acquisition of their land and against the onslaught of state-terror unleashed by the LF government of West Bengal.

Since the forced acquisition of land in Singur, the Government of West Bengal claimed before the media in their daily briefings that most of the landholders of Singur voluntarily handed over their land for a 'greater cause'. Is it true? A newspaper **busted this claim** in the following report.]

## **Singur row gets murkier**

Lately, Buddhadeb Bhattacharjee has come clear on Singur. It has published in a status report on land acquisition in Singur saying that **out of total 997.11 acres, the government get prior consent from farmers for 586 acres only on the day it fenced up the land.** Another 34 acre is vested land.

**Government figures revealed that the administration didn't have consent for acquiring 411.11 acres which constitutes 41.22 per cent of land acquired — a plausible ground for unrest among peasants and the government's clamping of Section 144 of the CrPC in Singur.**

The fact has given a new twist to the Singur controversy since chief minister and his ministerial colleagues have till ignored the “minimal dissent” among the landowners. (...) District magistrate of Hooghly, Vinod Kumar, however, disputed the pre-consent award figures. “I don't know from where you have got this. We have got consent for total 950 acres.

(...) [T]he government gathered consent from the landowners for another 370 acres days within the area was brought under Section 144.

The sudden spurt in giving consent by farmers seems **intriguing** because the administration has been negotiating with political parties and panchayats at since May, but without much success. The status report says nine meetings were held at the DM's bungalow within three-months with no progress. (...) (*Source: Times of India, 16.12.2006*)

[In fact, above-mentioned “status report” is not published before public till date. Nonetheless, the above report exposed that the government clamped 144 in vast areas

encircling Singur to force the landholders to give “consent” for transferring land. In reality, the terror perpetrated on the villages of **Singur** by the state government made it ‘successful’ to grab the lands. Within three days after 2nd December, whole of the acquired land was fenced, guarded and made ready to hand over to the Tatas.

It is also clear from newspaper reports (though most of them are acting as mouthpieces of the ruling ‘left’ parties and/or Tata), that most of land acquired before clamping 144 in Singur (i.e., **586 acres or 58.8% of the land**) were given by absentee landlords and/or non-cultivating landholders. It was also reported that some of the landowners giving consent earlier were in fact rich NRIs who made big bucks by selling lands. It is the peasants who made steep resistances against the land-grabbings (along with some agricultural workers and bargadars). According to the District Statistical Handbook 2004, in Singur there are “3500 small peasants, 12,410 marginal peasants, 2969 bargadars, 1035 pattadars.” (*Dainik Statesman, Bengali daily, 28.12.06*) Therefore, a large number of people will be displaced and will lose their livelihoods.

After the terror unleashed on the protesters *Economic Times* (05.12.06) published the views of some of the barons of the industries who obliquely praised the “determination” of the LF government in handling the Singur-like situation. Moreover, the captains of the ‘India Inc’ hurriedly called a press conference and expressed their deep “anxiety” at the disturbances created on the path of ‘industrialisation’ & ‘development’ in Bengal. Note the following report.]

## **Bengal Inc bats for CM on Singur**

(...) All the leading **chambers of commerce** have issued a joint statement saying the thrust towards industrial regeneration could receive a severe setback in view of the “recent developments centred around the emergence of a major manufacturing project”. The chambers include CII (eastern region), Indian Chambers of Commerce, Bengal Chambers of Commerce and Industry, and Bengal National Chambers of Commerce and Industry (BNCCI). (...) “We do not welcome any action that vitiates the investment atmosphere. The state government’s **determination** on its industrial drive is

**commendable and I fully support the chief minister on this issue,”** said Sanjiv Goenka, former president of CII. (...) (*Source: Times of India, 08.12.06*)

[**From UEB:** Thus the terror unleashed in Singur is defacto justified by the capitalists. They are absolutely correct with respect to the fact that the LF government led by CPI(M) splendidly **safeguarded their class interests**. In fact, the business houses were flexing their muscles since the land-grab drives began in Singur. C.K. Dhanuka, eastern regional council chairman of **FICCI** threatened the protesters: “The raging unrest over acquisition of farmlands for industrial units in West Bengal might force the investors to shift their projects to other states”. (*25.08.06, <http://in.news.yahoo.com/060825/43/66z09.html>*) Now, **Mr. Ratan Tata**, the owner of Tata Motors, comes directly into the field and doused the fire in this manner: “Let me say it (the protest — **Update**) is not just political, because I happen to know that some of our competitors are also fuelling some of this fire and they could be very happy if the project got delayed.” (*Economic Times, 28.12.06*) What’s a splendid discovery by Mr. Tata! Interestingly, the LF chairman and CPI(M) Politbureau member Mr. Biman Bose made the same statement to malign the resistances put forward by the uprooted people of Singur.

How were the LF government successful to lure Tata Motors? *Buddhababu*, the CM of Bengal, categorically stated before the Bengal Chambers of Commerce & Industry that “The Tatas had already decided to set up the plant in **Uttaranchal. But after much persuasion**, Tata Motors decided to visit four or five sites in the state, following which Singur was selected.” (*Economic Times, 27.12.06*) It is known to all that in the backward state like Uttaranchal, Tata Motors would get fabulous sops in the form of tax-breaks and other concessions. Still, Tata decided to come to West Bengal. Hence, a question normally arises: **what are the concessions** given by the government of West Bengal to the Tata Motors so they have decided to come here? When asked about this question, the LF government maintained a studied silence stating that it is “**trade secret**” which cannot be disclosed! Is it surprising! Not at all. It is an open secret that most of the governments are in fact struggling with each other in **inviting capital** for the so-called ‘industrialisation’ & ‘development’ **providing lucrative concessions the facts about which are concealed behind the carpet.**

The following report provides some information regarding these dealings.]

## **Singur land on a platter for Tatas?**

(...) The latest controversy relates to the **terms and conditions** under which West Bengal government is handing over land to the company for its proposed small car factory.

The controversy was sparked by a Kolkata-based TV channel report — that Tatas would get the land virtually **at a throwaway price**. The government said it was an old “wish-list” of the Tatas, but the situation had since changed.

According to the report, the West Bengal Industrial Development Corporation has paid nearly **Rs 140 crore** to the land and land reforms department towards compensation for farmers whose lands were vested, **but the Tatas will not pay anything for the land initially**.

The company will pay Rs 20 crore to the government only after five years. Besides, the Tatas had agreed to pay interest at a rate of 0.1% only, the report said. A letter from the Tatas — shown during the telecast — also demanded incentives like concessional rates on power and water.

The state government went into a huddle after the report was aired. “Never ask me questions in this manner,” CM Buddhadeb Bhattacharjee admonished a newsperson. The CPM headquarters at Alimuddin Street was also evasive. (...)

It was in the evening that the government finally came out with a statement, with Sen [Nirupam Sen — the Industry Minister] issued a partial denial. (...)

“We are not handing over the land for free. We are leasing it out. The letter shown by the TV channel is an old one. It was the Tatas wish-list when they were planning to take land in Kharagpur. The situation has changed now. They have not submitted a new list and negotiations are on,” Sen said.

“One must realise that we had to compete with other states over this project. **We will hand over the land to the Tatas on concessional terms. There will be other**

**incentives.** But these are effective for other industries as well.” (*Source: Times News Network, 11.10.2006*)

[**From UEB:** Thus the dealings were hushed up by the LF ministry. Land of Rs 140 crore is handed over to Tata, one of big barons of industry, for just Rs 20 crore on 0.1% interest for five-year term! Tax-breaks will be given on power & water. Other concessions to be given are made “confidential”. What’s a paradox in the context that the LF government has no funds for health, education, & public welfare, etc. and all of these projects are in fact tattering for lack of funds. The LF government is withdrawing subsidies from these sectors due to fund-crunch though they have floods of fund to subsidise the projects of even Tata Motor! These sops are slated to be given to other big industrial houses also. According to one estimate, “**125,176 acres of arable land in nine districts** have been demanded by investors and entrepreneurs” (*The Statesman, 17.12.06*). Another estimate put it at **1 lakh acres**. Whatever be the estimates, it is almost clear that thousands of acres of land in West Bengal are going to be grabbed by the government to hand over it to the industrial and real estate biggies in the name of ‘industrialisation’ & ‘development’. In fact, it is a **virtual war** declared against the peasants & rural people by the big capitalists via the golden hand of the LF government.

**Table 1** reveals that **more than 1 lakh acres of land** is to be acquired in West Bengal. Certainly, this list is not at all complete since the data collected are from newspapers’ reports. Moreover, there are **17 proposals of SEZs to be developed in Bengal all of which are nor included in the list**. In fact, the amount of land required only for the SEZs approved by the Central government till October 2006 is nearly **30 thousand acres** in which some proposed SEZs are not included (see later for these data).

Thus West Bengal will have to get some modern industries (including the Indonesian Salim proposed to be investing Rs 50,000 crore), snazzy residential complexes, state-of-the-art health cities, knowledge parks for the students of well-to-do families, IT hubs, food parks, six-lane expressways, flyovers, entertainment hubs, shopping malls, retail chains, and the new *avatars* of SEZs. How many jobs will be created in these modern and super-speciality complexes/projects? How many jobs will be created in the small-car project of



Tata Motors for which the livelihoods of thousands of families are jeopardised? The LF government claimed that nearly a thousand of jobs will be created in this factory of Singur. Moreover, it is promised that these car-project will change the industrial landscape of Singur generating thousands of jobs, etc. Is the claim of the LF justified?

A commentator of national fame writes:]

## **Profit v livelihood**

(...) Modern industry in the secondary sector is **highly capital intensive**. In the mid-Nineties, UNDP's Human Development Report pointed out that the developed countries would have **jobless growth**. We in India are following the same mode of capital heavy and labour light growth. Heavy investment in **modern industry in the secondary sector will not cause a corresponding increase in employment**. That would severely restrict the income diffusion effect, and aggravate income disparity. The media did not report the level of investment to be made by the private company in Singur. **Currently, the automobile industry is both highly automated and robotised**. Henry Ford's black T Model car manufacturing assembly line, with workers standing at 10-feet intervals on either side doing some manual work, has disappeared. Today, the assembly line is controlled by computers. Only two or three skilled workers look after the computerised control panels. Each unit of employment costs three to five crore, depending upon the nature of the manufacturing unit. Assuming that the automobile company will invest Rs 1,000 crore in the Singur factory, it will **perhaps generate direct employment for 200 to 300 persons**. Of course, they will be paid high salaries. **Since all of them will be skilled workers, the chances of local persons getting employment will be less.**

**Table 1: Land to be acquired by the WB government\***

| <b>Project</b>   | <b>Place</b>               | <b>Land (acres)</b> |
|--|----------------------------|---------------------|
| 1. Salim (MNC):  |                            |                     |
| a) Chemical hub (SEZ)  | Nandigram (E. Midnapur)    | 10,000              |
| b) SEZ (multi-product)                                       | Haldia (E. Midnapur)       | 12,500              |
| c) Barasat-Raichak Expressway                                |                            | 3,500               |
| d) Knowledge City  | Rajarhat (N. 24 Parganas)  | 850                 |
| e) Health City   | Burdwan                    | na                  |
| f) Food Park   | Sankrail (Howrah)          | 400                 |
| g) Motorbike Factory   | Uluberia (Howrah)          | 2,000               |
| h) Township  | Kukrahati (S. 24 Parganas) | 5,000               |
| i) Fish Farming Project                                      | Amta (Howrah)              | 25,000              |
| 2. Videocon SEZ  | N. 24 Parganas             | 2,700               |
| 3. Videocon SEZ (IT)   | N. 24 Parganas             | 310                 |
| 4. Videocon SEZ  | Siliguri (Darjeeling)      | na                  |
| 5. Salarpuria SEZ  | N 24 Parganas              | 520                 |
| 6. Bengal Srei SEZ   | Kharagpur (W Midnapur)     | 500                 |
| 7. Kulpi Port (SEZ)  | Kulpi (S. 24 Parganas)     | 3,002               |
| 8. Industrial Development Zone                               | Uluberia (Howrah)          | 2,000               |
| 9. S. 24 Parganas District Hqs.                              | Baruipur                   | 3,000               |
| 10. Industrial Development Area                              | Kharagpur                  | 1,200               |
| 11. Cement Unit  | Murshidabad                | 150                 |
| 12. Several Projects   | Siliguri (Darjeeling)      | 1,000               |
| 13. IT Complex   | Jagdishpur                 | 330                 |
| 14. Industrial Projects<br>(Telcon/Tata, Tata Metaliks etc.) | Kharagpur (W. Midnapur)    | 9,000               |
| 15. Jindal Steel   | Salboni (W. Midnapur)      | 5,500               |
| 16. Tata Motors  | Singur (Hooghly)           | 997                 |
| 17. Township   | Baruipur (S. 24 Parganas)  | 3,750               |
| 18. Township   | Bhangar (S. 24 Parganas)   | 1,500               |
| 19. Township   | N. 24 Parganas             | 1,000               |
| 20. Commercial Blocks  | Eastern Link Highway       | 1,000               |
| 21. Institutional Area                                       | Adjacent to District Hqs.  | 1,000               |
| 22. Small Industry Development<br>Industrial Estates         | Backward districts         | 2,032               |
| 23. Track Terminal + Health City<br>+ Sports Complex         | Rajarhat (N. 24 Parganas)  | 130                 |
| 24. Nuclear Power Plant                                      | Haripur (E. Midnapur)      | 700                 |
| 25. Thermal Project  | Katwa (Burdwan)            | 1625                |
| 26. Reliance Ind. Retail Network                             | 19 districts               | 1680                |
| 27. Foundry Park   | Howrah                     | 500                 |
| 28. Sagardighi projects                                      |                            | 150                 |

Total = 1,04,826 (approximately)

\*incomplete; complete list of SEZs is given later

[Source: prepared from data collected from newspapers]

As against this, the acquisition of 1,000 acres of good agricultural land will straightaway displace at least 1,000 farmer households. These people would lose their autonomous livelihood. On an average, 20 per cent of arable land in West Bengal is under barga cultivation. Thus another 200 bargadar households would be deprived of their vocation. For the remaining 800 acres, about 200 or so agricultural workers who would have got seasonal employment will also lose their livelihood substantially. Thus around 1,400 peasant households [In reality the figure is larger — **Update**] would be directly deprived of their traditional and only occupation against the gain of 200 to 300 new highly paid jobs. What would be the bottom line in a social cost-benefit analysis?

There has been considerable analysis of the problem of involuntary displacement through compulsory land acquisition for “development”. The one-time payment of monetary compensation is not considered sufficient. (...)

*(Source: by D. Bandopadhyay, former Secretary, GoI, ministries of finance (revenue) and rural development, and Executive Director, Asian Development Bank, Manila; The Statesman website)*

[**From UEB:** Interestingly, the MD of Tata Motors clears the water in the following manner:]

## **Jobs? No guarantee, says Tatas**

Breaking silence on the contentious issue of employment for son of the soil. Tata Motors managing director Ravi Kant said the company would make all efforts to increase **employability** for locals in Singur, **but did not commit to any direct employment at the car plant.**

Chief Minister Buddhadeb Bhattacharjee had earlier said efforts would be made to employ about 1,000 locals in the Rs 1,000-crore project. (...)

Ravi Kant said a community care blueprint was already in place for Singur. “We are trying to create and develop **employability** through a structured programme. (...)

For those who had primary education, Tata Motors proposes to offer two week's training for non-skilled work like construction, house-keeping [that means 'maid-servants'? — **Update**], gardening and canteen work. Madhyamik pass-outs will be offered a six-month course to hone technical skills like carpentry, plumbing, electrician and fitting jobs.

Those who have studied beyond can avail a two-year course to sharpen technical skills for working as fitter, turner, welder or painter. The company is also planning a six-month reorientation training for ITI graduates so that they can become auto-mechanics. (...) The company also proposes to train women for three to six months in tailoring, garment making, food products and handicrafts and assist them forming cooperative for supply of gloves, uniforms and electronic items to the factory. (...) (*Source: Times of India, 28.09.2006*)

[Tatas will provide “**employability**”, but not “**employment**” was clearly stated by the MD of Tata Motors. They will provide several nature of training to the rural people so they can enter the huge uncertain job markets to be bought at any rate. Even Tata cannot assure about the creation of 1,000 jobs. In fact, a factory of Rs 1-lakh car cannot be profitable unless the plant is super-automated. This is the real picture of 'industrialisation' in this era.

A teacher of Kolkata University writes candidly:

“These types of industrialisation is happening in different countries of the third world. **But their experience gradually reveals that these types of industrialisation cannot generate necessary job opportunities.** There are not much debates on this matter. Even the hard-core rightwing economists fumbled to acknowledge this fact.” (*Kalyan Sanyal, Ananadabazar Patrika, a vernacular daily published in Bengali, 14.12.06*)

In the former issues of **Update**, we had repeatedly shown that in the era of liberalisation and/or NEP, lakhs of jobs had been wiped out through voluntary retirement schemes and/or direct retrenchments. In **Update 11**, we had shown that:

“[T]hough West Bengal ranks 2nd in terms of investment between 1991-2004, this investment has **generated fewer number of jobs**. This means: **in Gujarat** (ranked first) **between 1991-2004, Rs 1 crore of investment generates nearly 4.28 jobs**. Whereas, **in West Bengal, Rs 1 crore of investment generates meagre 2.52 jobs**. (*The Telegraph*, in its edition of 7th May 2005, calculates that the relevant figures **are 3.75 in Andhra Pradesh, 3.92 in UP, 5.60 in Maharastra**.) These figures show that the investment flowed to Bengal during these years are very much **capital-intensive**. In this 15 years, **Rs 1,880 crore per year has been invested in Bengal generating 4,748 jobs per year**. This is the one of best pictures of 15 years of reforms in India! **How many jobs were lost during these years in Bengal?** Forget those 15 years. Forget also the **70 lakh job-seekers** in the live register of employment exchanges. By closing down the shutters of the **state PSUs** or handing them over to private barons (i.e., barring the jobs lost in the private sector, which employes maximum number of people), **Bengal lost nearly 4,000 jobs during the last year** (as reported in most of the daily newspapers on 19.05.05, exclusively in *Anandabazar Patrika*). If one adds up the number of jobs lost in private sector (again, barring the seasonal lay-offs in several Jute Mills), the figure of job-losses may reach the sky perhaps. Thus the process of reform creates very fewer number of jobs than the jobs lost.” (p 32-33)

Moreover, in the second phase of restructuring of the state PSUs, more than **70 thousand jobs will be vanished**. Is it ‘development’? In fact, these so-called industrialisation & development processes during this liberalisation era destroyed more jobs than creating it. Though India is “surging ahead” with tremendous rate of growth of 8-9%, the *pundits* of capitalist origin frankly recognised that it is nothing but “**jobless growth**”. Still the ‘leftists’ of West Bengal are inviting the industrialists of both foreign & domestic origin creating an illusion of job-creation. But they call themselves ‘Marxist’. Hence, they do not forget to inform us that in this era of liberalisation & globalisation nothing special can be done in a single state of the capitalist India. Still being undaunted, they are projecting some sort of job creation not in industries but in urbanisation. Note the following excerpt written by a ‘peasant-leader’ of the CPI(M) justifying the coercive land acquisitions. Interestingly, the picture painted about job-creation by this ‘Communist’ leader echoes the schemes of Tata Motors as told by Ravi Kant in the previous excerpt.]

## West Bengal: Rationale for Industrialisation

(...) Questions are being asked: why townships? The expansion of urbanization is a natural phenomenon, responding to the needs of individuals as well as society. Urbanization took place even before the planned city in Rajarhat was conceived. The expansion was achieved by buying lands from the peasants, not in outer space. In fact, in the case of non-planned urban expansion, more land is wasted. The problems of roads, sanitation, open spaces become acute. In a planned township, residential areas for many can be built leaving vast areas as open space. Let us assume that a concern will build a housing complex on 10 acres of land. If this was mono crop land, then there would have been employment for only two people. If it were multi crop land, then six to seven persons would be employed. Now 10 acres is equal to 4.32 lakh square feet. Even if 30 per cent of this land were to be marked for housing, a total of 129,600 square feet of land would be available. If four storied apartments of 800 square feet were built for the middle income groups, 640 such flats would come up. More than 2,5000 people would be living there. **A huge amount of labour would be needed for two to three years to build such housing. After the completion of the project, many people would get employment, as gate keepers, cleaners, pump mechanic and for other works such as electrical, maintenance, carpentry, plumbing, etc. Generally, wages are higher for these jobs. A service oriented sector around the complex would also need people. Retail shops and vendors for vegetables would come up. Apart from these demand for domestic help workers would increase.** These particular jobs are not attractive but 150 days of work as an agricultural labourer too is not at all attractive. Multi storied buildings create more job opportunities. Roads are the lifeline of an economy. Expansion of roads brings life to an economy, expanding industries and employment opportunities. (...) (Source: By Benoy Konar, Peoples' Democracy, 06.11.2005)

[**From UEB:** We cannot find any words about the above excerpt written by a so-called 'Marxist'.

Ashok Mitra, the former finance minister of LF government, former CPI(M) member and former member of Rajya Sabha, now criticised the policies of LF government in the following way.]

## **Rent-a-Womb Economics**

(...) It would be interesting in this connection to examine aspects of the investment package recently offered to the government of West Bengal by a prominent Indonesian business group. It has expressed an interest to invest the equivalent of **Rs 44,000 crore** in West Bengal on condition that the state government hands over, in the form of either outright sale or lease, contiguous land to the extent of 5,100 acres [In fact the amount of land slated to be given to Salim, the Indonesian giant is **50,000 acres** — *Update*]. The land is mostly for developing a number of service projects, including a technology park, a knowledge park, a hotel complex, a health park and a golf course. Aggregate employment likely to be generated once these facilities are completed has been estimated to be about **30,000**. The state chief minister, reports suggest, is excited over the possibility of a foreign party investing as much as Rs 44,000 crore at one go, which is close to **three times the size of his government's annual budget**. There is the other side of the picture though. In terms of the package of proposals submitted by the Salim group, **employment of one unit of labour will entail investment of the order of roughly Rs 1.5 crore**. This is inordinately **high capital intensity**, and goes ill with the socio-economic realities of the state. **The number of registered unemployed in West Bengal is around seven million**. Should therefore a bit of technology canvassed by the Indonesian group be preferred by the West Bengal authorities, **they would need to sink investment of an astronomical order – seven thousand times the size of the state's annual budget – to eradicate unemployment from the state**.

There is no scope for nursing any illusion on this score. The Salim group will not transfer the amount of Rs 44,000 crore to the state government, so that the latter could choose its own technology and use the sum to create the maximum possible employment. The foreign party knows its mind: the state government will either have to take its offer or leave it. Excitement over the seemingly huge outlay proposed by the Salim group is

therefore somewhat uncalled for. It is pegged, and not footloose, capital that is being offered.

Another issue, of equal import, should not be lost side of either. The promised FDI is not aimed at augmenting industrial growth. It is for promoting service activities, and service activities of the luxury kind for which there is little widespread demand either in the country or in the state in the immediate project. To describe the Salim package as a significant step towards greater industrialisation of the state is an exaggeration. Apart from a few food-processing units in the so-called food park and some units assembling software in the so-called technology park, the plan in general is to set up a beehive for luxury services.

Besides, even when all the facilities become operational, they will provide employment to only 30,000 persons and no more; **the facilities will cater exclusively to tourists and the country's super rich**: the resulting profits from the various operations will belong entirely to the Salim group and its associates and, it is a reasonable guess, be taken out of the country, as is common with all 'offshore' kind of activities. In that sense, while these service activities may lead to an increase in domestic product, no increase in national product is likely to take place. It is also the intention of the promoters to persuade the authorities to agree to declare the entire area covered by the 5,100 acres [read: 50,000 acres — *Update*] of land as a 'special economic zone', so that the facilities set up remain outside the orbit of national tax and labour laws.

Both the state government and the Salim group are rather vague in regard to the conceivable loss of livelihood of farm workers once the land asked for is transferred to the foreign investors. Will absorption of 30,000 workers in the newly established service units be adequate compensation for such loss of farm livelihood as might take place? (...)

The nitty-gritty however does not change: the demand for 5,000 [read: 50,000] and odd acres of land is for providing work to only 30,000 employees. In contrast, a modern manufacturing plant, whatever its production line, would hardly need more than one hundred acres to employ a labour force of this size. (...) The huge investment outlay being bandied about is no giant step towards industrialisation; the land surrendered to the group will be used for purposes that have meagre employment content, the service



activities carried out will be beyond the jurisdiction of the country's tax and labour law legislation, and a question mark will continue to hover over the issue of the trade-off between lush multi-cropped land and a golf course. (...) (*Source: Economic & Political Weekly, 03.09.2005*)

[**From UEB:** In fact, Salim came to Bengal well before the announcements of massive sops given to the SEZ developers and investors. After the beginning of implementation of SEZ rules in February 2006, the bucks gained by the Indonesian giant may touch the sky. Though a 'hard critique' of the SEZ policies of Central Government, the Left Front of Bengal has sent proposals of **17 SEZs** to the centre of which **8** have been approved till date. We will discuss this mockery of 'left' politics in the later sections.

Now we are presenting few reports of peasant's unrest against the land-grabbing by the LF government in West Bengal.]

## **Simmering West Bengal**

### **Kharagpur (West Midnapur):**

Kharagpur is following Singur close behind as the process of acquiring vast multi-cropped agricultural land has started here as well.

The farmers have resolved to counter any attempt of the government to acquire their land at the cost of their lives. A total of **1,280 acres of land** at Jafala, Walipur, Baradiha, Ruisanda and Jijhapur mouzas in Kharagpur I and II blocks will be acquired and handed over to the **Tatas** for enabling them to set up yet another automobile industry. Notices in this regard will be distributed among the farmers from 16 November.

Meanwhile, at a meeting organised by the Kharagpur Krishi Jomi Banchao Committee at the Jafala School maidan on Tuesday, the farmers challenged that they won't allow the Tatas to take away fertile multi-cropped farmland (...).

Slogans like: 'Tata-Birla go back', 'Langal Jar Jomi Tar' (one who has plough owns the land) were shouted out by the farmers. In the name of industrialisation, the

Left are offering thousands of hectares of land to the Tata-Salem groups almost free of cost ruining rural Bengal. In 1994, (...) the Left Front government had acquired 9,000 acres of land at Rajarhat in North 24-Parganas by offering Rs 6,000 only for a cotah for ushering in industries. But later, a township came up there and the government sold a cotah of land at Rs 3.5 lakh thus exposing the business mindedness of the government, (...). **In 1996**, the government acquired **525 acres of farmland** in and around Gokulpur in Kharagpur for a Mumbai-based firm for the setting up an iron factory. But 300 acres of land are still lying fallow causing a loss of huge quantities of crops while several thousand evicted farmers have been reduced to virtual beggars as they neither got any job in the factory nor could they utilise the compensation money for their sustenance. (...)

*(Source: The Statesman, 10.11.2006)*

### **Nandigram (Haldia, East Midnapur):**

To protest against land acquisition programme of the state government at Nandigram for the proposed Special Economic Zone (SEZ) and mega chemical hub, Nandigram Krishak Uchched O Janasartha Raksha Committee staged a mass demonstration before the BDO, Nandigram-I on 7 September. Hundreds of people gathered at the BDO office at Nandigram supporting the demands of the committee.

According to plans of the state government, **17,000 acres** of land covering 17 moujas will be acquired at Nandigram-I block for the proposed SEZ and mega chemical hub. Mr Nanda Patra and Mr Bhabani Prasad Das, leaders of Nandigram Krishak Uchched O Janasartha Raksha committee said: “Thousands of farmers and fishermen residing in these areas will be deprived of their means of livelihood if the projects take shape here.” According to the statistics presented by the committee, about **40,000 families** reside in the earmarked areas for industrialisation projects in Nandigram. (...)

There are a further 1000 families residing on the lands covering 1500 acres without adequate documents of ownership. Although they have been since the past 25 years, they have not received any document from the land and land reform

department. They may be deprived of reimbursement from the government for not having any document to prove their possession. (...) (*Source: The Statesman, 13.09.2006*)

### **Haripur Nuclear Plant Site (East Midnapur):**

A storm of protest has greeted the state government's proposal of setting up a nuclear power plant at Haripur.

The road leading to the controversial site remained cut-off throughout the day as members of the Paschim Banga Khet Majoor Samity and Matshyajibi Unnayan Samity staged a road block. No vehicle was allowed into the area as farmers, fishermen and local leaders cutting across party lines vowed to scuttle the project. It was decided at a convention on Monday that a door-to-door campaign will be launched soon to prevent the transfer of land.

"They had sneaked into the area two months back to secretly carry out the survey. Ever since we are not allowed any government vehicle here. Not an inch of land will be given and we shall make sure that Haripur doesn't become another Singur," said (...) Khet Majoor Samity. A unique system has been devised by the villagers to raise an alarm if a government vehicle tries to enter Haripur.

Farmers are taking turns to keep a vigil on the main road and conch shells are being blown the moment a car is seen. The land identified by the Nuclear Power Corporation (NPC) for the project, spreads across 18 moujas under Contai blocks I and II. According to Khet Majoor Samity, **15,000 families and 30,000 fishermen would be displaced** if the project is given the go-ahead. "No compensation can be enough. The money will barely last a few years but these people will lose their livelihood forever. We shall fight till the project is scrapped," said (...) general secretary of the Samity. (...)

Interestingly, even local CPM workers are not in favour of the nuclear plant. They have lent their support to the movement and refused to listen to the leader's advice. (...)

The Haripur nuclear power plant could be an environmental disaster and have serious long-term consequences on the local health, warned a section of environmentalists.

Water discharged from the plant will have to be released into the sea which is less than a kilometer away and this might destroy marine plants and animals. It will also have an impact on the local economy, they pointed out, since **more than 20,000 people in the area dependent** on the sea for their living.

(...) The project, environmentalists warned, could throw fishermen and those who produce salt from the sea water, out of work. More than 20,000 people are engaged in producing salt in the area. (*Source: Times of India, 21.11.2006*)

### **Katwa (Burdwan):**

RAF had to be pressed into operation to prevent the angry farmers in a Katwa village in Burdwan from jeopardising the survey of agricultural lands undertaken by the WBDCL engineers today.

The engineers had reached the village with the Burdwan Zilla Parishad officials to help earmark the required land and conduct a survey for the proposed 3000 MW super-thermal power project undertaken by the West Bengal Power Development Corporation Limited. On 5 February this year, state power minister Mr Mrinal Banerjee and state industry minister Mr Nirupam Sen had laid the foundation for the project at neighbouring Srikhanda village in spite of strong opposition from the farmers.

The survey team, led by Mr Arup Bhowmik, a WBDCL engineer and ZP member, Mr Kamal Thakur, reached Kadampukur village around 9 a.m. Mr Bhowmik said: "The villagers, mainly the women, armed with broomsticks, broke out in protest and didn't allow us to start the survey. We had to ensure marking of at least ten posts surrounding the village today." (...)

Sk Hasibul, member of local "Krishi-O-Krishijami Bachao Samity" said: "We won't allow the power project to devour the agricultural lands here. Almost 92 per cent

of the villagers are marginal farmers. The PDCL has promised to pay Rs 94 thousand against the acquisition of each bigha of land. Many villagers have even less than half a bigha of land. The meagre sum they will receive would not help them to survive. He added: “The entire land yields paddy twice in a year and helps the families here to feed themselves.”

The proposed super thermal power project ran into rough weather since the WBPDC declared its intention **to acquire 650 hectares of agricultural land**, falling under 29 mouzas in Katwa sub-division, to help the commissioning of the project. A notification in this regard was issued on 8 August, 2005 after which farmers from Srikhanda village and its vicinity formed an association that spearheaded a series of protest rallies and threatened non-cooperation for the WBPDC venture. They alleged the project would harm the interests of the farmers. (...) (*Source: Statesman News Service, 22.11.2006*)

### **Phulbari (Siliguri):**

Winds from Singur are blowing across Siliguri.

Thousands of farmers, mostly residents of Fulbari, located on the outskirts of the city, filed into Hill Cart Road today to protest against government efforts to acquire agricultural land for the setting up of an SEZ. Marching under the banner of the SUCI-affiliated Sara Bangla Krishak-Khetmajur Sangram Committee they shouted *Rokto debo, Jomi Debo Na* (We will shed our blood but will not give up our lands). The farmers made it clear that they are not ready to allow the government or the Siliguri Jalpaiguri Development Authority to take away their land for the fourth time.

“We have been evicted thrice before. First, it was the New Jalpaiguri railway station in the sixties. Then the Teesta Barrage Project in the seventies and finally, the satellite township in Dabgram in the eighties,” said Murshed Ali, a farmer of Fulbari. “This time, we are not ready to part with our land.” The SJDA is acquiring about **1,000 acres for the SEZ**, he said. (...) (*Source: The Telegraph, 24.11.2006*)

The state PWD minister and RSP MLA, Mr Monohar Tirkey, today rapped the Siliguri Jalpaiguri Development Authority (SJDA) headed by the state urban development minister, Mr Asok Bhattacharya, terming it a “**promoter**” working in favour of the rich. (...) “The SJDA is **acquiring land from the poor at cheaper rates and selling the same to industrialists at more than doubled price**. Thus it is earning a huge sum by depriving the poor landowners like that of a real-estate promoter,” Mr Tirkey alleged. Without naming Mr Asok Bhattacharya, the RSP MLA said: “The people in SJDA are acquiring more land than what is actually required for industrialisation in the region. The only motive is to sale the acquired plots at higher rates later.” (...) (*Source: The Statesman, 06.11.2006*)

### **Barjora (Bankura):**

It happens to be Bankura’s Singur: that is the story. Farmers anticipating the loss of their livelihood are getting together to fight the Left Front government which, some 10 months ago, cleared a proposal for bulk acquisition of land in Barjora for joint venture captive coalmines. (...)

On 8 November, 2005, the state asked the WBMDTC managing director to get the land acquisition process started for the Trans-Damodar Sector in Barjora. The farmers have formed the Trans-Damodar Sector Land-Losers’ Association. (...) (*Source: The Statesman, 25.07.2006*)

### **Raipur, Supur (Bolpur, Birbhum):**

After Singur and Barjora, farmers of Birbhum’s Raipur and Supur villages are gearing up to protest against the Left Front government because of the loss they anticipate due to **acquisition of some 200 acre of agricultural land some five years ago**. (...)

According to a district official, in 2000 WBITC acquired 200 acre of agricultural land in two phases under Sibpur mouza of Raipur-Supur gram panchayat Bolpur. This land was acquired to build an industrial estate in Birbhum district. But WBITC failed to attract the industrialists and **finally handed over the land to**

**a promoting company for housing project.** He added that about Rs 3.57 crore was deposited with the land acquisition department towards payment of the farmers, but due to delay in the process, farmers whose land was acquired in the second phase are yet to receive payment. “To attract industrialists, a pump house, electrification and roads were constructed in the proposed area, but the industrialists did not agree with the terms and conditions stipulated by WBITC. The corporation proposed to give the land to industrialists in lease form for 99 years but they wanted to be the owners. Then the corporation demanded Rs 6,50,000 for each acre, which the industrialists felt was too expensive. Due to this bargaining, not a single industrialist has invested here.” (...) (*Source: The Statesman, 28.07.2006*)

[**From UEB:** These are few of the reports of the discontents and protests developing against the land-grabbing in West Bengal. The reports show also that the land-losers in earlier eviction processes still did not get compensation. In fact, in number of cases though promised of jobs, compensation and/or rehabilitation, the oustees and/or affected people did not get so. In Rajarhat where super-speciality housing projects and state-of-the-art IT hubs were developed evicting nearly 75,000 peasants and people, the records of compensation and rehabilitation are miserable.

A report points out how the promoters have made huge bucks acquiring Rajarhat land from the peasants and sold to the administration at a price **14 times more** (*Aneek, a Bengali journal, January-February 2006*). Surprisingly, the promoter is state government agency called HIDCO who gained massive bucks through the transactions. Note the following report:]

## **On two sides of the great land divide**

Price Azim Premji has been asked to shell out: Rs 2.16 crore an acre, then Rs 1.81 crore an acre.

Price Churamoni Naskar has been given to part with his land: Rs 360,000 an acre.

One is the richest Indian, the other owns a tiny tea stall. One wants to expand his business empire, the other worries about *roti-kapda-makaan*.

But they share one common concern — the bargain they are getting for land in Rajarhat, chief minister Buddhadeb Bhattacharjee's showpiece New Town. "We are farmers and land is our biggest asset. But the government acquired it and paid us peanuts," Naskar narrates the tale of "betrayal" in between attending to customers at his run-down tea stall in Jatragachi.

Premji, who has plans to buy land in Rajarhat, is also peeved with the price. It's a strange situation for Buddhadeb Bhattacharjee and his party — neither the farmers nor the potential buyers are happy with the rate. "For Wipro, Hidco has agreed to sell the land at Rs 1.81 crore per acre. But even that's too high for the company and we are trying to reduce it further," promises state IT minister Debesh Das.

But Naskar's fate is sealed as the government has already paid him Rs 360,000 for his three-bigha (1 acre) holding. A farmer for over 40 years, 65-year-old Naskar now runs a tea stall, barely a 10-minute drive from the hustle-bustle of New Town. The who's who from the world of realty — Shapoorji Palonji, DLF, Ascendas, Unitech — are setting up mega complexes in Rajarhat for high-tech companies and high net worth families.

But rejuvenation of brand Bengal hardly matters to Naskar and his customers, who gather at the tea stall every day and discuss their plight.

Housing minister Goutam Deb, who doubles as Hidco chairman, the nodal agency carrying out land acquisition in Rajarhat, claims that the government has given farmers a fair deal. He defends the high selling price as well. "We are transferring the land after developing it and creating support infrastructure, which involves a cost," Deb explains.

According to a city-based real estate developer, the cost of peripheral facilities — roads, street lights, sewers — is around Rs 10 to Rs 15 lakh per acre while the cost of land filling depends on the height of the land. "But the total development expense cannot be more than Rs 25 to Rs 30 lakh," he says.



The majority of the 4-lakh-plus population, spread across 25 mouzas in Rajarhat, is not interested in these calculations. For them the question is that of livelihood. “First, they took away farmland, and now they want residential land. We have received notices to attend a hearing to fix price of residential land. I have refused to go there,” says Nepal Mondol, busy playing cards on a lazy July afternoon. Circling the players are 15-20 men, who till a few years ago were farmers.

Chatur Biswas is one of them, who used to grow two crops a year. “We stopped farming in 2000 as the government acquired the 12 bighas we had in our family. We got compensation at a rate of Rs 6,000 per cottah, which was shared by eight claimants. But I have consumed almost the entire sum in the last six years,” laments Biswas. Biswas doesn’t have skills beyond farming. A game of cards helps pass the time, its uncertainties matching those of his life.

While acquiring land, the farmers were told that the construction boom would create jobs. The multiplier hasn’t worked and Biswas has lost hope. (...) But the majority of the 4-lakh-plus population in the nine panchayats in Rajarhat prefer being farmer than being self-employed. In Mohammedpur, a mouza at a distance from action-packed Rajarhat, land acquisition has not started, but people are spending sleepless nights following the March 2005 missive freezing land registration in the area.

This is a standard government measure to ensure a better deal for the farmers as property developers buy up the land from farmers at lower prices than what the government pays as soon as they sniff out an acquisition plan. But according to Ansar-uddin Ahmed, a resident of Mohammedpur, the freeze hasn’t yielded any benefits for them.

“I grow three crops a year on my land, but I would get Rs 15,000 per cottah. Had I known this, I could have sold this land at Rs 50,000 per cottah two years ago,” he repents.

It’s too late for Ansar as he has to sell it to the government. But Premji still has hope. And, for the government, Rajarhat is a warning as it embarks on an industrialisation and urbanisation project on a scale not seen in Bengal before. Islands of discontent could one day converge. (...) (*Source: The Telegraph, 17.07.2006*)

### **In the name of ‘rehabilitation’ — Rajarhat reminder**

Circa 1998: Carpenter-turned-farmer Anarul Molla “sells out” his 15-cottah land in Rajarhat (now the hottest IT destination) to the government and receives nearly Rs 1 lakh. And the first thing he did on becoming “rich”, was to buy a two-wheeler.

Cut to 2006: Molla’s life comes a full circle. The “land-loser” has sold his bike and is barely making the two ends meet, working as a carpenter. “I thought that the government would give me a job as promised. So I bought the bike and a whole lot of things with my Rs 1 lakh....

Molla listens eagerly whenever the TV channels air news about Singur. “It’s only a matter of time before all these “rich” land-losers go through the same fate as we did,” he says.

Fertile farmland and happy villagers — not many years ago Rajarhat was a pretty picture of urban-rural peaceful coexistence. Now a dream destination for top industry houses, the cluster of villages in its new-found avatar, New Town, sits on the shattered dreams of farmers who’ve been deprived of their livelihood.

The farmers lost their land in 1997-98, when the government began taking over plots at throwaway prices to develop the township. The administration struck a bargain — Rs 8,000 per cottah and job for one member of the land-losing family....

“We once had 30 members. Till the late ’90s, we lived very comfortably. We had around 20 bighas where crops grew thrice a year. Now, there’s only poverty,” sighs Molla.

“The government didn’t keep its words. We’re yet to receive full compensation for all the land we gave up. The government just doesn’t care,” he says.

It’s an unending story of deprivation. “The government deceived us,” Moinuddin Mondal, a jobless land-loser, who also had get himself a bike....

*(Source: Times of India (Kolkata), 13.09.06)*

[**From UEB:** The LF leaders including the CM of WB tirelessly promised the would-be-evicted people and/peasants about job opportunities and rehabilitations. Scores of “educational” meetings are being held in Baruipur-Bhangar area of South 24 Parganas District by the front leaders to assure them good fortune. Interestingly, in 1992, while setting up the **Tata Metaliks**, the high-sounded promises given were ended in fiasco. Note the following report done by a teacher which also criticises the fallacy of the logic that single-crop land can be acquired instead of multi-crop land for ‘industrialisation’.]

## Singur on the Kharagpur track

(...) [I]f we take a longer view of events revolving around land acquisition for private industries, we will find that worse things had happened in Kharagpur during the early 1990s, a few years before the declaration of the New Industrial Policy (NEP) by the Left Front government in 1994. (...)

[T]hough the farmlands acquired in Kharagpur provided food security to vegetable growers of Gokulpur (it is also the name of a railway station between Kharagpur and Midnapore) and the adjoining villages, they were monocrop (jal soem in the departmental classification) in nature. We still find among those who are opposed to the acquisition of multicrop farmlands a notion which runs like this: “Well, monocrop land may be acquired since we need to have industrialisation in the state, but a multicrop land should never be allowed to be acquired for non-agricultural use.” There is hardly anyone in the anti-Left Front lobby who is demanding the upgradation of monocrop land into multicrop ones, which is the government policy. We often hear from the advocates of this anti-acquisition lobby: “Why isn’t the government building industries in Purulia, Bankura and Midnapore (West)?” As if people in these districts do not depend on agriculture but on something else! So, if industries come up in these backward districts, the poor will benefit.

(...) Let us compare Singur with **Kharagpur. In 1992, a pig-iron manufacturing plant named Tata Metaliks** was set up by the **Tatas** on the **monocrop land** of six mouzas under Kharagpur I block of the erstwhile Midnapore district, though non-arable land was available in the vicinity, having communication and other facilities. A total of **217.23 acres** was acquired by the state government and the acquisition was complete within a year through the application of the more coercive West Bengal Land (Requisition and Acquisition) Act, 1948 which became defunct after 31 March, 1993. The compensation paid by the district land acquisition department was **Rs 20,686 an acre for a landowner**, while for a **recorded bargadar, it was Rs 11,211.75 an acre.**

On 1 June, 1992 in the West Bengal Assembly, Mr Manas Bhunia of the Congress wanted to know about the land acquisition for the establishment of the pig-iron industry by the Tatas at Kharagpur. The land and land reforms minister in his reply informed about

the amount of land given to the company and the rates of compensation. No question was asked about the rehabilitation of the displaced peasants by any member of the Assembly (West Bengal Assembly Proceedings Vol 99; 1992). An unpublished report of the Midnapore land acquisition department dated 27-3-92 revealed that the lack of irrigation facilities and the monocrop nature of the acquired land led to the calculation of its market price at such a low rate. The department, too, **did not explore the possibilities of rehabilitation of the affected families in terms of providing permanent jobs and/or land as compensation.** The administration seemed to be concerned **only with monetary compensation** at the market price prevalent in the area. **Three years later**, people of the same area were served with notices by the district administration for the acquisition of their farmland in 10 mouzas covering about **525 acres** for **another pig-iron plant named Century Textiles and Industrial Limited (CTIL) owned by the Birlas.**

The local people, being totally disillusioned and frustrated with the government's attitude towards rehabilitation and compensation in the Tata Metaliks case, **began to protest** against this decision of acquisition.

This time, the land acquisition department prepared rates of compensation, which ranged between Rs 50,000 and Rs 1,00,000 an acre and Rs 7,000 an acre for the bargadars. The farmers objected to these rates and mass deputations to the district authorities began, and on 10 January, 1996, the peasants prevented soil testing by the company and blocked the National Highway 6 for eight hours. **The farmers' agitation** continued for about five months and they also boycotted the parliamentary election in May, 1996. (...)

The land acquisition episode for CTIL, however, took a horrible turn within a few years. After taking possession of 358.25 acres by April 1997 and fencing the land, the company **decided not to deposit any money for payment of compensation.** The company's managing director, Mr BK Birla, in an interview with the correspondent of The Statesman, said they would not proceed with the project since "the national market of pig-iron has become very competitive because of the entry of China and Australia in the field". The then state land and land reforms minister, Mr Surya Kanta Mishra, on the other hand

told The Statesman: “We are not finding any takers for the land” (The Statesman, 18 November, 1999). **This huge chunk of fertile agricultural land**, which provided subsistence to nearly **3,000 families, remained unutilised** till 2003 after which some portion of it was given to a private company but the larger area **still remains unutilised**. (...)

According to the survey conducted by the Kharagpur I Block Development Office, **73 per cent** of families of the gram panchayats from which land was acquired for Tata Metaliks and Century Textiles and Industries Limited were **living below the poverty line in 1997**, that is, one to five years after the acquisition. Will the same story be repeated in Singur?

Critics of the Left Front government, particularly social activists and human rights groups, should ask themselves what would be their activity if they lose or win in the Singur battle? Will they look for another issue or should they continue a sustained struggle in changing the Draconian Land Acquisition Act, whether it is employed to acquire multicrop lands near Kolkata or monocrop lands in far off districts inhabited by poorer people? (*Source: the author is a Reader, Department of Anthropology, Vidyasagar University, Midnapore; www.thestatesman.net/page.arcview.php; accessed on 26.12.06*)

[**From UEB:** Scores of questions about compensation & rehabilitation arise. A study narrates what actually happened in the last 50 years:]

## **Not a People's State**

**During 1947-2000, development projects in West Bengal have used 47 lakh acres of land and affected 70 lakh people. Thirty-six lakh were displaced (DP) and 34 lakh deprived of livelihood** without being physically relocated (project-affected people, or PAP). Our studies point to **60 million DP/PAP** during 1947-2000 all over India.

That would put **over 10 per cent** of them in West Bengal. As for the type of DP/PAP, **tribals are 6 per cent of the state's population but 20 per cent of its DP/PAP**,

**Dalits are 30 per cent and another 20 per cent are the poorest of the backwards, such as fish and quarry workers. In the rest of India too, more than 40 per cent of the 60 million DP/PAP are tribals and 20 per cent each are Dalits and backwards. Hence, 80 per cent of them are voiceless.**

That perhaps explains the poor rehabilitation record. **West Bengal has rehabilitated only 9 per cent of its DPs**, most of them of the Damodar valley projects in the 1950s and the World Bank-funded projects in the 1980s. The state boasts of a people's government but its rehabilitation record is abysmal. **Andhra** has rehabilitated **28 per cent** of its DPs during 1951-1995, **Orissa** has resettled **33 per cent** and **Goa 34 per cent**, but West Bengal can boast of only 9 per cent. **Kerala**, another "people's state", has resettled **13 per cent**. Most recent resettlement has taken place under pressure from the World Bank that is behind much land acquisition and demands rehabilitation only to satisfy human rights activists in the West.

One can, therefore, **doubt** the sincerity of the promise that the **Singur land losers** will be rehabilitated. After depriving 70 lakh people over the years of their livelihood, the state does not even have a rehabilitation policy, and one is not aware of a policy in the making. West Bengal will take over more land to keep its promise of supporting private investment, but only Singur has been promised rehabilitation because its farmers agitated against displacement.

Even if the rehabilitation promise is kept, will its benefits reach the people? Sharecroppers cultivate much of the land in West Bengal and share the produce with the zamindar.

Registered sharecroppers are supposed to get 25 per cent of the compensation paid to the zamindar when their land is acquired. At least 250 sharecroppers cultivating the 997 hectares to be acquired at Singur have not been registered, so they will get no compensation and will not be resettled. The same fate awaits the 1,000 landless agricultural labourers and others like barbers who sustain themselves by rendering services to the village as a community. The Land Acquisition Act, 1894, ignores the fact that in a rural area land sustains not merely its owner but landless service groups as well.

The result of such deprivation without rehabilitation is impoverishment. Our studies show that most agriculturists have become daily wage earners, their income has declined by more than half and over 50 per cent of them are jobless and below the poverty line. Many of them have pulled their children out of school in order to put them to work. In the absence of other sources of income, many have taken to crime or prostitution. Drunkenness becomes an escape from this trauma and wife-beating has increased. Others fill urban slums but are evicted to keep the city beautiful. Respiratory and malnutrition-based diseases such as tuberculosis are commonplace.

State officials insist that compensation is rehabilitation. This is not true. Compensation is defined as the average of the registered price in an area for three years. It is a public secret that not more than 40 per cent of the price is registered. Since that is used as the norm, land losers do not get the full price. Besides, one is not certain that even that norm is followed. **Farmers deprived of their land for the bypass and the Rajarhat township in Kolkata were paid an average of Rs 3 lakh per acre when the market price in that area was Rs 20 lakh.** The situation is worse in “backward” areas where price is low. In the 1980s, several farmers in Jalpaiguri district were paid an average of Rs 1,700 per acre. By today’s standards it would be around Rs 10,000 per acre. It is not possible for them to begin life anew with this amount. (...)

Take the case of special economic zones, in which Rs 100,000 crore are expected to be invested to create 500,000 jobs at an average of Rs 20 lakh per job. But the 400,000 acres they will occupy will deprive some 800,000 people of work. Most of them lack the skills that such jobs require. The jobs will go to outsiders and the land losers will be impoverished. It is time we found a development paradigm whose benefits reach those who pay its price. *(Source: by Walter Fernandes, director, North Eastern Social Research Centre, Guwahati, Times of India, 13.12.2006)*

## Orissa: ‘industrialisation at gunpoint’

“No-one, I repeat NO-ONE, will be allowed to stand in the way of Orissa’s industrialization and the people’s progress”. This was a statement made by Naveen Patnaik which was on Oriya (Orissa TV news yesterday. (05.12.2004)

*(www.minesandcommunities.org)*

Tata Sons director, JJ Irani, may be making a brave statement by saying “Tata Steel is keen to go ahead with its six-million tonne steel project at Kalinga Nagar in Orissa despite violent protests from tribals there”...

*(Financial Express, 10.01.06)*

[**From UEB:** What happened in **Kalinganagar on 2nd January of 2006** was not an exception. The onslaught of foreign and domestic capital on the people of Orissa, particularly on the tribals and backward sections of the society began in 1992, well after the inception of NEP & liberalisation policies. The “corporate takeover” of Orissa began at that time under the garb of ‘industrialisation’ & ‘development’ as happened all over the country. But, Orissa has some unique characteristics. **Firstly**, it is very rich in mineral deposits of which a mere **1%** was explored till 2002-03 reports Economic Survey of India, 2003-04 (*Economic Times, 12.07.04*). Hence, as the liberalisation processes gained momentum, companies of both foreign & domestic origins jumped into the fray to extract the maximum. **Secondly**, Orissa, inhabited by highest percentage of poor in India — ranked almost at the lowest at the human development index — was looted indiscriminately from the British era. Though numbers of resistances had grown up, most of these were brutally massacred by the police-forces and/or private militia of the mafia-cum-industrialists operating in mines & industries. **Thirdly**, though numerous protests have been staged in Orissa, the leadership given to these movements — in most of the cases — were usurped by either the parliamentary parties or the various hues or the NGOs funded by foreign donors. In these perspective, the charade of ‘industrialisation’ & ‘development’ processes of Orissa will be understood.

A commentator writes:



The new wave of mining projects planned for Orissa, starting with Utkal, Vedanta and Posco, represent huge injections of Foreign Direct Investment. Since the new National Mineral Policy brought in while Manmohan Singh was Finance Minister in 1993, the share of mining ventures that can be owned by foreign companies has risen from 26% to 74%, and lobbyists are trying to get this raised to 100% (which is in fact, raised to 100% in 2000 — **Update**). This is one way that profits from these projects are streamlined now for taking out of India. **Foreign Banks which have invested in Vedanta and other joint ventures, are becoming right now the effective owners of some of Orissa's richest mineral deposits**, with a view to rapid extraction, and minimal checks on the consequences for the environment and local people. It is well known that the main profits from FDI really go abroad and in mining, the foreign companies are actually gaining control of India's most precious resources: its mineral deposits and flowing water. (*Orissa's Bauxite Plans*, [www.minesandcommunities.org/Action/press981.htm](http://www.minesandcommunities.org/Action/press981.htm); accessed on 16.07.06)

The loot of the resources of Orissa is going on unhindered. In fact, in the last two years Orissa received unprecedented amount of investments proposals of more than 4 lakh crore from the giant MNCs and Indian big corporates. Note the following excerpt.]

## **Orissa toast of corporate India during 2006**

With the boom in the metal sector opening the flood gates of investment a couple of years ago, mineral-rich Orissa became the toast of corporate India during 2006.

As much as **over Rs four lakh crore investment** has been lined up in the State with the world's biggest steelmaker **Arcelor-Mittal** signing a MoU with the Orissa Government for a 12 million-tonne Greenfield steel project.

**South Korean** steel giant Pohang Steel Company Ltd (**POSCO**) had already signed a MoU with the State Government 18 months ago for establishment of a **Rs 52,000 crore steel plant near the port town of Paradip — till now the biggest FDI proposed in the country.** (...) Sector wise, **steel has attracted the maximum investment with 45 proposals** lined up for implementation whose combined worth was estimated at **over Rs two lakh crore.**

It is closely followed by the power sector with over Rs 1,12,000 crore while the investment promises in the aluminium sector are pegged at Rs 68,000 crore.

Many big industrial houses — national and international — beginning from POSCO to Australian mining giant BHP Billiton to Reliance, Tatas, Jindals, L and T, Aditya Birla Group, Vedanta Resources PLC have announced their investment plans in the State across steel, aluminium, power, port, IT, health and education sectors. (...)

**Mittal**, during his maiden visit to Bhubaneswar on July 7, announced his plans to establish the 12 million-tonne project with an investment of **Rs 40,000 crore**. (...)

Similarly, **Anil Ambani** signed a joint communiqué with the State Government for a **Rs 60,000 crore project, the largest investment by any corporate group in the State**.

The investment, to be spread over a couple of years, would include building a **12,000 MW coal-based power plant, a health city that would boast world-class medical facilities, and an IT institute**. After meeting Chief Minister Naveen Patnaik, Ambani said “We are bringing in the largest investment in the power sector at one location in the country in Orissa. It will overtake the 4,300 MW plant in South Africa, which is currently the largest single location power plant in the world.”

Ambani’s ambitious power project apart, Orissa, with its abundant power grade coal reserve, received a number of investment proposals which held the promise of catapulting it as the power house of the country. During the year, the State Government signed **13 MoUs** with different companies **for setting up thermal power projects** which together envisaged production of 14,000 MW at an investment of **Rs 59,400 crore**.

Besides the core industries, Orissa emerged during 2006 as a destination for **IT companies**. Out of the **13 SEZ** proposals sanctioned in the State by the Board of Approval (BOA) of the union Ministry of Commerce and Industry, some were related to it.

These SEZ projects included 82 hectares at Infocity in Bhubaneswar in which IT majors like TCS, Wipro, Mind Tree and Hexaware were anchor tenants and co-developers.

Another SEZ of the Infrastructure Development Corporation of Orissa (IDCO) meant for BPO and ITES industries would come up on a large area in the Capital city where BPO major Genpact would establish a facility. Idco would also set up one more SEZ for IT and ITES industries on the outskirts of Bhubaneswar.

Styled as the knowledge park SEZ, this project was being structured to be developed as an integrated township spread over 2,000 acres. (...) (Source: <http://www.hindu.com/thehindu/holnus/001200612250325.htm>; accessed on 30.12.06)

**[From UEB:** People of Orissa, particularly the tribals, and dalits pitched steep resistance against the plunder and forced land-grabbing of their ancestral land. But on several occasions, these resistances of the people were suppressed brutally by the Orissa state. Here are some facts about the atrocities meted on the people of Orissa during last decade:

- Two women had been killed at the stampede following police firing on **August 7, 1997** at Sindhigram, Gopalpur where a steel plant of **Tata Steel** was to be set up. The project was resisted & abandoned then.
- On **May 29, 1999**, four dalits (traditional fishermen) were killed in Soren, Khurda district in police firing. The traditional fishermen were opposing **prawn** mafia in **Chilika Lake**.
- **December 16, 2000:** The Maikanch police firing in Kashipur took place killing three tribals who were opposing the establishment of **Utkal Alumina Ltds'** alumina plant and bauxite mines.
- On **December 1, 2004**, the Orissa Police viciously attacked and critically injured 16 adivasis (tribals). Many, disproportionately women, were arrested. The police targeted more than 300 adivasis and dalits who were protesting the creation of a

- police station and barrack for armed police at Karol village, in proximity to the proposed alumina plant site of **Utkal Alumina International Limited** at Doraguda
- Death of four persons in the Kalinga Nagar area of Jajpur district of Orissa in **December 2005**. The four persons, including two children have died as a result of police repression and combing against tribals who resisted the Bhumi Puja of the proposed steel plant of **Maharashtra Seamless Ltd.**

These are very few examples of the barbarism of the so-called 'industrialisation' & 'development' processes in Orissa. Even after the **Kalinganagar massacre on 2nd January 2006**, in which 16 tribals had been murdered by the Orissa police in presence of the **Tata Steel** officials, more events of repression occurred. Following excerpt is taken from the fact-finding report of PUCL on the Kalinganagar massacre.]

## **PUCL report on Kalinganagar**

Since the 1990s, with the advent of the New Economic Policy, one continuous refrain that sought to attract peoples' attention was that Orissa needs rapid 'industrialization' to mitigate its desperate poverty. The logic put forward at various 'development' debates sounded simple. Here, the people may die of famine, floods and pestilence; starvation death may become a byword for Orissa; but who doesn't know that Orissa is rich in mineral wealth? All one has to do is dig the mines, bring out the minerals, and the problems of Orissa would be almost solved. The government can hardly be expected to manage all that resources needed to start industrialization, as it's hardly able to meet its monthly wage bills. So, if the mines are leased out to private investment, and land with adequate infrastructure put on offer for industrial houses, prosperity will replace poverty in no time. Such was the intensity of this concerted campaign, particularly after the mineral resources were opened to private capital, both national and foreign, backed by the aggressive globalization-mantra, that in no time it caught the imagination of the middle class, reeling under the lack of employment opportunities.

'Industrialization' will open up employment opportunities to the educated unemployed, will generate mandays for the unskilled poor, the cash-strapped state will earn revenue through taxes, royalties, land-sales etc., and in the near future the poor land

of Orissa will overflow with milk and honey. This was the message being disseminated from assorted quarters — the corporate media, the government, the international aid agencies, the funded NGOs, the world-bank, the institutional intellectuals — and it appeared to have some takers.

The road map to this neo-liberal ‘industrialization’ is primarily geared towards “harnessing Orissa’s vast natural resources”. This state has almost 60% of India’s known bauxite reserve, 25% of coal, 98% of chromites, 28% of iron ore, 92% of nickel ore, 28% of manganese etc. — enough to make profiteering private companies salivate.

But there is a catch. To get going, to start digging the mines, setting up plants to process the ores, building residential townships, roads, ports etc., at every stage you require land. And bona fide citizens of India, though poor and deprived, and mostly scheduled tribe people, inhabit most of these lands. **To acquire their land, these people need to be displaced, by hook or crook.** Over the years these people have come to view the ‘development’ plans of the govt. with suspicion; they feel they’re being given the short shrift. **Suspicion leads to resentment, and resentment leads to resistance. And whenever there is resistance, the govt. comes down on its own citizens with a heavy hand. Greater the resistance, greater tended to be the repression of the govt. The police firing at Maikanch that led to the loss of three tribal lives in December 2000** is still fresh in the public memory. **Earlier in 1997, there was a police firing at Sindhigaon, Gopalpur** where people protested against the proposed steel plant by the Tatas, a Steel Major. The incident at Kalinganagar, in that way, can be seen as the latest in a series of ongoing conflict between the two sides: between the one favoring ‘industrialization’, led by the government, and those opposed to it. (...)

### **Development of industrial complex at Kalinganagar**

The idea of the Kalinganagar industrial complex was conceived in the early 90s with the advent of liberalisation and economic reforms. It is in the last couple of years the government of Orissa has signed more than 40 MoUs with various private companies to set up steel plants in the State. And it is in the last couple of years that Kalinganagar has been seen as the steel hub of Orissa. The Industrial Infrastructure Development

Corporation of Orissa (IDCO) was entrusted with the task of developing infrastructure facilities for the proposed industrial complex in Kalinganagar so that the investors could be attracted to set up industries in the area.

As a first step, IDCO started acquiring land in the year 1992-94. Although IDCO had acquired the land in the early 90s, only a portion of it had been actually transferred to different industries and the remaining land is still in actual possession of people, who have been cultivating it as before. The reason for this is that, although the government of Orissa had signed MoUs with many industrial houses only a few actually came forward to set up their industries. Plausibly, this lack of interest on the part of investors was due to the slump in the international steel market. And now that the prospect for the steel market is favorable again, investors are hurrying up their activities. **Tatas are one of the investors who had signed the MoU in 2004 to set up a 6 MMTPA steel plant in Kalinganagar, in two phases, with an investment of Rs.154000 million.** As per the latest report, there are **12 industries** at different stages of construction/operation in Kalinganagar. Of these, two plants (**Nilachal Ispat Nigam Ltd. and MESCO**) have started production and another two (**Jindal and VISA**) are at trial production stage. The other companies who have plans to set up their plants in Kalinga Nagar Industrial Complex include **Tatas, Maharashtra Seamless, Uttam Galva, Orion, Mithal, Rohit, Dinabandhu and others.** The total capacity of all these plants is estimated to be 12 million metric tons per annum.

### **Land acquisition and compensation**

The acquisition of land by IDCO for Kalinganagar Industrial complex began in early 90s in different phases. Till now about **13000 acres of land** have been acquired by IDCO. Of these, **6900 acres are private land** and the remaining area is said to be 'government land'. **However, in reality, people are cultivating most of these 'government land', for generations, over which they do not have patta.** The land survey and settlement in the area was not done since 1928. (...)

The IDCO has purchased land from people at the rate of Rs.15000/- to Rs.30000/- per acre in the initial phase of acquisition. Over the years, as a 'measure of benevolence',

an ex-gratia amount of Rs.25000/- per acre has been awarded, in different phases, probably in response to people's demand for increased compensation from time to time.

**The compensation for land was given to only those who had patta on the land.** This left a huge section of people uncompensated, as they had no patta over the land they possessed. Another section of people, who cultivated land as sharecroppers, didn't receive any compensation. After acquiring land from people, IDCO has been selling the land to different industries **at a much higher price.** As per the available reports, IDCO has sold land to the Tatas at the rate of **Rs. 3.5 lakhs per acre.** (...)

According to media reports, taking advantage of non-settlement of land, many influential people have grabbed land, by hook or crook, after the area was marked for the industrial complex. According to one report, one ex-Chief Secretary of the State, had grabbed 160 acres of land in the area, through his influence.

The Land Acquisition Act of 1894 (Amendment 1984) does not give the owner of land (seller) the right to say 'no' as the land is acquired for 'public interest'. The owner can only contest about the price fixed by the buyer (the government) and take the matter to the court of law and has to accept whatever the court of law (again, the same government) decides about the price of land. Whereas, when dealing with a private buyer one has the option to negotiate the price and say 'no' if the price doesn't suit him/her. The irony is the land acquired by the government, under the LA Act, for 'public purpose' is actually meant for private companies.

During 1995-96, the government of Orissa had acquired land from people, forcibly, for the Tatas to set up a steel plant in Gopalpur. The steel plant hasn't come up yet and apparently the Tatas have decided not to set up the plant. However, the land acquired for this 'public purpose' remains in the possession of the Tatas. [Incidentally, this land acquired by Tata is approved to be transformed into a SEZ — *Update*]

According to official data, 814 families have been displaced, so far, in Kalinganagar. The number of families, likely to be displaced/ affected in the near future is said to be about 5000. Of the 814 displaced families, 639 families have been displaced by NINL. Of these, only 182 families have been directly employed in NINL.

As per the rehabilitation guidelines of the government for Kalinganagar, the company would provide monetary compensation if it fails to provide jobs to at least one member of the displaced families. A notice issued by the ADM Kalinganagar (dated 5.12.05) shows that the remaining 457 families, not provided with jobs, are yet to receive monetary compensation in lieu of jobs. It needs to be noted that these families were displaced in 1997. Many of these families have already migrated to other districts in search of a livelihood. It is doubtful, whether the government has kept a track of these families.

The following **table** shows the status of homestead land and employment provided by different companies in Kalinganagar so far.

According to the government's own guidelines, "each displaced family will be given 1/10th acre of land for homestead purpose, free of cost, with developed infrastructure in the rehabilitation colony. Roads, community centres, dispensary and other facilities of a model colony have to be provided as a part of infrastructure development". But the conditions in the rehabilitation colonies are far from the government's promised 'model colony'. (...)

### **Run up to the main event, 2 January 2006:**

#### **The early years**

By all account, initially the local people welcomed the idea of the industrial complex, believing that the new industries would usher in development of the area, give employment to the local populace, and improve their standard of living. So when land acquisition took place between 1992 and 1994, undertaken by IDCO, people accepted the compensation at the extant rate without a murmur. They believed the verbal assurance given by govt. officials that jobs would be provided to them when the industries would start. They continued cultivating the acquired land as before, till around 1997 when the first batch was displaced.

When the land was physically acquired in 1997, to be handed over to the companies, provision was made to shift the displaced people at two resettlement colonies: Trijanga and Gobarghati colonies. Homestead land of 10 decimal (1/10 acre) per family was allotted to each displaced family. People displaced due to the Mesco and Jindal plants



were to shift to Trijanga, and those displaced by NINL were to be shifted to Gobarghati. **Trouble started when, at the time of being shifted to the Gobarghati Colony, the displaced demanded jobs before they would leave their hearth.**

**When nothing of the sort was forthcoming, the villagers sat on dharna, refusing to leave.** Matter took a cruel and ugly turn when, late in the evening, **police was used to forcefully evict the people.** Reportedly, bulldozers were used and 60 people were arrested. The trust of the people in general was shaken. (...)

In 2004 an organisation to protect the interest of the people affected by the industrial complex was formed; it called itself Sukinda Upatyaka Adivasi-Harijan Ekata O Surakshya Parishad, which was later renamed, and remains such till date, as ***Visthapan Birodhi Jan Mancha, Sukinda.*** In October 2004 they had issued an open letter to the Chief Minister, expressing their concern and grievances about the hardships faced by them due to the emerging complex, and spelt out several demands; five demands meant for the people to be displaced, and six demands concerning the people already displaced. **The salient features of the demands included i) stop further construction in agricultural land; ii) giving patta to the people settled before 1980 iii) land acquired, but unused, be returned to the original owners; iv) stop deliberate targeting of tribal/dalit villages for land acquisition; v) the homestead land to be raised to one acre per displaced family; vi) the parishad to have a say in rehabilitation matters; vii) one job per displaced family, etc.**

**During 2005, the Visthapan Virodhi Jana Mancha (VVJM) resisted all kinds of activities — like land-survey, bhumipuja, leveling, boundary wall construction etc. — relating to setting up of industries in the Kalinganagar Complex.** They organized protest meetings and sit-in demonstrations in front of construction sites. People told us that in April 2005 government had issued notice to do a family survey. But the Manch decided not to cooperate with the government to do this survey as their demand for patta of their land was not met. (...)

Among all these the incident of 9th May 2005 assumes greater significance, in terms of signifying a culmination of simmering discontent against the administration and the companies under their protection. On 9th May, hearing that the bhumipooja for

Maharashtra Seamless was going to be performed; people had assembled at the site to protest and obstruct the proceedings. (...)

Seeing the people's rage the police retreated from the scene that afternoon, to return later with more reinforcements. They entered the villages and went on a rampage. Fearing retaliation, most of the men folk had fled the villages and taken shelter in the surrounding hillocks. Therefore, the brunt of the police fell on the women folk and children. They were roughed up and at least 25 women were arrested. Hearing of the police terror, people from nearby villages also fled their villages and took shelter in the nearby forest. It is alleged that the privations caused the **death of two children**. Also, an old man, who was severely beaten up by the police, died later.

After the 9th May incident, the process of mutual distrust was completed. The tribals, led by the Jana Mancha, felt betrayed by the govt. and perceived the administration as friend of the companies and enemies of the tribal people; (...).

Notice was served to the people for Public Hearing on Tata Steel plant to be held at Jajpur Road on 27th July 2005. On the other hand, on 23rd July 2005, Tatas came to perform their bhoomipooja in the presence of District Collector and the SP. About 3000 people protested and held demonstrations at the site. (...) Again on 7th October 2005 Tatas came, accompanied by police and district administration, for bhoomipooja and people protested. (...)

On 17th November people stopped the construction work begun by the Maharashtra Seamless steel. Since then no further construction work took place till the date of firing [on 2nd January, 2006 — **Update**]. The movement was gaining in momentum, and the mood of the people upbeat. (...) (Source: <http://www.pucl.org/Topics/Dalit-tribal/2006/kalinganagar.htm>; accessed on 15.07.06)

**Table 2: Scale of displacement in Orissa between 1951-95**

| Projects   | People displaced<br>(1) | People rehabilitated<br>(2) | per cent<br>(2) of (1) | People who have not<br>been rehabilitated<br>(3) | per cent<br>(3) of (1) |
|------------|-------------------------|-----------------------------|------------------------|--|------------------------|
| Irrigation | 325,000                 | 90,000                      | 27.69                  | 235,000  | 72.31                  |
| Factories  | 71,794                  | 27,300                      | 38.03                  | 44,494   | 61.97                  |
| Mines      | 100,000                 | 60,000                      | 60                     | 40,000   | 40                     |
| Others     | 50,000                  | 15,540                      | 31.08                  | 34,460   | 68.92                  |
| Total      | 546,794                 | 192,840                     | 35.27                  | 353,954  | 64.73                  |

(Source: *Development Induced Displacement and Rehabilitation in Orissa 1951 to 1995* by Dr. Walter Fernandes and Md. Asif; retrieved from <http://www.pucl.org/Topics/Dalit-tribal/2006/kalinganagar.htm>)

**Table 3: Provision of homestead land and jobs for the displaced families (Kalinganagar)**

| Industry        | Displaced so far | Provided 10 decimal land<br>(not availed homestead land) | Provided with<br>Rs 50,000 | Direct<br>employment |
|-----------------|------------------|--|----------------------------|----------------------|
| NINL            | 639              | 131  | 508                        | 182                  |
| MESCO           | 53               | 53   | —                          | 47                   |
| Jindal          | 60               | 51   | 8                          | Nil                  |
| Rohit           | 12               | Nil  | 12                         | Nil                  |
| Common Corridor | 28               | Nil  | 28                         | Nil                  |

(Source: ADM office, Kalinganagar; retrieved from <http://www.pucl.org/Topics/Dalit-tribal/2006/kalinganagar.htm>)

**Table 4: List of Plants and Land Allotted in Kalinganagar**

| Industry            | Land allotted<br>(acres) |
|---------------------|--------------------------|
| Mideast (MESCO)     | 530                      |
| Orion               | 150                      |
| Maithan Ispat       | 100                      |
| NINL                | 2500                     |
| Maharastra Seamless | 500                      |
| TISCO               | 2400                     |
| Rohit Ferrotech     | 50                       |
| Jindal              | 678                      |
| VISA Industries     | 390                      |
| Dinbandhu           | 100                      |
| K.J. Ispat          | 50                       |

[Source: ADM office, Kalinganagar]

[**From UEB:** It is noted earlier that after the liberalisation processes began in the 1990s, a comprehensive number of mining magnets — both foreign and domestic — came to Orissa to extract and plunder. **Vedanta-Sterlite-Balco**, a consortium of British and Indian mining behemoths — who was granted the lease of Niyamgiri hills for bauxite (aluminium) mining — bulldozed two villages in 2004.]

## **Tribal Villages Bulldozed**

Within the last two weeks, starting on 23rd January [of 2004], four Adivasi villages have ceased to exist, forcibly evacuated and bulldozed, along with their surrounding fields, to make way for Sterlite's planned alumina refinery near Lanjigarh. This is the southeast corner of Kalahandi District. The villagers have been taken in lorries to a new "colony" of concrete boxes, 3 kms away, where they are being held under police guard — a kind of concentration camp. No journalists have yet gone to interview them, but we managed to visit and speak with them on 7th-8th February. We had just met a Sterlite official down the road, who spoke of how the project would spread "enlightenment" among the tribals, ending their poverty and giving them jobs. He described the project as "a baby that is still in its mother's womb, not yet born." But for the people in the colony, the baby has indeed been born, and it is a rakshasa-baby — a demon, that has already devoured everything they valued.

As we spoke with them in their new colony of gaily painted but soulless concrete shells, they gathered round us like silent ghosts of their former selves, with dignity, and total despair. They spoke very softly, turning their faces away to hide their tears, trying not to be overheard by the security guards who sidled close by. Even labouring jobs the company is giving mostly to outsiders. The people in the colony are either turned away, or get slave-like work for which they are paid late or not at all. They still have this winter's grain to eat, but know they are unlikely ever to grow their own food again. They've lost the homes they or their parents made, the fields and gardens where they worked every day, most of their animals (as there's no space or grazing for them here), and even — as one woman said — their gods. (...)

They face a double despair, despised by the company officials as well as their former neighbours who are furious with them for selling out. For these destroyed villages, Kinari, Borobhota, Sindhabahili and Kothduar, are among six that believed the company's promises and chose last year to accept compensation in cash — a decision they now bitterly regret: "we cannot eat money", and they know it won't last long. They never expected this total, sudden destruction of everything that was their life and identity. Another six villages that refused compensation last year are awaiting their fate. They

know that police could arrive to move them any moment, but say they will resist and die rather than be moved. Several village elders in Belamba, Kopaguda and Turiguda described to us how they stood up to the Collector when he visited last year, and respectfully but firmly refused his offers of compensation. Again — “we cannot eat money”. Most of these villagers are Maji Konds or Harijans, and money figures low in their system of values. They know they stand to lose everything that makes their life worthwhile, including their existence as a community. They say the Collector got angry and told them their villages would be destroyed whether they accepted compensation or not, and he would not visit them again.

**Lanjigarh is the key project of Sterlite, whose finances come from its twin company, Vedanta Resources.** (...) Both Sterlite and Vedanta are headed by a Non-Resident Indian (NRI), Anil Agarwal, and the Chairman of Sterlite is Brian Gilbertson, an Australian who is one of the world’s wealthiest mining magnates. Sterlite has the appearance of an Indian company, but is actually a multinational, notorious for sporting its profits out of India via Mauritius, big scale tax avoidance, and repeated share scams, as well as particularly atrocious pollution from its copper smelter at Tuticorn in south India, where regulations have been ignored. Now that it is linked to London through Vedanta, the process of taking its profits out of India is streamlined. (...)

Sterlite describe its Lanjigarh project as 50% for export. It is the frontrunner in a plan to vastly expand the mining of Orissa’s bauxite mountains — a plan which Adivasis regard as an assault on the fabric of their existence, and which has all the characteristics of colonial domination. (...)

*(Source: <http://www.minesandcommunities.org/Company/sterlite1.htm>; accessed 16.07.06)*

## **Kashipur: Silencing protests**

(...) In the picturesque Kashipur block of Rayagada district, 48 persons were arrested between December 2004 and June this year. As many as 23 persons, including 12 tribal people from Kucheipadar village, are in judicial custody, while the rest have been released on bail. Kucheipadar, a tribal village with a population of 1,500, has been the cradle of the

anti-alumina agitation in Kashipur, which has been going on for more than a decade. Interestingly, none of the 48 persons was arrested **for opposing** the alumina refinery project of **Utkal Alumina International Limited (UAIL), a joint venture of the Birla group and Alcan of Canada, but rather on criminal charges.**

Now an uneasy calm prevails in Kashipur. Fear of displacement and loss of livelihood has put the tribal people on the warpath against the government and the company authorities who seem to be working in tandem to set up the one-million-tonne-capacity refinery. The presence of a platoon of Orissa State Armed Police personnel inside the company's complex near the refinery site has only added to the fear. Utkal Alumina has allowed the police to use one of its buildings as a police post in order to provide "law and order support". Amid the deathly silence, the hum of machinery for grading the land at the site, where about 1,000 men work, and the sound of vehicles are the only signs of life.

**"The Naveen Patnaik government is out to ensure industrialisation at gunpoint,** ignoring the genuine concerns of the affected people," says Bhagwan Majhi, a resident of Kucheipadar and the convener of the Prakrutika Sampad Suraksha Parishad (PSSP), which has been opposing the project since land acquisition started in 1995. "We are very much against the alumina project because the refinery and mining of bauxite from the Baphlimali hills would adversely affect the livelihood of the tribal people and spoil the region's environment," said Majhi.

The people of Kucheipadar, who depend upon agriculture and non-timber forest produce, have been **virtually under house arrest since December last.** They complained that policemen on duty in the area harassed them whenever they went to the nearby villages or to the local market.

A total of 24 villages will be affected by the alumina project. People in three of the villages will be displaced and those in the others will lose their land. Although 2,155 acres (862 hectares) of land was required for the project, 154 acres, belonging to the people of Kucheipadar, has now been taken out of the project area in view of their protest.

But the administration is silent about the police high-handedness in Kashipur. Work on the project was stopped **in December 2000 after three persons were killed**

**there in police firing.** But both police action and work on the project resumed simultaneously in December last year. The police lathi-charged protesters when they opposed the setting up of the police post at the plant site **on December 1. The police action was repeated on December 16, May 10, June 15 and June 22.** (...) (*Source: Frontline, Nov. 5-18, 2005*)

[**From UEB:** Following excerpt narrates the displacement of tribals in Orissa in the name of development **since 1950s.**]

## **‘Development’ not for tribes**

(...) The danger of tribals’ extinction has had a traumatic past with the establishment of the Rourkela Steel Plant (RSP). The Steel Authority of India (SAIL) had acquired about 35,000 acres for RSP and another 12,000 acres for the Mandira dam. According to an Orissa Gazette notification, 33 villages over 25,03,524 acres had been acquired by the Orissa government in 1954 to set up the steel plant at Rourkela, and 31 villages spread over 11,92,398 acres for the construction of the Mandira dam in 1956-57. In both the projects, 36,95,912 acres had been acquired for the RSP and Mandira dam resulting in the uprooting of 4,251 families. SAIL and the Orissa government have failed to rehabilitate and resettle the evacuees of the last 50 years. The tribals feel totally deceived and disillusioned, both by the state and centre. Until this date they have been pressing their demands by taking recourse to hunger strike, rallies, demonstrations, memoranda and lobbying, but the authorities are indifferent. (...)

The **Ib River Dam project**, planned a long time back in Jharsuguda district, is **likely to displace 50 villages with between 80,000 and 1,00,000 tribals** from Subdega and Balisankra blocks where 85 to 90 per cent of the population is made up of tribals. The catchment area is fertile and well populated with dense forest cover. The state government has failed in giving proper compensation, rehabilitation and employment. The **Rukura dam** is another project in Bonei sub-division where four tribal villages, namely Musaposh, Bondha Bhuin, Koturidhuwa and Kantabahal, will be displaced. Government officials are issuing threats to secure evacuation.

In recent years, **more than 60 sponge iron factories** have mushroomed all over Sundargarh in about 12 blocks **affecting between 400 and 600 villages**. There is no regard for the environment in the community of industrialists and they do little to control pollution. They have been dumping their waste all over leading to serious consequences. Agricultural lands have lost their fertility. People have seen the polluted air and water being emitted from the plant of Raxon Strips in Kumarkela village of Gurundia Block. There is another sponge iron factory at Pandusila village under Sukurmuli Block in the neighbouring district of Mayurbhanj. The smoke, coal and iron dust spewed by the factories are causing extensive damage to the plant, animal and human lives. The water bodies around Pandusila area are also contaminated with toxic discharge of the factory. Over 12,000 villagers, mostly tribals, are suffering from various skin diseases, tuberculosis and other allergies. It is strongly believed that all polluting units are emitting ammonia fumes, strong enough to corrode tin sheets and burn paddy and green vegetables which have become a major threat to life. Thousands of affected people live in the villages of Ramabahar, Jampali, Jhagarpur, Bargain, Vedvyas, Balanda, Kuarmunda, Kalunga, Rajgangpur, Birkeria, Koiria, Tensa, Birmitrapur, Bijabahal, etc. in Sundargarh.

In a recent study by Jatindra Dash (2004), 42 steel plants were poised to come up in Orissa requiring 1,600 million tonnes of iron ore in the next 25 years. Multinational giants like BHP-Billiton, Vedanta Resources, Rio Tinto Mining, Alcan, Aditya Birla Group, Tata Group and Saudi Arabian companies had started queuing up to exploit the state's resources. The state had already leased 1,000 million tones of bauxite ore to different companies. There is a devastating impact of all these mining operations on the local inhabitants. (...) About 1.4 million people were displaced in Orissa between 1951 and 1995 due to dams, canals, mines and industries. (...)

Orissa seems to be a victim of the process of development as propagated by the World Bank, IMF and a powerful section of the Indian elite. (...)

*(Source: <http://www.minesandcommunities.org/Country/india17.htm>; accessed 16.07.06)*



**Box: In the name of ‘rehabilitation’ — story of Gobarghati Colony  
(Kalinganagar)**

The big entrance arch reading ‘WELCOME TO THE GOBARGHATI REHABILITATION COLONY’ put up at Mirigachara, gives the impression of a prosperous rehabilitation settlement. However, once you enter the colony, it presents a totally different picture. Baring three/four pucca houses, tiny thatch and mud huts strike one’s eyes. Till now, only 120 families out of total 639 families (displaced from the villages, Khandiapusi, Madhapur and Sarangpur for the NINL) are residing in the colony. Rest of the families (about 70 per cent of the total displaced) who have not come to settle in the colony have opted for Rs. 50,000 as cash compensation in lieu of 10 decimal homestead land at rehabilitation colony. A large section of the displaced families chose not to come to the resettled colony because of lack of livelihood in the vicinity. Even people who had received compensation money for their land couldn’t buy land as land price suddenly increased many times in the surrounding area, due to the prospects of industrialisation.

Of the people staying in the colony, only 25 families have got employment in NINL. The remaining families go to work in the stone crushers, earning Rs. 40-50 per day. For that they have to go daily 14 to 15 kilometers. There is no other work opportunity available in the nearby area. These displaced families, although living as daily wage earners, have not been considered as BPL families.

For 120 families 5 tube wells have been installed and two of them not working. Inside the colony, roads are also of murrum and get washed away in the rainy season. There is one primary school in the colony. The next higher school is at a distance of 5-6 kilometers. Electricity connection has been provided up to the colony but people are not in a position to afford connection. There is no Primary Health Centre in the colony. The nearest PHC is at about 20 Kilometers from the colony. The displaced families, although resettled since 1997, have not been provided with patta for their homestead land. Instead, an ‘Intimation Slip for Settlement of Land’ has been issued from the office of Tehsildar, Sukinda with the instruction that ‘transfer not possible without the prior permission of the Revenue Officer’.

As per the rehabilitation guidelines, the companies will provide house building assistance of Rs.50000, to each of the displaced family. However, the company will deposit this amount with the District Collector, which will be released to the family only after they vacate the house, move to a temporary shelter, and begin construction of the house. After seeing the progress of construction, the Collector will release the money in three installments — Rs.15000, Rs.15000 and Rs.20000. These conditionalities, obviously make it extremely difficult for a poor displaced family to avail of the housing assistance and resettle in a new area.

*(Source: <http://www.pucl.org/Topics/Dalit-tribal/2006/kalinganagar.htm>; accessed on 15.07.2006)*

[**From UEB:** The next excerpt examines the ‘industrialisation’ & ‘development’ projects of Orissa from an interesting angle.]

## **Mining ‘Development’ and MNCs**

(...) These decades have witnessed many struggles against mining companies, both in the private and public sector in different parts of the country. The **struggle against bauxite mining companies like Alcan of Canada, Hindalco and Sterlite in Kashipur-Lanjigada, Orissa**, in order to protect land and forests; **against Kudrumukh Iron mining company in Karnataka** for protection of the Tunga and Bhadra rivers, **against uranium mining in Jaduguda, Jharkhand** to protect life and livelihood against radiation; **against Uranium mining in Nalgonda in Andhra Pradesh**; against power privatisation in Madhya Pradesh, specifically against S Kumar’s presence in Narmada valley; and, against coal mining in Jharkhand for better rehabilitation are a few examples of the opposition of large-scale mining by MNCs. All these struggles open up debate about the nature of ‘development’ itself. (...)

The people of Kudrumukh and Jaduguda are against the mining project and are demanding its closure and the rehabilitation of affected people and workers there. The workers of the **Bhilai plant in Chhattisgarh** are demanding better treatment as are workers in the coal mines of Jharkhand. The Bhilai plant first gave jobs to **92,000 people and nearly 15,000 people were working in its mines**. But after mechanisation of the plant, the entire workforce in the plant was **reduced to 40,000** and even mining employed **only 8,000 people**. The Bhilai plant when constructed, **displaced nearly 32,000 people in the 1960s**. It is the same story in the case of the Rourkela Steel plant and its related mining activities in Orissa. Now the total workforce in the company is equal to the number of people it originally displaced.

Most people say that someone must pay the price for the nation’s development. As Turunji Jhodia of Kashipur said, “This is our land. You will not give your land in your ‘desh’ to me and I will not leave my land in my desh”. Jhodia is fighting against bauxite mining in Kashipur, Orissa. Why should she make a sacrifice for the sake of development and why should anyone expect her to do so? Women have always become more vulnerable

where mining has taken place. **Are there struggles really anti-development? Who is responsible for the suffering of the people and who has cornered all the benefits? Why should people who have always suffered leave their land today? Who benefits from these sacrifice?** Do people have no right to lead a decent life? All these questions and many more come to mind.

In the name of development **many public sector mining companies** started mining mineral resources found mostly in tribal areas of the country. **It displaced nearly 40 lakh people, mostly tribals.** Iron, coal, uranium, manganese and petroleum, etc, were extracted in large quantities for industrial growth without looking to the life and livelihood of local communities. Again the nationalisation of coal mining in 1973 brought some relief to affected communities because they thought it would save them from coal mafias. But corruption in the public sector and engagement of contract labour in the companies did nothing for the tribal communities there. (...)

A new phase emerged when the country started the liberalisation and privatisation process. Who has benefited from this process? Public sector mines have been sold or then most of them are in the list for disinvestment. (...) **The Chamber of Mines of the US, Canada, UK and Australia and mining MNCs like Rio Tinto Zinc (RTZ) (now Rio Tinto), however, have benefited from liberalisation, deregulation and privatisation. They have initiated changes in the mining codes of more than 70 countries** to provide ease of access to mineral resources, guarantees and tax breaks against loss, guaranteed rights to move from exploration to mining, freedom from interference and expropriation, reduced payments and share to government, and repatriation of capital and profits. Due to these reasons and the creation and of free markets worldwide in 1990, 33 per cent of the value of all western mining products is owned by 20 companies. By 1993, the top 10 companies alone controlled 28.6 per cent of production. The two largest companies, Anglo American and Rio Tinto, now control 18 per cent of the world's metallic resources between them.

The new initiative by industrialised countries to bail themselves out of economic and environment crises will **intensify the exploitation of developing countries under the concept of the 'borderless' economy.** Among industrial countries, per capita

resource consumption is generally highest in the US and Canada. US consumes 53 kg of aluminum per head in a year, while it has no bauxite mine. (...) Developed countries want to pass their environmental burden to the south block. They are worried because acid rain has damaged 31 million hectares of forest in Europe alone. Japan has reduced its domestic aluminium smelting capacity from 12 lakh tonnes to 1,40,000 tonnes and now imports 90 per cent of its aluminium. These are some of the reasons why developed countries are interested in mining rich natural resources in developing countries. (...)

Several MoUs have recently been signed to sell India's natural resources. The South African diamond MNC, DeBeers, has acquired rights to several large tracts of land, in Orissa (over 8,500 sq km), Andhra (679 sq km), and Chhattisgarh (9,000 sq km). ACC Rio Tinto has diamond and gold interests in Madhya Pradesh (7,650 km), and diamond mining rights in Chhattisgarh (6,000 sq km). Numerous other private Indian and foreign companies in copper, gold, nickel, bauxite, have acquired thousands of kilometres in Karnataka, Jharkhand, Andhra, and other states. Broken Hill Properties of Australia has acquired nickel, gold and cobalt interests in MP (2,293 sq km). These MNCs want a particular type of environment for their activities — repressive governments, ethnic conflict, weak rule of law, endemic corruption, poor labour and environmental standards and no restrictions in the name of human rights.

The welcoming of these MNCs into India should be seen as a process instead of an accident. The closure of public units and continuous indebtedness are a few examples of that process it. **World Bank** has acted as a midwife to the rapid expansion of mining exploration into tropical forests and other fragile ecosystems. Widespread indebtedness in India and its dependence on new and renewed loans has put the World Bank and IMF in strong positions to influence the country's policy. (...)

Besides these international agencies Department for International Development (DFID), UN and World Health Organisation (WHO) are new players who have started influencing the country's policy. The UN Development Programme (UNDP) and WHO are being used by MNCs to lobby for them as such collaboration will give MNCs a wider acceptability. UNDP, for instance, has attempted to initiate the 'Global Sustainable Development Facility with a stated aim of drawing marginal and subsistence producers

into the global market'. It received the backing of 16 MNCs each contributing US\$ 50,000. Now the same agency has influenced the mining policy of 70 countries including the Philippines to make them pro-transnationalisation. The role of the UNDP became clear when it favoured Monsanto and BT cotton for economy growth in their famous HRD report, 2001. The WHO recently teamed up with five leading international mining companies (Placer Dome, BHP, Pasminco, Rio Tinto, and WMC) to form the 'World Alliance for Community Health' the stated aim of which is to improve community health through the promotion, development and facilitation of projects led by the private sector. Canadian International Development Agency (CIDA) offers a range of services including aero-magnetic surveying, training of local experts in mining and funding dissemination and translation of neo-liberal codes. A premier research institute of Orissa NCDS reports that for every Rs 100 crore invested for 'development' purposes, the state is taking a loan of 412 crore. For every corporate development projects, how much the state has to invest in terms of infrastructure, power, water and administration at highly subsidised rates not being talked still about. DFID in Bhubaneswar, is directing the government to sanction leases for access to natural resources to different MNCs. (...) (*Source: by Debaranjan Sarangi, EPW, 24.04.2004*)

[**From UEB::** In the above article, the author also criticised the **role of NGOs** in "playing their roles in terms of favouring MNCs" and those are attempting to "make the world safe for capital as an engine for development,". It is a very important subject in connection of recent upsurges of people's revolts against the land-acquisitions. Still, it is a different subject which deserves proper and justified attention. We have a strong desire to focus on this subject in our later editions. In the next part, we are presenting the struggles of Orissa in 2005-06.]

## **Orissa: pot is boiling**

[**From UEB:** We have noted earlier that the protests against the co-called industrialisation, mining & development projects were gaining momentum since the protests launched by the Kalinganagar tribals. The Kalinganagar struggle was continued for six months as the tribals blocked highways paralysing traffic movements. In these months' huge demonstrations were organised in & around Kalinganagar pointing to the

fact that the people did not give up. **On 2nd January 2007**, at the first anniversary of the police brutality on behalf of the Tatas, **5000 people have marched** in Kalinganagar with new vigour. **Thus, the pot is still boiling.**

Just after the Kalinganagar killings in January 2006, the displaced people of Rourkela, mostly tribals (ousted during the setting up of Rourkela steel plant), blocked the railway station pointing to the outside world that since the fifties they were denied jobs, rehabilitation. Since then Orissa is simmering with protests against various projects uprooting lakhs of people.]

### **Rourkela:**

The tribals of Rourkela [were] on indefinite economic blockade. (...) The tribals were protesting under the banner of the Rourkela Local Displaced Association (RLDA) and Anchalik Surakhya Committee. (...) [N]o train had plied between Rourkela and Chakradharpur as the agitators armed with bows, arrows and axes held the economic blockade. (...) The tribals had squatted on rail tracks near the town, demanding return of surplus land acquired for the steel plant in 1954 and jobs for the families of the displaced. (...) The officials assured the tribal representatives that the verification process of unemployed oustees would be done within the next two months. Besides, the commissioner would apprise the government of the surplus land that the plant has.

The tribal leaders said they have been given a written assurance that a notification would be issued inviting applications from oustees who had not been provided with jobs. The applications would be verified and genuine applicants would be offered jobs, subject to “availability and suitability”. (Source: [www.newkerala.com/news.php?action=fullnews&id=84936](http://www.newkerala.com/news.php?action=fullnews&id=84936) and *The Telegraph*, 13.01.06)

### **POSCO (Jagatsingpur):**

South Korean steel giant Pohang Steel Company Ltd (POSCO) had already signed a MoU with the State Government 18 months ago for establishment of a **Rs 52,000 crore steel plant** near the port town of Paradip — till now the biggest FDI proposed in the country. (...) Posco had initially asked for 5,000 acre for its project, displacing 2,000 families. But to minimise local resistance, it brought down land requirement

to 4,000 acre, comprising 3,500 acre of government land and the rest private land. However, it failed to cool tempers and local resistance has continued. (...)

**February & March, 2006:** Hundreds of women, protesting the proposed Posco project, on Thursday locked the Revenue Inspector's (RI) office at Nuagaon Circle, demanding cancellation of MoUs signed between the State Government and the South Korean company for setting up a steel plant here. Sources said Rashtriya Yuba Sangthan and Nav Nirman Samiti have been staging dharanas and hunger strikes in front of Nuagaon RI office since December 15. (...)

Meanwhile, Panchayatiraj Minister Damodar Rout and Revenue Minister Manmohan Samal faced protests by thousands of women and were not allowed to conduct an awareness meeting on the plant at Gadakujanga on Wednesday. Sources said that both the Ministers had decided to conduct a public meeting on building awareness and rehabilitation of the affected people of Dthinkia, Naugaon and Gadakujanga area. Distribution of leaflets provoked thousands of villagers to stage a dharna. They also slept on the road to prevent the Ministers from entering the village. (...) The ministers in a bid to save their skin climbed on to the roof of their vehicles, appealing to people to make way for them, (...). *[Source: Newindpress.com, 24th February 2006 & Newkerala.com, 12th March 2006]*

**June, 2006:** Exactly a year after South Korea's POSCO signed a deal with the Orissa government to set up a steel plant in the state, hundreds of activists (...) staged a demonstration in front of the firm's office here, alleging it would displace a large number of people. The activists of the Rashtriya Yuba Sangathana and Nabanirman Samiti, two leading organisations spearheading an agitation against POSCO in the state shouted slogans like 'POSCO go back' and tried to forcefully enter company office at the Fortune Tower. (...) The agitators, mostly from the villages that would be affected by the project, alleged that the proposed plant would create a disaster for the state, displace more than **30,000 people and ruin betel farming** that provides livelihood to **at least 10,000 farmers in the region.** (...) Company officials, on the other hand, say the proposed plant would displace only about 400

families, and would also generate about 40,000 jobs. (...) (*Source: <http://www.dailyindia.com/show/36475.php/>*)

**October, 2006:** About 300 people, mostly women and children from Jagatsingpur marched early morning today to submit a memorandum to the Chief Minister (CM) demanding to put a stop to the POSCO project. (...) When the people reached the CM's residence the Police gheraoed them and a scuffle to drag them away ensued leaving four people critically injured including a senior citizen who has been on indefinite starvation for more than 20 days.

The police showed no consideration to the fact that people were on indefinite starvation and had barely managed to walk from PMG square to the CMs house at Palaspali. Women and children were dragged across the concrete roads and pushed into the vans. The police also asked the media to turn its face away so that they could get over with the people in a much faster and needless to say inhuman way. The police were also shouting profanities and every given opportunity digging their elbows as hard as they could into the ribs of the protestors. (...) Women were pushed and pulled around by male policemen who were brutally aggressive. The scenario was a mockery of democracy with women and children crying out in terror. It must be mentioned here that the Police was even trying to convince the protestors that they shouldn't agitate against POSCO. (*Source: <http://www.minesandcommunities.org/Action/press1259.htm>*)

**December, 2006:** Thousands of protesters including women and children in Orissa (...) organised a rally against South Korean steelmaker Posco, fearing displacement due to the firm's project here. (...) About **three thousand people** gathered at Balitutha, one of the six villages to be affected by the project in the coastal district of Jagatsingpur, some 110 km from the state capital of Bhubaneswar shouting slogans against the steel major. (...) Organised by the Posco Pratirodh Sangram Samittee (Posco Protest Agitation Committee), (...) say it will not only displace them but also ruin their betel leaf farming. (*Source: [www.indiaprwire.com/businessnews/20061209/9856.htm](http://www.indiaprwire.com/businessnews/20061209/9856.htm)*)



## **Vedanta (December 2005):**

Hundreds of tribals from **Rayagada and Kalahandi districts** today staged a demonstration in front of the Assembly urging the state government to shelve the proposed alumina plant and bauxite mining project in Lanjigarh area in compliance with the recommendation of the Central Empowered Committee of the Supreme Court. They threatened to continue their movement in exchange of their lives till this “anti-people” and “anti-environment” project was withdrawn. (...)

Dressed in their traditional attire and armed with traditional weapons tribals from the affected areas took out a rally and staged a demonstration in front of the Assembly. The demonstrators were shouting slogans and singing songs in Kui language accompanied by traditional musical instruments.

Leaders of the Niyamgiri Suraksha Abhiyan, which is spearheading the anti-alumina plant agitation, said that the proposed project would not only displace thousands of local tribals, depriving them of their livelihood, it would also destroy the fragile eco system of the Niyamgiri hills. The Vanshadhara and the Nagabali rivers emerging from the hills would dry up, leading to drying up of the command area. Rich flora and fauna on the hills would vanish. The primitive Dongria Kondh living in the Niyamgiri hills would be greatly affected, they alleged. The state government has shown undue favours by allowing the Vedanta company to set up an alumina plant and leasing out the bauxite mines in violation of forest laws despite protest from local Dongria Kondhs, they alleged adding that the company and the state government had initiated repressive measures on the agitating tribals. Despite the Central Empowered Committee’s recommendation to stop the project, the state government was forcibly carrying on land acquisition and conniving with the company in its illegal activities, charged the tribals. (*Source: Statesman News Service, 5th December 2005*)

### **Arcelor-Mittal, Sambalpur (October 2006):**

Thousands of villagers protested against the proposed Mittal Steel plant in Chiplima area in a public meeting organised at Bhalumundia village under Basantpur gram panchayat on Tuesday.

Villagers of Kalamati, Basantpur and Kardola participated in the protests, the villagers submitted a memorandum to local MLA and Commerce and Transport Minister Jayanarayan Mishra, who was present at the meeting. Sources said the company had selected three places including Chiplima in the State to set up a steel plant in **10,000 acres** of land. Mittal Steel was keen on setting up the plant in the area as about 6,000 acres of land had been acquired by the State Government for Hirakud Stage-2 Project. *(Source: Pioneer News Service, 20th October 2006)*

### **Bhusan Steel, Dhenkanal (May 2006):**

The industrial rush-related violence rocked the state yet again following **yesterday's bomb attack and firing on agitating villagers by persons engaged by a private steel company** at a village in the district leading to the arrest of eight persons, including a vice-president of **Bhusan Steel and Strips Ltd**, today. Tall claims of “no forceful eviction”, “the best rehabilitation and resettlement policy” and “rehabilitation preceding industrial work” in the aftermath of the ghastly Kalinga Nagar police firing on 2 January in which 13 tribal protesters were gunned down, stood mocked by the violence here yesterday. (...)

The charge was that security personnel of the company, which was constructing a boundary wall despite protests from villagers and a request from the administration not to start work till both sides discussed at a meeting scheduled for tomorrow, along with some people allegedly engaged by United Construction Ltd, were involved in the attack yesterday. The company is said to be linked to Orissa Stevedores Ltd, Villagers have been opposing the construction of the boundary wall on the premise that it will cut off their approach to the national highway. They wanted the company to lay a connecting road around the proposed wall first and then go ahead with the work. The tussle has been on for a long time and the administration had requested

the company to withhold the work till the meeting was held. But for some strange reason, the company went ahead with its work yesterday provoking the villagers. A clash ensued and the **people engaged by the company were well prepared with bombs and firearms. Ten villagers sustained injuries when bombs were hurled at them.** (...)

Talking to reporters, the president of Sashitanu Nagar Unyan Mahsangha (a forum for seven villages affected by the proposed plant), Mr Raghunath Patra and other advisors alleged that Bhusan authorities had undermined the district administration as well as the Rehabilitation Advisory Committee. The company failed to keep its promise of periphery development work in terms of constructing a road, water sources, jobs and other benefits, he alleged. Even village cremation ground and grazing areas have been acquired by the company, they said. (...) *(Source: Statesman News Service, 21st May 2006)*

### **Hindalco (Koraput):**

**Thousands** of tribal men and women staged an armed demonstration at Semiliguda in Koraput district protesting against the permission given to **Hindalco** for starting mining activity in the bauxite rich region of Maliparvat, (...). Men and women from the affected villages submitted a memorandum to the block development officer demanding the scrapping of the resolution of the palli sabha which allowed the company to begin its mining activities. They termed it as meaningless as, according to them, there was no involvement of the local people in the palli sabha. They also demanded a stay on the resolution of the zilla parishad, which had approved to allow the company to lift the soil from the mountain. People asked the administration to withdraw any leasing order in favour of the company in connection with Maliparvat. People for the first time came out on the roads with sickles and swords in their hands indicating the seriousness of the movement. The demonstration was brought out by Maliparvat Surakhya Samiti (...). *(Source: Statesman News Service, 23rd May 2006)*

## **Mahanadi Coalfields (Jharsaguda):**

Coal production and transportation were paralysed as hundreds of land oustees on Tuesday resorted to **economic blockade** at several places in Jharsuguda district demanding job to the land oustees of the **Mahanadi Coalfields Limited (MCL)**. Residents of 16 villages, including Chharla, Khairkuni, Ubuda, Tingismal and Usraloi, who lost their land for coal production by MCL, sat on dharna braving scorching heat, in five places in Lakhanpur and Ib valley mines area to stop coal transportation.

MCL sources admitted that transportation and production of coal in the Lakhanpur and Ib mines had been paralysed. In Lakhanpur alone production of nearly 42,000 mt of coal was affected. Jharsuguda police said the agitators have blocked railway sidings at Ubuda, Lajkura and Jorabaga. MCL authority said if the blockade continued for another four/five days the power houses of the country, including Odisha Power Generation Corporation (OPGC) at Banharpalli, would suffer major setback in generating thermal power. Land oustee leader Narayan Mohapatra alleged that they were forced to resort to agitational path as the MCL had been adopting a dilly-dallying stance in providing jobs to the oustees. He said they would continue the economic blockade till the demands are fulfilled. Job in MCL, irrespective of land-oustees category, was their first demand besides, proper rehabilitation of the land oustees and development of new colonies and periphery areas. MCL sources said they had provided employment to 25 land oustees after a meeting in January but only two have joined so far. Those employed in the MCL are also not willing to leave the land acquired by MCL. Five platoons of police forces have been deployed and intensive patrolling, headed by senior police officers of the district, was initiated to prevent any law and order problem, Jharsuguda SP S Bala said. *(Source: Sambad, 24th May 2006; retrieved from <http://www.minesandcommunities.org/Action/press1081.htm> on 16.07.06)*

## Jharkhand, Chhattisgarh & other states: caricature of 'development'

"After a marathon effort by the state government, Tata agreed to set up a plant in impoverished but mineral rich Bastar..." said Raman Singh, the CM of Chhattisgarh.

(26.05.2005)

([www.minesandcommunities.org](http://www.minesandcommunities.org))

Mining is the largest cause for land alienation in Jharkhand. Between 1951 to 1991, over 34 per cent of land acquired for development projects was for mining. This displaced about seven per cent of Jharkhand's population, of this nearly half were tribals. Many were never rehabilitated or left to the mercies of the steel and mining companies.

(*Down to Earth, retrieved from Central Chronicle, 18.01.06*)

[**From UEB:** In the three states of Jharkhand, Chhattisgarh and Orissa, since the 1950s, in name of development projects lakhs of people were uprooted. It was a long history of displacement, losing livelihoods and torture meted on these people, mostly tribals. According to the National Advisory Council (NAC) formed by the UPA government, "the **number of tribals displaced** by development projects over the **last 50 years exceeds 9 million, with only 60% of that figure having benefited from any sort of rehabilitation**" ([www.ipsnews.net/news.asp?idnews=29834](http://www.ipsnews.net/news.asp?idnews=29834)). The same source also recorded that: "although indigenous populations or **tribals** comprise just over **eight percent** of India's population of a billion people, **40 percent of all 'project displaced persons' are estimated to be tribals**". The saga of Orissa is discussed earlier. In **Jharkhand alone**, "over the years, **20 percent** population of the state have been **displaced** for setting up of industries like Tata Steel, Bokaro Steel plant and Heavy Engineering Corporation (HEC)" ([www.minesandcommunities.org/Action/press811.htm](http://www.minesandcommunities.org/Action/press811.htm)). In fact, statistics cannot narrate the full story of the miseries & plight of these uprooted people of Jharkhand, Chhattisgarh & Orissa caused by the so-called 'industrialisation' & 'development' processes.

In **Jharkhand**, **45 MoUs** have been signed in last two years of investment proposals worth **Rs. 1 lakh 70 thousand crores**. The biggies like Tata, Jindal, Mittal, etc have jumped into the fray. In **Chhattisgarh** also **more than 40 MoUs** have been inked of more than **Rs. 1.5 lakh crore** investment. Interestingly, an overwhelming portion of these investments have been **rushing into the iron & steel sector alone**. “**Orissa** signed **43 MoUs** to take its steel production capacity to 58.04 metric ton (MT), **Chhattisgarh** inked **42 MoUs** to enhance its steel capacity to 19.32 MT and **Jharkhand** endorsed **31 MoUs** to increase its steel production to 68.67 MT” ([www.hindu.com/thehindu/holnus/006200612270311.htm](http://www.hindu.com/thehindu/holnus/006200612270311.htm)).

The liberalisation policies taken during the tenures of different governments at the centre and also in the states opened the floodgate for these investments into the iron and steel sector and these opening up is actually a story of loot and plunder of the national resources as an overwhelming majority of the iron ore & steel products are slated to be exported. Though in recent times domestic market for steel consumption is increased considerably, but it looks like a short-term phenomenon as happened earlier. In fact, the industrialisation processes in India are so much slow and skewed — particularly in the case of heavy industries — recent rise in domestic demand for iron and steel ought to be a short-term jerk. A capitalist-friendly journal *Business World* writes in 2005 being surprised at the sudden spurt of iron & steel MoUs: “**Less than a third** of the iron ore produced in 2004-05 were **used domestically**. **More than half** of it was **exported** and the rest was left as surplus, lying about in stockyards. In fact, over the past five years, surpluses have steadily grown. Last year, they accounted for more than 13 per cent of production” ([www.businessworldindia.com/issue1/indepth01.asp](http://www.businessworldindia.com/issue1/indepth01.asp); accessed on 04.11.05). In reality, the recent spurt of demands in China & some other developed countries require large amount of **cheap** raw iron & steel products which is “readily available” in these states. Hence, the MNCs like POSCO, Mittal, BHP Billiton, Sterlite, etc. and domestic majors like Tata, Jindal jumped into the opportunities opened. It’s a gigantic loot of national resources. Even the Minister of State for Commerce and Industry Jairam Ramesh said ‘gladly’ in Rajya Sabha:

“The existing iron ore export policy regulates and promotes judicious use of iron ore for domestic purpose and export of surplus quantity. Production of iron ore is in excess

of current domestic demand” (...). In 2005-06, India **produced 155 million tons** of iron ore. **Exports were 89 million tons** and another **58 million tons were domestically consumed**, leaving a **surplus of 8 million tons**. “We cannot consume entire domestic production,” he said adding exports will not happen at the expense of domestic industry. “Domestic manufacturers of steel will not be starved. Indian steel industry will have full access to domestic iron ore,” he said. Of exports, 74 million tons are to China and only 7 per cent is on long term contract. (*Financial Express, 06.12.06*)

Interestingly, the Central government as well as all of the state governments of Orissa, Jharkhand & Chhattisgarh repeatedly argued that such large amount of extraction and export of iron and steel cannot jeopardise the iron ore reserves. Ironically at the same date the central minister sounded high in Rajya Sabha, a study by the National Council for Applied Economic Research (NCAER) reports:

“[R]eserves of high and medium grade iron ore in the country would last for a **mere 19 years even if exports are capped at the present level**. This would mean that country would turn from an ore-surplus state to a deficit position sooner than expected. (*Economic Times, 06.12.06*)

In fact, these examples are another face of recent catchword of ‘industrialisation’ & ‘development’ which is in fact plunder of the natural resources for the benefit of big MNCs and big domestic corporate houses.

Who will pay for these mindless loot? It is the people of India in general and the people of these states in particular who fear to lose their livelihoods for ever. But this march of fake ‘industrialisation’ & ‘development’ on behalf of the big capitalists and the MNCs cannot proceed unprotested and unresisted. People of several states are fuming. We are presenting some of their agitations and grievances let out more pronouncely in recent times. Note also **Table 5** which depicts the massive amount of displacement of people only in Jharkhand.]

## **Bokaro in Gurgaon rerun**

Life came to a virtual standstill here today when all entry and exit points to Bokaro were blocked by people agitating against the brutal violence unleashed by the police yesterday on displaced people demanding jobs in the steel plant. Normalcy was restored only late in the evening. Five kms from the district headquarters at Shivandi, several hundred people put up a roadblock that lasted till 8 pm. The violent mob also attacked police vehicles and broke windscreens while shutting down movement towards Hazaribagh, Ramgarh and Ranchi. Another blockade on the Purulia Road brought traffic to Jamshedpur to a standstill. Yet another mob shut down the Chas-Garga bridge so as to prevent any movement from the coalfield. Arterial roads at Chandankiari and Topkadih were also blocked to cut off vehicular movement even within the district.

**Leaderless mobs** displayed amazing coordination to keep Bokaro isolated from the rest of the state throughout the day. The police chose to exercise restraint after yesterday's indiscretions, allowing the mob to control the roads. Vocal leader of the Jharkhand Berozgar Vikas Manch Phoolchand Mahto and 10 of his equally vocal colleagues had been arrested by the police. (...)

The negotiation, which began at 1 pm, was marked by frayed tempers and on several occasions the members of the manch threatened to walk out. It ended at 5 pm after the police decided to withdraw all non-bailable sections slapped against the leaders and release them. It was also agreed that the manch would wait for the new managing director of Bokaro Steel to take over and negotiate directly with him.

In the Bokaro General Hospital as many as 13 victims of yesterday's police violence continued to receive medical attention. Umesh Napit (49) was a five-year-old boy when his family's 15-acre plot of agricultural land was acquired. Lying in the casualty wing, after sustaining serious head injuries, Napit claimed that none of his four brothers and he himself had been given jobs as promised.

(...) BSL corporate communication chief B.K. Thakur claimed there are less than a thousand claimants left for jobs in the steel plant. The issue, he said, was before the court following a petition by the claimants. The Bokaro district administration has a different



story to tell. This week's backlash, they claimed, was related to the steel plant giving selective employment to 24 of the displaced during the last few months, raising hopes among others. Officials also claimed that at least 10 rounds of negotiations had been held between BSL management and the displaced people's forum.

A division bench of the high court headed by the then Chief Justice P.K. Balasubramaniam, they claimed, had dismissed a petition of the displaced, saying the company had done enough already. The petitioners appealed in the Supreme Court, where the case is still pending. (...) [Source: The Telegraph, 24.01.06]

**Table 5: Forcible displacement & land alienation in**

| <b>Name of Project</b>      | <b>Number of Villages</b> | <b>Number of Persons</b> | <b>Area (acres)</b>   |
|-----------------------------|---------------------------|--------------------------|---|
| Netarhat Field Firing Range | 245                       | 2.35 Lakh                | 6,25,000  |
| Koel Karo Dam               | 250                       | 2.5 Lakh, 90% Tribals    | 66,000  |
| Sankh Dam                   | 208                       | 46,694 (35,187 Tribal)   | 19,000  |
| Wild animal Sanctuary       | 79 Mouja                  | na                       | 45,790  |
| Chandil Dam                 | 120                       | 6773                     | 43,500  |
| Icha Dam (Singbhum)         | 5600 families             | 28000                    | 21,000 acres land in Bihar,<br>10,500 acres in Orissa, including<br>10,000 acres forest land. |
| Mayurboli Dam (Bihar)       |                           |                          |   |
| Maijhan Dam (Bihar-Bengal)  |                           |                          |   |
| Hirkun Dam (Orissa)         |                           |                          |   |
| Mandira Dam (Orissa)        | 18936 Families            | 94,680                   | 37,645  |
| <b>COAL COMPANIES</b>       |                           |                          |   |
| CCL                         | 32,751 Families           | 163,755                  | 1,20,300  |
| ECL                         | na                        | na                       | 80,000  |
| <b>Past Projects</b>        |                           |                          |   |
| TISCO                       | 7000 Families             | 35,000                   | 3,564 in Jamshedpur,<br>34,432 in Adityapur   |
| HEC-Ranchi:                 | 12,990 Families           | 64,950                   | 9,200   |
| Bokaro Steel Plant          | 12,487 Families           | 62,435                   | 34,224  |
| Subernarekha Project        | 68,400 Families           | 3,42,000                 | 85,000  |
| Tenughat Thermal Power      | 76,300 Families           | 3,81,500                 | 97,843  |
| <b>Total</b>                |                           | <b>17,10,787 Persons</b> | <b>24,15,698 Acres</b>  |

(Source: [mmpindia.org/shanti.pdf](http://mmpindia.org/shanti.pdf), accessed 22.12.06)

## **Jharkhand tribal groups up in arms against projects**

Tribal outfits and political parties in mineral-rich Kolhan region of Jharkhand are up in arms against development projects, including industries, fearing they would result in large scale displacement of inhabitants and loss of their sources of livelihood. (...)

A massive demonstration was organised recently by various organisations, including Bhoomi Raksha Gramin Ekta Manch, Moolvasi Adhikar Morcha, Adivasi Adhikar Morcha and Jharkhand mines area coordinations committee [JMCC] in the district head-quarters in Kolhan region comprising of east and west Singhbhum and Saraikela-Kharswan to oppose the projects. District administrations have, however, been trying to convince the villagers that the development of the state was not possible without investments and projects.

(...) Xavier Dias, spokesperson of JMCC, (...) claimed approximately **47.445 acres** of land will be required for the projects in Kolhan Region, which was likely to affect about **10,000 families** and cause deforestation of 57.15 km land. (...)

Various organisations have announced their course of action against the development projects in the region. (...) Bhumi Raksha Gramin Ekta Manch alongwith AAM, Moolvasi Adhikar Manch have announced a 'janata curfew' in Kolhan belt in protest against the possible ground-breaking ceremonies to be performed by investors. (...) [The M]ovement will begin from Tentaposhi in Saraikela-Kharswan district where Tata Steel has proposed to set up a 12 million green field integrated steel plant at a cost of Rs 53,000 crore in phases. (...) (Source: <http://in.rediff.com/news/2005/nov/15jhar.htm>; 15.11.05; accessed 24.07.06)

## **Chhattisgarh: Tribals' renaissance**

(...) A big industrial house's [Tatas] plan to establish a Rs 10,000 crores steel plant at Lohariguda in Bastar is also facing tough resistance from the tribals. The industrial house proposes to acquire land in ten villages which would uproot **at least 250 families**. They have been assured a house site of 3000 sq feet each family, water and road connectivity and compensation between Rs 50,000 to Rs one lakh per acre as compensation. They

have been promised job to one person in a family by the industrial house. The industrial house has told the government they would invest two per cent of the profit on development of the area.

**The public sector National Mineral Development Corporation** had also planned to set up a steel plant at **Nagarnar**, 20 kms from Jagdalpur, the divisional headquarters. The foundation stone for the project was laid four years back and the land of the tribals were acquired by the corporation for the project. Tribals have been **dispossessed** of their cultivable land by the corporation which had promised “peripheral development” of Nagarnar. In the last four years, there is **no development, no schools or hospitals came**, breaching the promise made by the NMDC. Tribals of Nagarnar are also now opposed to the proposed steel plant.

Another private sector company (**Essar**) had entered into an MOU with the Chhattisgarh government for setting up a steel plant at **Bastar**. Tribals of the area have declared they would not give their land for the steel plant. One more private sector company had signed MOU for another steel plant four years back in Bastar. Due to resistance from the holders of the land, the group backed out.

The tribals are holding their “Jan Adalats” at different places including Belar, Nagarnar and Lohariguda and passing resolutions “we will not give our valuable land whatever may be the price”. The tribals feel betrayed by the non-implementation of the commitments made by the government and the industrial houses in the past. “We would not like to be cheated again”, declared Laikan Vaghel. The government had made a commitment to give Rs five lakhs per year to the nagar panchayat of Nagarnar, but not a single paise had reached us so far, he regretted. “We want to reclaim our land”. (...)  
*(Source: Central Chronicle, 12.01.06)*

### **Tata Steel (Jagdalpur, Chhattisgarh):**

(...) Tata Steel Limited has signed an MoU for investment of Rs. 10,000 crores for establishing a steel plant at Chitrakoot with the government of Chhattisgarh. This will **affect 10 villages** of the Lohsinghuda block, where **6500 acres** of land will be acquired for the project. **Almost 6500 families** are expected to be **displaced**

as a result. (...) The villagers have been protesting against the 5-million-tonne greenfield Project (...).

Although some regional leaders of the BJP are believed to have extended support to the villagers in their movement, they did not do so openly as it would have led to embarrassment for the government. As a result, the villagers continued their protest with little external help. With the Marxists deciding to join the battle, the issue looks set to take a new turn.

The CPM's stand seems to have taken the steel major by "surprise". A senior official [of Tata Steel — *Update*] who was recently in town said while the communists in Bengal were extending all support to the Tata small-car project, their counterparts in Chhattisgarh were following a "different" line. This is something hard to understand, he added. The CPM, on the other hand, sees no contradiction in its stand on industrialisation in the two states. Party state secretariat member Dharamraj Mahapatra told The Telegraph: "The situation in Bengal is totally different from the one in Chhattisgarh. In Bengal, Tata's project will be implemented with the consent of the people. But in Chhattisgarh, the villagers will not be taken into confidence." Mahapatra tried to allay fears, saying the party was not opposed to industrialisation. "All that we demand is proper rehabilitation for Bastar's tribals, who stand to lose their land," he added. (*Source: www.cgnet.in/Min/document.2006-02-25.4099241579 & The Telegraph, 04.06.06*)

[*From UEB:* Note the double standard played by CPI(M) in Jagdalpur. In the last two years numbers of protests & agitations launched by the people of Jharkhand, Chhattisgarh, **Karnataka** (particularly the protest against the acquiring of **21,000 acres** of land in Bangalore affecting not less than **2 lakh people** for the project of **Bangalore-Mysore Infrastructure Corridor Project** or BMICP), **Tamilnadu** (the struggle against the modernisation & extension of Chennai airport is noticeable), **Maharashtra** (**Thane peasants' struggle** opposing GAIL pipeline through their land), **Dadri, Uttar Pradesh** (state terror unleashed on the people protesting against a **Reliance** power plant), **Andhra Pradesh** (resistances built against bauxite mining &

aluminium project of **Jindal** in **Visakhapatnam** district; struggle against **uranium mining in Nalgonda** district; two protesters killed in police firing in **Gangavaram** village near **Visakhapatnam** as the fishermen resisting a new port), **Kerala** (struggle against acquiring of **500 acres** of land for a proposed technopark, etc.) and so on. We cannot give details of these struggle due to lack of space.]

## SEZs — great robbery in the name of ‘development’

The total area under formally approved and in-principle approved SEZs (403) would be around one lakh acres or around 350 sq km and 33 per cent more than the whole area of Greater Mumbai.

*(www.expressstates.in/full\_story.php?content\_id=78212)*

Most of those whose land will be acquired are Agris and Kolis, traditional farmers and fisherfolk. “We were ousted from Mumbai and Navi Mumbai. Where are we to go? Can you see us anywhere in this picture?” asked D.K. Patil, pointing to the glossy SEZ brochure cover with skyscrapers, an airplane and a golfer. “We won’t get jobs here. There’s an Agri saying: Mumbai tumchi, Bhaandi ghasa aamchi [Mumbai is yours, but you will wash our dishes].

That’s all they will make us do.”

*(Frontline, 17-30 June, 2006)*

[**From UEB:** The Indian ruling classes have discovered a new messiah in the form of **SEZs (Special Economic Zones)** that will make quick profits for them. According to a business website:

“An SEZ, or a Special Economic Zone, **is like a foreign territory within a country.** An SEZ is governed by a special set of rules to facilitate foreign direct investment for export-oriented production. SEZs are free trade zones and customs authorities do not supervise them. These zones are typically marked by minimum bureaucracy, best infrastructure, generous tax holidays, unlimited duty free imports of raw, intermediate and final goods as well as capital goods.”

*(www.rediff.com/money/2006/jun/22sez.htm)*

These types of zones, if materialised, will be goldmines for the business houses believe the Indian ruling classes. Forget the past records of the former **EPZs (Economic Processing Zones)** or **SEZs** in India which was nothing more than disastrous. In 2004, India accounted for just **0.8%** of the world export (ranked 31st). In 2005 the share is somewhat increased **by 0.1% to reach 0.9%**. Of these total exports, the former EPZs (those were transformed into SEZs in 2000) accounted for Rs. 18,309 crore in 2004-05 or just **5%** of India’s total exports *(www.businessworldindia.com/issue/indepth05.asp)*!

These EPZs attracted minuscule amount of FDI till date. With this ludicrous records of exports (& FDI) the Indian capitalists are now dreaming to rival the SEZ-famed countries like China, the Philippines, UAE, Indonesia or Poland! “In **China**, SEZs contribute around **23%** of the total exports and attract **20%** of the total FDI. In the **Philippines**, the economic zones contributed about **50%** to the country’s exports in 2000 and about **82%** of the investments in the zones were by foreign firms.” (*Financial Express, 19.04.06*) Overall there are **nearly 400 SEZs** in the world of which only a **fourth** are the real engines of exports and magnets of FDI. But India, which set up its first EPZ in Kandla in 1965 and since then it was able to develop only **14 EPZs**, are now want to accelerate to reach new milestones of **650 SEZs**. Still now, the Ministry of Commerce is being flooded with newer proposals. If all of them are granted, the number of SEZs may touch **1000!** Bravo! But who will invest in these zones? How these SEZs can compete existing giants like Shenzhen or Guangdong of China? Who will buy the Indian products? And, the last but not the most important question: **Who will benefit through these mammoth projects and at what costs?....**

In 2000, the BJP-led NDA government pioneered the SEZ concept. Under the UPA government in 2005 it was made an Act. Finally, on 10th February, the SEZ Act came into effect with a notification. A section of the neo-liberal economists and *pundits* of India are quite upbeat about this gigantic venture of the ruling classes. They are salivating about the prospect of businesses. **The main factor behind their jubilation is in fact the lucrative amount of tax bonanza and concessions/subsidies slated to be given to the SEZ developers and investors.** Before going into the details of these massive amount of sops, we are presenting here few startling features about the present SEZ model:

- SEZs for gems & jewellery, IT-ITES-BPOs, and bio-technology would require a minimum **10 hectare** of built-up area. (Later notifications said that the land-area may be reduced to 40,000 square metre or 4 hectare on special cases.) **Multi-product SEZs** must have an area of **1,000 hectares**, while **multi-services and sector-specific SEZs** should have a minimum area of **100 hectares**. (1 hectare = 2.5 acre, approximately)

- In India only, the task of developing SEZs is totally transferred to **private hands**. In other countries these tasks, in most of the cases, were performed by the government itself.
- The **processing area** in SEZs would be a mere **35%**! In the remaining areas i.e., on **65%** of areas **housing projects, hotels, restaurants, hospitals, amusement centres, multiplexes, malls, playgrounds, golf courses** can be built!
- SEZ will be a duty-free enclave and considered foreign territory within the state. If you buy goods from an SEZ, you have to pay import duties. Example: Reliance Industries set up a new refinery in **Jamnagar** (Gujarat) that “could end up ‘**exporting**’ bulk of its output in India” (*Business Line, 22.01.06*)!
- Generally, the government will provide land to private companies that develop SEZs. Thus, **SEZ developers** will have access to precious land at throwaway prices (with the help of government muscle), cleansed of all land title and litigation issues.
- There will be **no elected local government/civic authorities**. A **development commissioner** will govern it.
- So lucrative the tax-holidays & other concessions offered in these SEZs that there are strong **possibilities of older units to relocate in the SEZs** to avail the bonanza. There are **6,500** companies located in **47 Software technology Parks (STPs)** all over India enjoying fabulous tax-breaks and are making super-profits from export-earnings. Now Nasscom, the national association of the software companies **want SEZ status** for these STPs! The craze may be explained from the following facts: “So much so, that of the 237 proposals given final clearance so far, **148 (i.e., 62%)** are for setting up **IT SEZs**. Further, of the **160**-odd proposals given in-principle nod, about **half** are from this sector.” (<http://www.hindu.com/>) (Note also the POSCO-story in later part.)
- The SEZ Act does **not provide any exit option if the project fails** or a SEZ developed cannot attract potential enterprises to set up units there. In that case, the land acquired will be locked and cannot be back. (Please



remember the case of **proposed Tata Steel factory in Gopalpur**: land is acquired under state terror; gunning down to death three protesters; prices of steel crashed; Tata did not make a factory there; the land became a property of Tata which is now transformed into a SEZ to avail the fabulous discounts!)

- In most of the cases, the land is being acquired by the state governments on behalf of the private developers of the SEZs imposing the colonial and draconian **Land Acquisition Act 1894** for “public purpose” (read: for big capitalists and MNCs).
- In these SEZs all the units/enterprises will be declared as ‘**public utilities**’ where **existing labour laws do not act**.

Biggest real estate sharks and even the small fishes have been jumping into these incredible opportunities of developing SEZs. Look at the ecstasy in the following excerpt which paints a rosy picture of ‘developing’ India.]

## **Mukesh Ambani’s great gamble**

Take 14,000 hectares of land, put in Rs 25,000 crore (Rs 250 billion) into the same basket, stir in some leisure and business districts, shake some architectural blueprints and what do you have? Dubai? Singapore? Shanghai? Or New Bombay?

Eat your hearts out, Mumbaikars. For, coming up across India’s commercial capital, on as-yet fallow land in what is just another squalid suburban slum, is India’s first 21st century megapolis. With its own dedicated airport, a rapid transit sea-link connecting it with Mumbai, and living conditions on par with the swankiest, most sophisticated cities of the world.

A whole new city? Is it possible? If Mukesh Ambani has his way — and why wouldn’t he? — then yes, work on **Navi Mumbai** will begin in September this year, a new city, **one third the size of existing Mumbai**, and a probable rival to some of the swankiest cities in the world by the time it is completed a decade or so from now. In what is the country’s — even the subcontinent’s — most ambitious infrastructure project to date, Mukesh Ambani’s Reliance Group and the Maharashtra government (through PSUs) are

out to create **two sprawling special economic zones (SEZs) across 14,000 hectares in Navi Mumbai and Maha Mumbai.** The Reliance Group's whopping Rs 25,000 crore investment will be dwarfed by the estimated Rs 2,50,000 crore (Rs 2500 billion) to be invested by other developers who will put up factories, residential complexes, hospitals, hotels and shopping malls across the SEZs.

In a few years from now, the farmlands will begin to give way to a soaring skyline with hi-tech buildings, interspersed with amusement parks, shopping malls and an 18-hole international golf course; residents will walk (hopefully) from their highrise condominiums to their workplaces.

And in case you still want to visit Mumbai (for the culture, presumably, or to visit friends and relatives), a new 22.5 km long, six-lane highway will arc across the sea to get you to central Mumbai in just 30 minutes. Sceptical? The government has already pre-qualified bidders for the Rs 4,000 crore (Rs 40 billion) Mumbai trans-harbour sea-link; work should begin soon enough — now just imagine the ride over the sea! What's more interesting, Navi Mumbai's jet-setters may not have to use the sea-link as often as they imagine; with an airport mooted as part of the essential infrastructure in the SEZs, they won't need to come to the existing Mumbai airport to take a flight out.

Also, the SEZs will be connected to Jawaharlal Nehru Port with a high-speed railway, plans of which are (still) on the drawingboard. As for corporates in the IT, gems and jewellery, pharma, auto-components, apparel and garment businesses, here's an opportunity to lease out space and transform it into an export hub for the world.

(...) The Kalomboli zone near the Mumbai-Pune highway will be used to set up a hub for food processing and textiles. The bigger ambition is to create an international financial services centre where global banks, insurance companies and merchant banks can function just as though they were in London or New York.

That's by way of starters. The magnitude of the project is reflected in its various parameters. The completed SEZ will require a power plant to generate over 1,000 MW of electricity and about 300 million litres of water will be required every day. (...)

So, okay, the Ambani SEZ is a large project, perhaps a mammoth one by Indian standards, but hardly unusual given global SEZs. It's only half the size of the Suzhou Industrial Park or even Shantou SEZ, both in China. And compared to Shenzhen (33,000 hectares; China's largest SEZ), it is much smaller.

Sure, it's bigger than Malaysia's Bandar (10,000 hectares) and virtually similar in size to Iran's Chabahar Free Zone, but does that justify the hype? Yes, because it's **six times the size of any existing SEZ in India, and at least thrice the size of any of its competitors.** (...) (Source: <http://ia.rediff.com/money/2006/apr/15spec1.htm>; accessed 02.09.06)

[**From UEB:** Reliance Industries is also developing mega-SEZs in several states. It's expanding just like an empire. A newspaper reports:

Essentially, RIL wants to emerge as a developer of SEZs, which means that it would sell plots and industrial complexes in these to investors. If all goes well, RIL and its associate companies may be planning, industry sources say, **to acquire a total of over 100,000 hectares of land in different parts of the country.** The total investment envisaged may exceed **Rs 100,000 crore.** At the moment, from the dribble of information that has trickled to the public, Mukesh Ambani's SEZ plans seem to **stretch from Mumbai to Haryana, from Karnataka to Gujarat, and from Andhra Pradesh to West Bengal.** (<http://realestate.indiatimes.com/articleshow/msid-1381781,prtpage-1.cms>)

Big brothers of other Indian corporate houses cannot be far behind. A report says:

In April, at its annual group managers meet, chairman **Ratan Tata** specified real estate as a business the Tatas should be in. A senior executive from the group told [us] that the Tatas were looking to buy large tracts of land all over India. Recently, Tata's realty arm, THDC, put out advertisements **to buy anywhere 'between three acres and 2,500 acres' of land from private owners.** ([http://www.businessworldindia.com/issue/coverstory01\\_b.asp](http://www.businessworldindia.com/issue/coverstory01_b.asp))

Observing the rush for land-grabbing by the big barons, a corporate-friendly daily comments:

**Are the SEZs becoming new-age zamindars?** At least the amount of land being sanctioned to them does suggest so. If the size of the land being sanctioned to these new-age projects is any indication, the SEZs soon would be the **country's biggest land-holding entities**.... "There is every reason to suspect the real motive of some of the SEZ promoters. **Their prime interest appears to be real estate,**" a top government official confessed to ET. To substantiate the argument, he furnished list of companies that have been eyeing huge government land at a concessional rate. The government has every reason to doubt the move. "There are **enough examples around of industrialists making more money by selling their real estate interests — which they acquire at throw away price — than running the industry,**" this official said. (*Economic Times or ET, 09.05.06*)

Thus, the modus operandi behind the great SEZ-rush is exposed by none other than a corporate-savvy daily. In later part of this section we will see how the real estate barons are busy in grabbing lakhs of acres of land not only in the countryside, but also in the cities demolishing slums and evicting thousands of poor people out off the cities. Now we are presenting **some facts about the sops** given to these barons as subsidies. Investigations by a business daily provide some outrageous revelations of the SEZs in the following way.]

## **SEZs: Sovereign States?**

(...) [O]n a number of critical matters (**environment, labour and electricity, among others**) that are **state subjects** or fall in the concurrent list of powers shared by the central and state governments, the states **give free rein to developers of SEZs**. States such as Maharashtra, Andhra Pradesh and Uttar Pradesh have their own SEZ policies and different sets of rules governing their pieces of legislation. Just one example: while the Congress dropped the initial provision for granting flexibility in labour laws and thus bought peace with its Left allies, the states [particularly, Maharashtra, Uttar Pradesh,

Gujarat — *Update*] went ahead and amended various laws such as the Contract Act, Industrial Disputes Act, etc., since labour is a state subject.

Congress-ruled **Maharashtra** has been in the vanguard of this revolution, having tossed a number of unwieldy provisions of some laws out of the SEZ ambit. It has exempted these zones from the purview of section 10(2) of the Contract Labour Act, **which means temporary workers can be employed as contract labour permanently. It has also declared that all industries and establishments in the SEZs will be deemed public utilities, which means that strikes are outlawed.** [Even the left-ruled Bengal government declared the IT/ITES/BPO sector as “public utilities” those are still out of SEZs! — *Update*]

There are more dramatic examples of **SEZs being granted most favoured nation status. Environmental clearance is one.** State governments are promising developers and their clients a quick, trouble-free process by exempting industries from the environmental impact assessment (EIA). This is normally a cumbersome exercise, but essential for understanding how to minimise the adverse impact of development on the environment. Now, some states have decreed that environmental approval will be given **by the development commissioner** of the SEZs in consultation with an officer of the state pollution control board posted in the zone.

(...) Among other drawbacks, SEZs will not be subject to any town planning or supervision by the municipality, thus negating the 75th Amendment, which ensures people’s participation in local government.

What [is the] most worrying in the SEZ Act is **Section 49, which empowers the government to exempt any or all SEZs from the operation of any central law through a notification.** “This is truly amazing,” (...) “It puts SEZs, theoretically at least, outside the pale of the Constitution.”

(...) After all, the world over, SEZs are set up precisely so that they **can avoid the rigidities of domestic law and rely on smoother functioning without bureaucratic hassles.** The rub here is that the SEZs are being developed by the private sector. **India is, perhaps, the only country to have promoted private SEZs — or**

**at least in such numbers.** Fuelling the popular distrust is the speed at which the zones are being approved by the Ministry of Commerce. Around 20-40 on an average are being cleared every other week, bringing the tally so far to 263, plus another 169 that have got in-principle approval.

And, there is also the Godzilla factor — the **sheer size of some SEZs.** Although these are small by global standards, some have the makings of a mega enterprise. Reliance Industries' twin block in Mumbai is scheduled to cover 12,000 hectares or 120 sq. km. This may be just a third of China's Shenzhen economic zone (326 sq. km) but large enough to throw up some discomfiting questions in the Indian context. For reference, Jamshedpur, the steel city run by the Tatas, is just 64 sq. km and Chandigarh's real estate, including its rural periphery, adds up to just 112 sq. km. More to the point, Reliance expects to house 1 million residents and play host to 2 million others who would commute daily to their SEZs.

The question, therefore, is what happens when large SEZs eventually become townships whose population could run into millions. There is, to start with, the constitutional tenability of private monopolies running local government for sizeable clusters of the urban population **without being elected. Would the SEZs, thus, turn into sovereign states accountable to none?** Or, would there be some checks and balances?

But first, a little light on how these zones will function.

What the law lays down is an **SEZ Development Authority (SDA) headed by the developer's representative and run by a development commissioner (DC) appointed by the state government — a super bureaucrat vested with enormous powers. Since SEZs are being designated industrial townships by the states, the DC would work independently with no municipality or the third rung of governance to oversee his functioning.**

In other words, all functions undertaken by the civic authorities and some of those provided by the state government (water supply, tax collection, law and order) would devolve on the SDA. Several states have laid down detailed norms for the SDA. From

providing birth and death certificates, maintaining cremation/burial grounds (all municipal functions listed in 12th Schedule of the Constitution) to laying out public streets, building bridges and culverts, and fighting epidemics, the SDA would be doing it all. No penalties, though, have been spelt out for dereliction of duties. (...)

Also, unlike a municipality, the developer is not obliged to provide services to all citizens, (...). How then would a resident deprived of such services seek to enforce such a right? In fact, there are doubts whether many of the SEZs would indeed be able to provide such services, given the squeeze on their profitability.

There are related issues like law and order and the judicial process. Although the police force will be provided by the state, internal security will be the responsibility of the developer, (...). But legally, this could open up a Pandora's Box if the jurisdiction of the security force is challenged.

Similarly, SEZs are to be provided with a separate fast track judicial system to ensure (...) comfort to foreign investors in SEZs. But this will be a Government of India function whether designated courts operate within or outside the special zones. (...) (*Source: by Latha Jinshnu & Feroz Ahmed, Business World website, November 2006; accessed on 07.11.06*)

[**From UEB:** The **incentives/subsidies** in the form of tax-breaks, land at throwaway prices & other concessions given to the SEZs are so massive that even the bourgeois critiques — including a big capitalist like **Rahul Bajaj** — have been compelled to call these ventures as “land-grab”, “real estate scam”, “tax scam”, “scandal”, etc. According to the rule, SEZ developers and the enterprises/companies operating within the SEZs will get numerous types of concessions/subsidies. Note **Box 1** for incentives given to the **SEZ enterprises/units** and **Box 2** for incentives given to the **SEZ developers**. Note in the following excerpt how the South Korean giant POSCO managed to transform its would-be-built steel plant into a SEZ entity and grab (read: loot) huge subsidies.]

## **Box 1: Subsidies/Incentives given to SEZ Enterprise**

### **Non-fiscal Incentives/Concessions:**

- ✓ Exemption from industrial licensing for manufacture of items reserved for Small Scale Industries (SSI);
- ✓ 100 per cent FDI investment through automatic route to manufacturing SEZ units;
- ✓ Facility to realize and repatriate export proceeds within 12 months;
- ✓ No cap on foreign investment for SSI reserved items;
- ✓ "Write-off" of unrealised export bills upto 5%;
- ✓ No License is required for imports, including second hand machineries;
- ✓ Profits allowed to be repatriated freely without any dividend balancing requirement;
- ✓ Full freedom for subcontracting, including subcontracting abroad;
- ✓ The area incorporated in the proposed SEZ is free from environmental restrictions;
- ✓ Water, electricity and other services would be provided as required;
- ✓ The units would be given full exemption in electricity duty and tax on sale of electricity for self generated and purchased power;
- ✓ To allow generation, transmission and distribution of power within the SEZ;
- ✓ Single point clearances system and minimum inspections requirement under State Laws/Rules would be provided.
- ✓ For units inside the Zone, the powers under the Industrial Disputes Act and other related labour Acts would be delegated to the Development Commissioner and that the units will be declared as a Public Utility Service under Industrial Disputes Act;

### **Fiscal Incentives:**

- ✓ 100% income tax exemption for a block of five years, 50% tax exemptions for two years and upto 50% of the profits ploughed back for next 3 years;
- ✓ Supplies from Domestic Trade Area to SEZ to be treated as exports;
- ✓ Carrying forward of losses;
- ✓ 100% Income-tax exemption for 3 years & 50% for 2 years for off-shore banking units;
- ✓ Exemption from Central Excise duty on procurement of capital goods, raw materials, consumable spares etc. from the domestic market;
- ✓ Reimbursement of Central Sales Tax paid on domestic purchases;
- ✓ SEZ units may import duty free, all their requirements of capital goods, raw materials, consumables, spares, packing materials, office equipment, DG sets etc. for implementation of their project in the Zone without any licence or specific approval;
- ✓ Exemption from Service Tax to SEZ units;
- ✓ Exemption from State sales tax, octroi, mandi tax, turnover tax and any other duty/cess or levies on the supply of goods from Domestic Tariff Area to SEZ units;
- ✓ Enhanced limit of Rs. 2.4 crores per annum allowed for managerial remuneration.

*(Source: <http://www.sezindia.com/>; accessed 01.09.06)*



## **SEZ tag may help Posco save Rs 10,718 cr in tax**

Korean steel major **Posco would save Rs 10,718 crore in tax revenues** on its Indian investment plans, if the government approves its proposal to set up a special economic zone (SEZ) in Jagatsingpur, the location of its 12 million tonne steel plant.

According to study conducted by National Council for Applied Economic Research (NCAER) on behalf of Posco India, the company's total tax liability would be Rs 1,74,971 crore over a 35-year period. But this would still be Rs 10,718 crore less than the tax liability of the company in the event the steel plant comes up in a domestic tariff area (DTA). **On an annual basis**, this means the **Centre and state governments could lose a total of Rs 300 crore** from the Posco project, that proposes to invest \$12 billion for setting up a steel production facility in Orissa.

According to sources, **the tax forgone by the government does not justify granting the project SEZ status** as the incentive schemes have been formulated for promoting export oriented activities, which help in generation of foreign exchange.

Though the Orissa government has cleared Korean steel maker's SEZ proposal and board of approval in the union commerce ministry has **given in-principle clearance** to it, the final nod from the government is still awaited, for the proposed multi-product SEZ. According to the NCAER report, the **state would be bigger losers from the project as the company may be able to save Rs 6,007 crore on state taxes if it gets the SEZ status**. The state taxes includes tax on sales, tax on capital goods and on the sharing of union taxes. (...) [Source: ET, 18.12.06]

[**From UEB:** Two authors beautifully describe how the propertied classes will use the handsome benefits from the incentives given by the government in the following excerpt.]

## **Box 2: Subsidies/Incentives given to SEZ Developers**

- ✓ Developer of an SEZ may import/or procure goods without payment of duty for development, operation and maintenance of the SEZ;
- ✓ Income-tax exemption for a block of 10 years in 15 years at the option of the developer;
- ✓ Exemption from Service Tax;
- ✓ Investment made by individuals etc. in SEZ developing companies eligible for exemption under Section 88 of the Income-Tax.
- ✓ 100% FDI allowed for: (a) townships with residential, educational and recreational facilities on a case to case basis, (b) franchise for basic telephone service in SEZ;
- ✓ Duty free import/domestic procurement of goods for development, operation and maintenance of SEZs;
- ✓ Developer permitted to transfer infrastructure facility for operation and maintenance;
- ✓ Generation, transmission and distribution of power in SEZs allowed;
- ✓ Full freedom in allocation of space and built up area to approved SEZ units on commercial basis;
- ✓ Authorised to provide and maintain service like water, electricity, security, restaurants and recreation centres on commercial lines;
- ✓ The area incorporated in the proposed SEZ is free from environmental restrictions;
- ✓ The water, electricity and other services would be provided as required;

*(Source: <http://www.sezindia.com/>; accessed 01.09.06)*

## **The New Maharajas of India**

(...) A new breed of Maharajas is all set to grab the crown.

The only difference being that the new princely estates comes within the gambit of a strange sounding acronym – SEZ – meaning Special Economic Zones. As the name suggests, these cut out zones will have a special status, very special indeed. Except for floating its own currency, these zones would operate more or less like a princely estate, and would even have special courts to try the economic offences.

Doling out state largesse in the name of ‘production incentives’ – no, it’s not fair to dub these as subsidies – these SEZ will primarily be duty free zones. **Complete exemption from excise duty, custom duty, sales tax, octroi, mandi tax, turnover tax, as well as income tax holiday for ten years** are some of the inducements. Also spelled out are provisions for **100 per cent foreign direct**

**investment**, exemption on income tax on infrastructure capital fund and individual investment, and an assurance of round-the-clock electricity and water supply. The SEZ promoters have also been given a waiver from carrying out an Environment Impact Assessment.

Permitted to indulge in commodity hedging, external commercial borrowings up to US \$500 million without any maturity restrictions, freedom to bring in export proceeds without any time limit and make foreign investments from it, exemption from interest rate on import finance, and setting up off-shore banking units with income tax exemption for three years and subsequently 50 per cent tax for another two years are some of the financial enticements. And if the new Maharajas were to **sub-contract production to local manufacturers outside the princely estates**, there would be duty drawbacks, exemption from state levies and income tax benefits.

All these exemptions will mean a **revenue loss of more than Rupees 1.75 lakh crore (Rs 1,750 billion)** to the state exchequer **after five years**. Although this staggering amount is enough to feed the country's 320 million people who go to bed hungry stomach for a number of years, or provide guaranteed employment to at least two members of each of the rural families for the next five years, this is a 'small price' that the nation must pay to keep for the royalty tag for the rich and beautiful. (...)

Legally authorized to disallow any inspection, search or seizure without prior permission, and with sanction to operate its own private security system, these princely estates will for all practical purposes be **autonomous**. (...)

No wonder, the State governments are letting no stone upturned to acquire agricultural land and offer it on a platter. With promises of 'the right kind of environment' many chief ministers are waiting with garlands in hand. Take for instance the Haryana Chief Minister who had specially flown to Mumbai to invite a top industrialist. Gujarat government had sent in a team abroad to invite investments for SEZ. The **Orissa government** is moving a step ahead. It is **seeking amendment to the Scheduled Area Tribal Immovable Property Act thereby allowing outsiders to come and buy the tribal land**. Given a choice, the central and state government would leave no

stone upturned to handover the prime land to industrialists — Tatas, Ambanis, Mittals, and the likes.

Union Commerce Minister Kamal Nath has been going around seeking investments from European countries for the SEZ. After all, he has a huge responsibility to ensure that the Prime Minister's dream of turning India into an international workshop is turned into a reality.

You may call it 'the biggest land-grab of the century' or term it as 'open-loot,' the powers that be are simply not deterred. Prime Minister Manmohan Singh has repeatedly said that the SEZ are the need of the day. No wonder, agricultural land, which is a scarce commodity, is suddenly available in abundance. Unmindful of the fact that the per capita land holding is already at an abysmally low of 0.25 acre, the government is using the draconian Land Acquisition Act 1854 to further purchase any land that it sets its eyes on. In the **first phase of clearances** accorded by the government, **a total of 1.25 lakh hectares** of prime agricultural land are in the process of being acquired. In the **second phase too**, almost an **equal area would be obtained**.

It was only after an increasing tide of protests that the Ministry of Commerce asked the state governments not to acquire agricultural land and to also ensure prevailing market value to farmers. The State governments are however more eager to make available land to the industries. In Punjab, where almost the entire state is irrigated, SEZs are being set up on prime agriculture land. The Punjab government, for instance, is using repressive techniques to browbeat the agitating farmers near Barnala, who have been opposing the forcible acquisition of land for the private company, Trident. Similarly, farmers have been agitating against the government's repressive policies for acquiring fertile land for an SEZ near Amritsar. Although rules forbid acquiring more than 10 per cent of the double-cropped area for setting up SEZ, the fact remains a majority of the princely estates are coming up on fertile land.

Even in Himachal Pradesh, where the average farm size is about 0.4 hectares, the government is keen to convert 35,000 hectares in the Kangra valley into SEZ.

One of the biggest SEZ is coming up near Mumbai. Spread over 14,000 hectares, it is coming up predominantly on double-cropped land. The Mukesh Ambani group has already acquired 9,000 acres of land in Jamnagar for its petro-product SEZ. It plans ultimately to increase the size of the product to 10,000 acres and convert it into a multi-product SEZ. With provisions for owning 65 per cent more land than required, the government has provided the 'developers' of SEZ an environment to build supermarkets, malls, restaurants, recreation parks and so on – essentially given permission for building small princely estates. **Out of 1.25 lakh hectares allocated so far to SEZ, nearly 31,250 hectares can be used for real estate development.** The real estate firms are obviously elated.

Another major SEZ proposed in Jhajjar adjoining New Delhi is spread across 10,000 hectares and is again gobbling double-cropped land. Interestingly, both these SEZ, proposed **to occupy a landmass larger than the suburb of Gurgaon**, are yet to be officially approved. In Mangalore, one of the promoters is the government-owned ONGC and 2,200 hectares of double- and even triple-cropped land is being acquired for setting up an SEZ.

Take the case of Tata Steel promoted Gopalpur SEZ in Orissa. Originally acquired by the state government for a paltry sum, land was handed over to Tatas for a steel plant. When the plant didn't come up, and the farmers demanded the land to be returned, the company promptly proposed to convert this land into an SEZ. Korean steel giant Posco, which is also setting up a steel unit in Orissa, was provided with 1,600 hectares of land and exclusive access to an iron ore mine despite massive protests by farmers. Posco now wants this land to be converted into an SEZ and the state government is willing.

In another interesting example, the CPM government in West Bengal has acquired some 400 hectares of fertile land for the Tatas to set up an automobile factory at Singur, near Kolkata. Technically speaking Singur is not an SEZ, but what makes the deal politically significant is that the State government has actually acquired the land at cost of Rs 140-crore. It has been made available to Tatas for a mere Rs 20-crore, which is one-seventh of the cost price. Even that can be treated as a loan for 5 years. (...) In Kerala too, the communist government is gung-ho over the promise of SEZ.

The setting up of the princely estates is being primarily justified on account of employment generation. **The premise is that it will create 5 lakh job opportunities.** Does this kind of employment generation mean anything for India? This question has been conveniently ducked and for obvious reasons. Now let us examine the ground realities. It was at the beginning of this century that **some 75 lakh people, more than the population of Switzerland, had applied for a mere 28,000 lowly paid jobs in the Indian Railways.** For a country, which is on a fast track information highway, **this does not mean anything significant except for statistics.** Even if you were to employ five lakh out of these 75 lakh, isn't that a **mere drop in the ocean?** Millions of assured jobs can be created if the total amount of revenue loss – Rs 1.75 lakh crore – and the several times higher public sector investment to follow is used for employment generation.

Not to discount the achievements in information technology, the fact remains that **IT has provided only five to six lakh jobs. The BPO service industry** that we hear about every other day **actually employs only 2 lakh people.** Why a large number of IT companies applied for setting up SEZs is not because they intend to provide huge job opportunities but are simply looking forward to take advantage of the tax concessions. The tax exemption currently enjoyed by the IT sector comes to an end in 2009-10. Moreover, since existing contracts and employment can be shifted, it is quite likely that **IT units will merely shift their operations into an SEZ,** thereby nullifying claims of employment and revenue generation.

With such large-scale diversion of land the first and foremost impact will be through **displacements.** Our estimates show that **close to 1.14 lakh farming households (each household on an average comprising five members) and an additional 82,000 farm worker families who are dependent upon these farms for their livelihoods, will be displaced.** In other words, **at least 10 lakh people (twice the number of jobs that SEZ promise to create)** who primarily depend upon agriculture for their survival **will face eviction.** The plight of farm labour is surely going to be worse as they will not only witness their source of livelihood being taken away but they will hardly see any employment opportunities for them in the princely estates. All they can do

is to stand outside the tall gates of the SEZ and dream to be born in such families in their next birth.

Now let us take a stock at the annual loss in income for those displaced. As per the latest report of the National Sample Survey Organisation (NSSO 2005), the average income of a farming household stands at Rs. 2,115 per month (income from cultivation — Rs. 969; farming of animals — Rs. 91; wages — Rs. 819; and non-farm business — Rs 236). Of these, income from the first two sources (Rs. 1,060) will be immediately lost. Therefore, each farming household will lose Rs. 12,720 every year. The total loss of annual income for the 1.14 lakh displaced farm families works out to Rs.145 crores. While it remains a fact that most of these displaced farmers would earn more for their land, but as several studies have shown that unless a rehabilitation policy is in place a majority of these farmers would ultimately end up **further marginalized over a period of time.**

As per the National Rural Labour Commission, an average agricultural worker gets 159 days of work in a year; and as per NSSO (2005), the average daily wage of agricultural labour in rural areas is around Rs. 51. Considering this, the estimated 82,000 agricultural labourers' households will lose Rs. 67-crore in wages. And put together, the total loss of income to the farming and the farm worker families is to the tune of Rs. 212-crore a year. For the marginalized, the loss of income — even if it hovers around the poverty line — has disastrous implications. After all, the small piece of land is his only economic security. (...)

Tall promises of employment generation notwithstanding, who will be held accountable if the promise of job creation remains unfulfilled? First of all, the Ministry of Commerce has no true basis for telling us how many jobs will be created. It is merely a guess-estimate. Secondly, **if the past experience is any indication, the real jobs that are added by the industries are only a minuscule of what they promise. Take the case of Pepsico's entry into Punjab in the 1980s. The multinational giant promised to create 50,000 jobs. In reply to a 1991 parliamentary question, the Ministry of Food Processing in acknowledged that the company had created only 482 jobs, of which 210 were unskilled workers. (...)**

In China, from where India drew inspiration, only six SEZ – at Shenzhen, Shantou, Xiamen, Zhuhai, Hainan and Pudong – have been set up so far. These economic zones, all in public sector, came after a lot of debate and deliberation, and all of them are situated along the coast. Faced with shrinking cultivable land, the Chinese SEZ have come up only in wastelands. In India, all these norms have been thrown to the wind. World over, there are only some 400 special economic zones. If it was such a productive and useful activity, why hasn't the world woken up to the promises that Dr Manmohan Singh's government has been making? (...) (*Source: by Devinder Sharma & Bhaskar Goswami, 17 December, 2006, [www.countercurrents.org](http://www.countercurrents.org)*)

[**From UEB:** Above article not only depicts the extravagant sops given to the big corporates but also points out the ominous efforts of **land-grabbing** in the name of 'development'. Moreover, it estimates that the **landlost families are going to pauperised and destitutes instead of getting jobs or any tangible rehabilitation**. Now follow the next excerpts written by a hardcore neo-liberal writer who cannot hide his disgust at the fallacies of developing massive number of SEZs. Also note his recommendations for bigger SEZs those will serve only the big capitalist houses and the MNCs.]

## **Tehsils as Special Economic Zones**

(...) Unlike India's tiny plots, the world-famous SEZs are huge. The biggest is Hainan island in China, almost as large as Kerala! Chinese SEZs have captive world-class infrastructure (power, water, ports and airports), and have become world-class manufacturing clusters.

To replicate this, commerce minister Kamal Nath announced a new SEZ policy in February. Participants in new SEZs will pay no tax for five years, get a 50% tax break for the next five years, and get a further five-year tax break for reinvested profits. Seven of the eight old EPZs were government built, but the new SEZs will be open to private and international developers, who will also get a tax holiday for 10 years. (...) Kamal Nath hopes this new approach will attract Rs 100,000 crore of investment.



Alas, this badly designed scheme will probably **yield investment diversion rather than investment creation. Many companies planning to invest anyway will migrate to SEZs for the tax breaks.** This will not imply additional investment or exports. It will simply imply unwarranted tax holidays. The scheme aims to encourage hundreds of small SEZs in every state. Alas, these will be tax shelters rather than world-class enclaves.

The minimum area for an SEZ for jewellery, infotech or biotech is just 10 hectares, smaller than even some schools. The minimum size for sector-specific SEZ (e.g. for chemicals) is 100 hectares, but reduced to 50 hectares in hilly special category states and the Northeastern states. For multi-product SEZs the minimum size is 1,000 hectares, reduced to 200 hectares for the small and hilly states. Just contrast these tiny plots with Hainan in China! The government justifies this by saying it is difficult to find large parcels of land in hilly areas.

That is precisely why SEZs should not be built in such areas. China does not build SEZs in Tibet or the Gobi Desert. In India, cheap skills have long made infotech and jewellery world-beating industries, and extremely profitable ones. I find it **scandalous that software companies, the richest and fastest growing corporations in India, pay virtually no corporate tax.** The scandal is going to be extended by **another 10-15 years**, now that software companies can migrate to SEZs.

A sensible policy would aim at creating SEZs the size of an entire tehsil or district, as in China, each with its own port and airport. Shenzhen, the first and perhaps most famous SEZ, covers four small districts. It came up right on the border with Hong Kong to take advantage of Hong Kong's port and airport. But soon afterwards, Shenzhen developed its own port and airport. In India, major ports tend to be in major cities, where there is no spare land for a large SEZ.

Exceptions are Jawaharlal Nehru Port Trust in Navi Mumbai, Paradip in Orissa and Haldia in West Bengal. Two SEZs are now coming up in Navi Mumbai and Maha Mumbai, built by Reliance and the state government, covering 14,000 hectares in all. That's a fair size, but these will depend on Jawaharlal Nehru Port Trust, which suffers from chronic congestion. That sounds bad. Gujarat seems best placed for world-class SEZs. Since 1995

it has been developing 10 new ports in public-private partnerships. These are far away from big cities, so land is easily available for SEZs, airports and mega-power plants. Land is especially abundant (and population especially thin) around the semi-arid Gulf of Kutch. (...) [Source: by S.S. Anklesaria Aiyar, 7 May 2006, Times News Network]

[**From UEB:** According to Mr S.S.A. Aiyar, the smaller SEZs cannot deliver the real purpose of the Indian ruling classes. Hence, he proposes bigger SEZs, like **Navi-Mumbai, Maha-Mumbai or Jamnagar SEZs of Reliance and Adani** etc. acquiring **thousands of acres of land**. In fact, he did not oppose the concept of SEZ as such. Follow the next excerpt written by him pointing that the real motive behind the SEZ-rush of the big corporate houses are nothing about promotion of export rather than real estate business.]

## **Will the SEZ bubble burst?**

The Reserve Bank of India is worried about a bubble in real estate that may burst. Property prices have doubled or tripled in the last two years, although rents have risen only slowly. The slow rise of rents suggests that the demand of actual users is being met. In which case the frenzy in the market **looks a speculative bubble**.

(...) However, it seems to me that the **biggest real estate bubble** of all may arise somewhere else — **in the Special Economic Zones (SEZs) coming up all over the country after the big tax breaks announced for both developers and export units in such zones**.

A **mad rush** to set up SEZs has begun, and this looks more like a **real estate rush than an export rush**. The government has allowed up to 75% [it is reduced to 65% — **Update**] of the area of SEZs to be used for non-export purposes such as housing, schools, entertainment and banks. (...)

The sums mentioned can make your head dizzy. **Reliance Industries**, for instance, is the main partner in **twin SEZs** coming up at **Navi Mumbai and Maha Mumbai**, with a combined size of **35,000 acres**. The phase I investment alone is reckoned at Rs 5,000 crore, and the ultimate investment has been estimated at Rs 50,000 crore in seven

years or so. The **Adani group** is also setting up an SEZ at **Mundra**, covering **30,000-35,000 acres**, and it proposes to invest Rs 7,300 crore on infrastructure. The SEZ aims at a total investment of Rs 70,000 crore (including that by export units) over 10 years. Many of the approved SEZs may be small IT parks, and these will almost certainly be viable. The industry is expanding fast and will probably fill up the space. But the same cannot be said of large real estate developments.

For instance, **DLF plans SEZs at Ambala (2,500 acres) and Gurgaon (19,880 acres) while Unitech plans one at Sonapat (10,000 acres)**. Real estate developers are happy to get their hands on large parcels acquired at low prices by state governments. Development by itself greatly increases land value. But the aim here is supposedly to promote exports, not real estate. What is the guarantee that enough export units will flock to these new SEZs, especially to those in states far away from good ports?

The newspapers are full of stories of people wanting to set up new SEZs, **but have very little to say about exporters wanting to rush into them**. Past history suggests that the build-up of export units in an export zone is slow and gradual. India's export potential is much higher today, and so the build-up should be much faster. But can it really be fast enough to fill 388 new zones? Just the infrastructure cost of developing these could be hundreds of thousands of crores.

I have seen nothing to justify the pious hope that exporters will fill hundreds of SEZs, some of which are massive. What is the advantage that inland locations like Haryana will bestow on export-oriented units? Some products can be exported by air, and in such cases proximity to a cargo airport might suffice. Yet, the bulk of exports go by sea, not air. If SEZ developers spend huge sums on infrastructure and are unable to attract enough export units, they will quickly run into a financial crisis arising from over-building.

The **SEZ bubble will burst**, and it will be a **large explosion**. (*Source: by S.S. Anklesaria Aiyar, 5 Aug, 2006, Times News Network*)

[**From UEB:** So, the message is loud and clear even from a neo-liberal journalist. It is almost clear to many critiques like him that the mushrooming of SEZs will not deliver the desired goal of "export promotion". But these 'anxious' critiques cannot oppose the

very concept of SEZs. After all they are the representatives of the big capitalists. What will happen when the bubble of SEZ will burst? Will the lakhs of hectares of agricultural land appropriated by these land-sharks will be returned back then? **We have earlier noted that the Tatas acquired land by state police atrocities on the villagers in 1997 in Gopalpur for setting up steel plant. After the prices of steel crashed, Tata abandoned the plan to make a plant. Later, when the landlost villagers demanded the land back from the Tatas, they quickly applied for SEZ status of those Gopalpur land which is recently approved in-principle.** In fact, in the name of export promotion, industrialisation & development, the ruling classes are snatching away any type of land on which the livelihoods of millions of peasants, sharecroppers, agricultural labourers, fishermen and other people depend. **Table 6** shows that on the whole **403 SEZs** are approved (Formal approvals+In-principle approvals) so far (**October 2006**). The land requirement for these SEZs will be **more than 1,74,898.02 hectare, i.e., 4,37,245.05 acres approximately!** Interestingly, applications of some of the giant SEZs are still pending before the government. After granting of these bigger SEZs, the land requirement may be multiplied several times!

There are **two types oppositions** voiced against these gigantic projects of SEZs. **Firstly**, the oppositions are voiced from IMF (!), Reserve Bank (!) & some other financial institutions (e.g., Morgan Stanley). **Secondly**, the SEZs are vigorously opposed & protested by the people themselves building continuous agitations here and there. Let's examine these kinds of oppositions.

The oppositions of the first kind do not want to scrap the SEZs projects of the government at all. In fact, they have raised some concerns to make the SEZs more 'viable' & 'efficient'. First comes the murmurs of discontent from the Finance Ministry (FM). The FM calculates that owing to tax-rebates and other sops the central government will lose **Rs. 1,75,487 crore in first four years** (*Business Standard, 31.08.06*)! Another thinktank (National Institute of Public Finance and Policy or NIPFP) calculates:

If the **total investment** was estimated at **Rs 360,000 crore** (Rs 3600 billion), the **loss in tax revenue** over the **next three years** would amount to **Rs 97,000 crore**

(Rs 970 billion) due to the incentives given.  
<http://inhome.rediff.com/money/2006/aug23/sez1.htm>)

The Commerce Ministry did not think so. Commerce Minister bravely announced that in the coming five years, instead of any revenue loss, the government **will gain Rs. 44,000 crore**. Expressing concern about the probable revenue loss, Reserve Bank of India (RBI) put forward their anxiety from another angle:

RBI voiced concern that the growth of SEZ across the country could **aggravate uneven development** by pulling out resources from less developed states. (*ET, 31.08.06*)

**Table 6: Snapshots on SEZs (state-wise)\***

| State            | Formal approvals | Area (hectare)  | In-principle approvals | Area (hectare)   |
|------------------|------------------|-----------------|------------------------|------------------|
| Andhra Pradesh   | 45               | 9472.80         | 9                      | 3768.39          |
| Chandigarh       | 2                | 87.49           | —                      | —                |
| Chhattishgarh    | —                | —               | 2                      | 2029             |
| Delhi            | 1                | 6               | 1                      | 11               |
| Dadra, Nagar     | —                | —               | 1                      | 80               |
| Goa              | 4                | 290.98          | —                      | —                |
| Gujarat          | 18               | 10308.25        | 12                     | 8193             |
| Haryana          | 19               | 818.41          | 27                     | 43002.48         |
| Himachal Pradesh | —                | —               | 3                      | 5030             |
| Jharkhand        | 1                | 36              | —                      | —                |
| Karnataka        | 29               | 1672.12         | 17                     | 4720.97          |
| Kerala           | 10               | 569.92          | 2                      | 414              |
| Madhya Pradesh   | 4                | 71.25           | 6                      | 9309.25          |
| Maharashtra      | 48               | 8277.28         | 27                     | 22378.09         |
| Orissa           | 5                | 745.61          | 7                      | 4060.03          |
| Pondicherry      | 1                | 346             | —                      | —                |
| Punjab           | 4                | 252             | 7                      | 1571             |
| Rajasthan        | 3                | 89.23           | 8                      | 12251.32+        |
| Tamilnadu        | 25               | 1300.57         | 12                     | 5078.02          |
| Uttaranchal      | 3                | 468.2           | 1                      | 14               |
| Uttar Pradesh    | 8                | 123.71          | 10                     | 5954.25          |
| West Bengal      | 7                | 170.26          | 14                     | 11927.14+        |
| <b>Total</b>     | <b>237</b>       | <b>35106.08</b> | <b>166</b>             | <b>139791.94</b> |

**Total Approvals = Formal + In-principle = 403**

**Total Area (hectare) = 1,74,898.02+**

\*October 2006; some of the bigger SEZs still not get any form of approval. Applications pending at the Commerce Ministry = 247

(Source: compiled from <http://www.sezindia.com>)

**Table 6** amply corroborate this concern of RBI which shows that the less developed states like Bihar, Sikkim, J & K, Assam, and all of the north-eastern states get nothing! Moreover, some smaller state like Haryana bagged a mammoth number of SEZs while a bigger state like MP got only 10. However, the RBI cannot express any concern about efficacy of whole of the venture of SEZs. Just after a day of RBI concern, **chief economist of IMF** Raghuram Rajan had “blasted the government for tax holidays to developers of SEZs. Such ‘perverse economic incentives’, he has said, **will bring little additional investment, and definitely a lot less revenue.**” (*Financial Express, 01.09.06*) But all these criticisms are voiced about the economic health of the government. They are not concerned about the livelihoods of people who are going to lose their land to satisfy the greed of the capitalists.

In fact, the mandarins at the top of power are shaken somewhat when the peasants of the country burst into discontents and take the path of protests, agitations, and resistances. After the repeated ventilations of protests against the forced land-grabbing by the state apparatus, some of the leaders of the government and personalities are compelled to break their silence. Being ‘concerned’, Mrs. Sonia Gandhi, the chairperson of UPA said in the Nainital Conclave of the Congress Party:

**No one is saying that the government should do away with SEZs.** We are saying that it is necessary **to be cautious while giving away prime agricultural land.** It is necessary to think about the long-term effects. (*ET, 25.09.06*)

After this remark, the ministers of the UPA government became active to pacify the anger of the protesting people assuring them that the SEZs can take away land of which only **“10% may be fertile”**. However, the ministers transfer the whole burden of this “10% norms” to the state governments who are not of course bounded by any law to obey verbatim of the central ministers. Hence, the land-grabbing is going on. But, somewhere so fierce are the protests that the governments cannot acquire land at their will. In other words, the growing up agitations can succeed to recede the ‘movement’ of forced land-grabbing to a certain extent. Recently, ASSOCHEM, a leading business association analysed:

There are as many as **250 proposals** to create special economic zones (SEZs) in **21 states** still **languishing** for their approvals from various governments, **mainly due to disputes on compensation package and acquisition of agriculture land** in the absence of suitable relief and rehabilitation package.... The 250 proposals will require about **25,000 hectares of land** and have been awaiting approvals for the last 7-8 months with an estimated investment of over Rs 3,000 crore even in forward looking states like **Andhra Pradesh, Maharashtra, Tamil Nadu, Karnataka and West Bengal.** (02.01.2007; [www.navhindtimes.com/articles.php?Story\\_ID=01027](http://www.navhindtimes.com/articles.php?Story_ID=01027))

Sensing trouble (in acquiring land), another organisation of the corporate houses, **CII, recommends:**

**First**, compensation should be close to market rates. **Second**, landowners should be given a share of up to 15 per cent in the appreciated value of the land acquired. (*Business Line, 14.10.06*)]

**Table 7: SEZs in West Bengal\***

| <b>Formal Approvals</b>                     |  |  |                       |
|---|--|--|-----------------------|
| <b>Name of the Developer</b>                | <b>Location</b>                                      | <b>Type of SEZ</b>                         | <b>Area (hectare)</b> |
| M.L. Dalmiya & Co. Ltd.                     | Bantala (Kolkata)                                    | IT/ITES                                    | 48                    |
| M.L. Dalmiya & Co. Ltd.                     | Kolkata (Kolkata)                                    | Leather                                    | 44                    |
| DLF Info City Developers                    | Rajarhat (Kolkata)                                   | IT/ITES                                    | 10.12                 |
| Oval Developers Pvt. Ltd.                   | Banagram (S 24 Pgs)                                  | Electronics                                | 12.14                 |
| Riverbank Holdings Pvt Ltd<br>(Bata India)  | Batanagar (S 24 Pgs)                                 | IT sector                                  | 10                    |
| Enfield Exports Limited                     | Panagarh (Burdwan)                                   | IT/ITES                                    | 26                    |
| Shapoorji Pallonji and Co Ltd               | Rajarhat (Kolkata)                                   | IT/ITES                                    | 20                    |
| <b>In-principle Approvals</b>               |  |  |                       |
| Xenitis Infotech Pvt. Ltd.                  | Purusottombati<br>(Hooghly)                          | Electronic<br>Hardware & Software          | 12.14                 |
| Enfield Realtors Limited                    | Panagarh (Burdwan)                                   | Biotech                                    | 10                    |
| Parasmani Infrabuild Pvt Ltd                | Karaidanga &<br>Bhatipouta (24 Pgs)                  | Electronic Hardware &<br>Software, IT/ITES | 40                    |
| Asian Gateway Ltd                           | Siliguri   | IT   | 200                   |
| Enfield Infrastructure Ltd                  | Rajgarh (N 24 Pgs)                                   | IT/ITES                                    | 20                    |
| -Do-  | Kharagpur  | IT/ITES                                    | 16                    |
| SEZ Infrastructure Developers               | Uluberia-Haldia<br>Corridor (Howrah)                 | Engineering                                | 105+                  |
| Videocon Realty &<br>Infrastructure res Ltd | Kalyanbill &<br>Motiagacha (N 24 Pgs)                | Multi-product                              | 1080                  |
| -Do-  | Suryapur (N 24 Pgs)                                  | Electronics                                | 144                   |
| -Do-  | Kharagpur  | Muti-product                               | 1000                  |
| Salim (New Kolkata Dev.)                    | Haldia   | Muti-product                               | 5000                  |
| -Do-  | Nandigram (P. Mdn.)                                  | Chemicals                                  | 4000                  |
| Salarpuria Properties Pvt Ltd               | Between Barrackpur-<br>Barasat-Kalyani<br>Expressway | Electronics                                | 100                   |
| Bengal Srei Infrastructure Dev.             | Kharagpur  | Auto components                            | 100                   |

**Total = 11,997.40 hectare or 29,993.50 acres approximately**

\*October 2006; some of the bigger SEZs still not get any form of approval till now.

(Source: <http://www.sezindia.com>)



## Unrest against land-acquisitions for SEZs

He (Sitaram Yechury) made it clear.... “The government should not make the agricultural land available to SEZs. The policy currently permits single-crop farming land to be utilised for the economic zones. We demand only barren land be made available for SEZs.”

*(Economic Times, 22.09.06)*

West Bengal commerce and industry minister Nirupam Sen told the state legislature on Thursday it was difficult for the state government to entirely avoid acquisition of fertile land for proposed urbanisation and industrialisation.

*(ET, 24.11.06)*

### Pen tehsil in Raigad (Maharashtra):

**June 2006:** The farmers in the obscure Pen tehsil in Raigad district Maharashtra are preparing for the long battle against the gigantic and powerful company – the Reliance. On June 22, a few Mumbai-based Marathi newspapers carried the news of the **demonstrations of hundreds of farmers against the land acquisition** by the state government for the Reliance company for a **10,120 hectare** Special Economic Zone (SEZ). There was **police firing on the rally** as some miscreants indulged in stone throwing and damaging the property, which it was later found that, was not done by the protesting farmers.

“The Reliance company managed to create disturbance in the peaceful meeting of hundreds of farmers and our process of presenting objections to the Land Acquisition notices to the officials. The company is nervous about the growing resistance by the farmers for usurping their productive land and therefore trying to use the police to crush the movement” told Arun Shivkar, of Pen Panchkroshi Sheti Bachao Samiti (Pen area Committee for Save the farmland).

“And as we know the reality of this company and the SEZ, the farmers will drive the company out and take on the state government also for siding with the capitalists instead of caring for the farmers” fumed Ganesh Thakur from the Samiti. Out of 10,120 hectares land is earmarked for acquisition, **5720 hectare is irrigated** from

Hetavane dam, and large tracts belong to the salt pans or wetlands, mangrove very essentials for carrying capacity and sustainability of this area.

The villagers now know fully well they are pitted against the formidable adversary – the giant Reliance, which has **just obtained 25,000 hectares land for its own SEZ in Haryana, already took the governments in Uttar Pradesh, Gujarat and Maharashtra and even the so called the Left wing government of W. Bengal.** It is spreading its wings in textiles, power, contract farming, medicinal herbs, sugar industries and retail stores. They realize that the Company has enormous sway over the political, bureaucratic establishment and the media. **This company has been given the largest SEZ in the 42 villages in Pen-Panvel-Uran area,** in the name of the activities like manufacturing, trading, services, processing, logistics, repackaging, warehousing etc. (...) (*Source: <http://mail.sarai.net/pipermail/urbanstudygroup/2006-July/000964.html>; accessed on 01.09.06*)

**September 2006:** Over 50,000 farmers from the Pen-Panvel tehsils of Raigad district in Maharashtra, near Mumbai, called for the do away with the Special Economic Zones (SEZ) by the Government of India, in a massive rally on September 21 (Thursday) and condemned the nexus between the corporate company reliance and the Maharashtra government. (...)

The rally from Kharghar near Panvel to Konkan Bhavan in CBD-Belapur was organized by various farmers' organizations in Raigad district, including the Peasants and Workers' Party, Pen Panchkroshi Shetkari Bachao Parishad, Anti-SEZ People's Struggle Committee of Maharashtra and others. The unprecedented rally, held in the neighbourhood of the 'financial capital of India', in which the farmers gave a warning in no uncertain terms against usurping their lands. They opposed the acquisition of their lands, and the tax concessions of billions of rupees and winding of the laws of land for the sake of corporate powers. (...) However, the farmers and other villagers rejected outright the SEZ and its politically strong corporate-promoter, the Reliance Company of Mukesh Ambani. Ambani brothers are darling of Government and the ruling elites in India, including the Ministers, Chief Ministers

and even the Prime Minister along with all the political parties of this country are eager to placate the corporate czar. No wonder the Ambanis are offered 25,000 acres in Haryana, 3000 acres in Uttar Pradesh, about 1,000 hectares in W. Bengal and about 12,000 hectares in Maharashtra. (Source: [http://www.thesouthasian.org/archives/2006/farmers\\_rally\\_against\\_special.html](http://www.thesouthasian.org/archives/2006/farmers_rally_against_special.html); accessed 21.10.06)

**January, 2007:** Police detained 1,445 people who assembled to protest the acquisition of farm land for a proposed special economic zone (SEZ) to be established by Reliance on Wednesday. They were detained under provisions of the Bombay Police Act and released in the evening. (Source: <http://www.dnaindia.com/report.asp?NewsID=1072583>)

**Resolutions:** A farmer says, “We don’t want to sell our land, our families will be uprooted.” Another farmer says, “This is our birth place, our livelihood has come from this land, we will not sell it, even if we get lots of money for it.” Farmers claim that in May, Reliance had offered them Rs 4 lakh an acre, industrial training, living expenses for three years and 12.5% of their land back after development. But they are not satisfied. A farmer says, “People here are against selling their land inspite of Reliance saying that they will give back 12.5% of the land and will give us jobs.” The farmers claim that the Maharashtra Government has now stepped in to buy the land on behalf of Reliance. Although the government has not made a monetary offer yet, farmers fear the state will invoke Section Six of the Land Acquisition Act. This gives it power to acquire the land by merely notifying farmers. (...) (Source: [www.moneycontrol.com](http://www.moneycontrol.com); 29.09.06)

**Past Experience:** People in this area have already had the bitter experience of giving up their land for Navi Mumbai or New Bombay, which was created to ease the congestion in Mumbai. In the 1970s, the City and Industrial Development Corporation (CIDCO) acquired land from **95 villages, displacing 30,000 families**, to develop the new city. In return for giving up their land, CIDCO was supposed to develop 12.5 per cent of the land and give it back to the farmers. **This has not happened.** Apart from CIDCO, a number of other projects in the area have

taken up agricultural land such as JNPT, ONGC, IPCL, industrial estates and chemical and gas companies. (...) (Source: *The Hindu*, 30.09.06)

### **Pune (Maharashtra):**

**July 2006:** We have cultivated enough to nourish entire country that needs to be continued for future generations too. “Land is our Mother, Self-Reliance, Self-Esteem, our Livelihood, our Identity and Way of life so don’t snatch it,” said by farmers of village Gulani where Struggle against Bharat Forge Special Economic Zone is happening. They have taken firm stand that **‘we will die, but will not give a single biga** (local term for half acre land) land to the MIDC SEZ’. (...) Farmers of the sixteen villages form the Khed taluka of Pune district are opposing forced land acquisition by MIDC for the Bharat Forge-SEZ project. **There has been a lot of unrest and struggle against the land acquisition since last three months.** This is happening just 60 kilometers away from the Pune city. The village came to know about the land acquisitions during the month of April and May 2006 when MIDC started conducting its survey. Then villagers from Gulani asked about the details, which the MIDC officials refused to give them. This was followed by the villagers getting united and successfully bringing a halt to the survey work. By that time, they had asked information under the ‘Right to Information’ **but the response they got was that the information was “confidential”**. (...) [The LF government of Bengal also said that the Singur-deal with Tata is a “trade secret” — *Update*]

Fellow villagers are now being made conscious about the land grabbing and implications of these development projects through Gramsabha meetings on a regular basis. The Gramsabha resolutions about their unwillingness to sell their land for SEZ have already been passed. Many youth claimed that this is probably the first time that the village has come together so strongly on an issue. **More than four thousand people participated in a protest (Morcha) against SEZ in a one day mass protest at Rajgurunagar-Khed tahsil office on 11th July, 2006.** (...) The farmers have warned the government officers that they will fight against SEZ unless and until it gets stopped the survey and entire project. “Earlier, we have

faced displacement in the name of national interests like Chakan International Airport but henceforth we will not tolerate any displacement". (Source: <http://paddlesweep.blogspot.com/2006/09/sez-special-inequality-zone.html>; accessed 21.10.06)

**October 2006:** In Pune, cultivators who are going to be displaced by three SEZs organised a rally on **October 6**. Farmers who protested against the seizure of their land in Mann **had to face police bullets on March 9**. In nearby Karla (Pune district), farmers are angry. "We don't need work. We have our land. We can't live in a *jhopadpatti* [slum]. The government will throw us out from there too," said Vikram Bagwe of the Ekvira Jameen Bachao Andolan. "Already we have sacrificed our land for so many projects — 13 dams, the Pune expressway, a petrol pipeline. Now they want to take everything. We don't want money. In the long run, only our farms will last, not money," he said. (...) (Source: *Frontline*, 07-20 October, 2006)

### **Gurgaon (Haryana):**

Farmers in Gurgaon and nearby areas have raised strong objections to the proposed setting up of a Special Economic Zone (SEZ) through the acquisition of their lands. The SEZ is a joint venture between the public sector Haryana State Industrial and Infrastructure Development Corporation (HSIIDC) and the Mukesh Ambani-led Reliance Industries (25,000 acre). (...) Farmers claim that they will suffer huge losses because of the deal, as their lands are being bought at subsidised rates. "I have lost land at low rates. I have got a little less than Rupees 21,000," said Mukhlayar Singh, a villager, Wazirpur. "The farmers will suffer losses. Mohammedpur, Khandsa and many such are interior areas. Some areas are being bought by the companies at high rates whereas our lands are being bought at low rates," said Kartar Singh, a resident of Gadoli Khurd village. (Source: <http://in.news.yahoo.com/060623/139/65bxc.html>; accessed 30.12.06)

### **Sangrur, Amritsar & Abohar (Punjab):**

**October 2006:** Farmers held a protest rally, demanding quashing of the notification for acquiring 1218 acres of cultivable land for setting up a special

economic zone (SEZ), here today. They raised slogans against the state government for dislocating them from their ancestral villages. They alleged that the government had issued a notification to acquire 1218 acres in seven villages, including Pandori Mehma, Cheete Kalan, Chheete Khurd and Mannan Wala, in Amritsar district at throwaway prices. They announced that they would die rather than give their land for setting up the SEZ. *(Source: The Tribune, 12.10.06)*

**November 2006:** The heavy deployment of police around Dhaula and Fatehgarh Chhanna villages, besides entry points to the Barnala police district, today foiled the bid of farmers to sow wheat on the land acquired by the government for Trident Group. A clash between the police and farmers was averted at Dhaula village this morning. (...) A police team led by Mr S.K. Asthana, SSP, reached the village after getting information that farmers were holding a big protest. On seeing the police, the farmers raised slogans against the government and the administration for “forcibly” taking away their land. An altercation took place between police personnel and the farmers. Sensing tension, the police team went back and the protesters staged a dharna. As many as 25 police parties, comprising personnel drawn from Sangrur, Bathinda and Barnala districts, had been deployed to prevent the protesters from reaching the acquired land. Despite nakas, more than 700 farmers succeeded in reaching Dhaula and Fatehgarh Chhanna to participate in the protest. *(Source: The Tribune, 09.11.06)*

**December 2006:** On the call of nine farmers’ organisations, farmers and activists of farmer organisations today blocked rail/road traffic at six places in Sangrur and Barnala districts opposing the acquisition of land of farmers in various parts of the state, especially 376 acres in Dhaula, Fatehgarh Chhanna and Sangherra villages, near Barnala, by the government for the Trident Group. (...) The peasants said the State Government had recently issued notification for the acquisition of 1200 acres of agricultural land in Amritsar to set up an SEZ. Besides, the farmers demanded withdrawal of cases on peasants protesting against acquisition of land. They also demanded that their acquired land should be returned (...).

The Jamhoori Kisan Sabha farmers blocked traffic on the national highway 10 this afternoon for two hours. They also disrupted earth work for the Abohar-Fazilka railway line project near Dangarkhera village. Farmers from different villages gathered at Burajmuhar village and held a rally. (...) *(Source: The Hindu, 14.12.06)*

### **Por (Gujarat):**

Fearing a takeover of their farmlands for the proposed Special Economic zone (SEZ) in Por, farmers of five neighbouring villages dashed off a letter to BJP national president Rajnath Singh as well as the Left parties, asking them **to come categorical on the SEZ policy**. With the BJP opposing the Tata plant in Singur in West Bengal, the Por farmers are demanding a similar stand in Gujarat, where their fertile lands are likely to be taken over. About **5,000 farmers** of Por, Ankhi, Puniyad, Bamangam and Fajalpur have planned a protest rally in Fajalpur-Ankhi village on Tuesday evening to chalk out a course of action. Fearing they would be forced to sell the land to the State Government, the farmers decided to take up the issue with the BJP president who has been supporting West Bengal farmers over the Singur issue. "There has to be uniform policy all over the country on the SEZ issue," said Jatinbhai Patel, one of the protesting farmers. *(Source: Indian Express (Ahmedabad), 19.12.06)*

### **Bangalore (Karnataka):**

A large number of mostly Dalit and Other Backward Class farmers with smallholdings of one or two acres in Bandikodigepalya, Shingahalli, Arebinnamangala and Gollahalli, near the Bangalore International Airport coming up at Devanahalli, may lose their land to the Karnataka Industrial Areas Development Board (KIADB), which is acquiring land for a special economic zone (SEZ). The 1,209 acres of land targeted for acquisition is worth thousands of crores of rupees and the farmers have resolved to protest against the acquisition. The farmers, who gathered at Shingahalli under the banner of the local Janata Dal (United) unit on Tuesday, expressed their anger at the notice issued to acquire land in Arebinnamangala (483 acres), Shingahalli (355 acres), B.K. Palya (294 acres) and

Gollahalli (75 acres) for the SEZ and raised slogans demanding that the acquisition proceedings be withdrawn. (...) (*Source: The Hindu, 25.10.06*)

### **Hosur (Tamilnadu):**

More than 1,000 farmers from Bairamangalam, Akkondapalli, Karukondapalli and M. Agraharam villages staged a demonstration at Bairamangalam, 20 km from here, on Friday in protest against the proposed setting up of a Special Economic Zone (SEZ) by the government. (...) The government has already announced its decision to establish a SEZ near Hosur in a 3,000-acre site. Land for the proposed SEZ have been identified in four panchayats, including Bairamangalam, Sanamau and Kundamaranapalli. They urged the government not to take over the land as more than 5,000 families were dependent on it for livelihood. In addition, the land being highly fertile was suitable for cultivation of vegetables and other crops, which were sent throughout the State and to neighbouring Karnataka and Andhra Pradesh. (*Source: The Hindu, 09.09.06*)

### **Visakhapatnam (Andhra Pradesh):**

The ryots of Atchutapuram and Rambilli mandals are gearing up for a major agitation to convince the Government to repeal the SEZ (Special Economic Zone) Act. Dharnas at the Collectorate and padayatras will mark the agitation. The call to launch the agitation was given at a public meeting called by the Human Rights Forum (HRF) at Rambilli on Sunday. (...) Speaking at the meeting, general secretary of HRF K. Balagopal pointed out that (...) "How can one term it as development, when ryots and traditional fishermen are displaced to facilitate multinationals set up their units?" He was of the opinion that the promise of jobs to illiterate farmers and fishermen in the modernised and fully automated SEZ units is nothing but a game to lure the innocents to give away their lands without protest. "Moreover, the Act does not obligate the SEZ units to recruit a minimum number of locals. It is entirely left to the units to fulfill their manpower requirement," he said. (...)

The Government has already acquired 9,200 acres in Atchutapuram and Rambilli mandal and is in the process of acquiring another 10,000 acres under the second



phase. Pouring out their woes at the meeting the farmers informed that government had notified the fertile and potent land in their area as 'banjar' (waste) land without even conducting a socio-economic survey as provided under GO 68. "Moreover, till date the natives were not informed about the units that would come up," said V.S. Krishna, State coordinator of HRF. (...) *(Source: The Hindu, 25.12.06)*

[**From UEB:** These are very few reports about the unrest developing against the forced land-acquisitions. We may observe more intense struggle against these usurpation of land in near future.

Another point of Mr. Kamal Nath, our Minister of Commerce may be judged. He claims that in the SEZs **5 lakh jobs will be created**. Some state governments are promising higher: according to some of them job-creation may touch **15 lakhs!** In absence of proper industrialisation and development (which cannot be accomplished within the present state & structure) these must not happen (and not anywhere happened before). Keeping aside this high-sounding promises let us discuss the nature of jobs that would have to be created in these SEZs. Present industries are flouting the 'Labour Laws' in a rampant manner. Permanent nature of jobs are gradually vanishing. Factories are run by the industrialists employing contract and/or casual workers on pathetic scale of wages and working conditions. These workers are laid off anytime, anywhere. All the existing rights of the working people are being snatched away daily, hourly. We are not detailing the actual state of affairs in the labour relations. In short: under the regime of NEP & liberalisation undertaken by the Indian ruling classes (under the patronage of imperialist forces) the capitalist classes are **waging a vigorous class-war against the working masses** which are not still capable of resisting these onslaughts. In this scenario the number & nature of jobs created in the SEZs can be easily estimated. In the former EPZs the record is dismal:

According to information given on the government website on SEZs, till March 31, 2005, the 11 SEZs in the country had managed to employ **only 1,00,650 people, including 32,185 women**. These zones also include what were formerly called the Export Processing Zones. *(Frontline, 1-14 July, 2006)*

Moreover, it is noted earlier that **62%** of the would-be-built SEZs are **IT/ITES SEZs** those can generate very few (skilled) jobs. In the meantime, the Maharashtra government “quietly introduced the ‘hire & fire’ policy for industries to come up in the SEZs” (*ET*, 16.06.06). The CM of Uttar Pradesh government clearly advocated: “It is necessary to make labour laws more flexible, so that units set up in SEZ could compete at international level” (*ET*, 04.07.06). All the existing EPZs/SEZs are in fact, “public utilities” (even in the left-ruled West Bengal!) where no labour laws are present. Next excerpt reveals what is happening in ‘left’-ruled state like Kerala.]

## Special Exploitation Zone

Spread over 110 acres of land and fortified by high walls, the Cochin Special Economic Zone is an imposing presence in the vicinity of the headquarters of Ernakulam district, Kerala. **The public has no free access to the SEZ; entry into the Zone is perhaps more difficult than to the restricted areas of the Southern Naval Command, also in Cochin.** The Zone has its own water supply system, power supply and effluence-treatment plant. It has 79 factories manufacturing ready-made garments, rubber gloves, electronic items, software, hardware, food items and jewellery. More than 7000 people work in these factories. (...)

Cochin’s SEZ is the smallest one, and according to trade union sources has comparatively better working conditions than the others. And about **60% are women**, indicating that there is labour to be had for both sexes. But while there is plenty of work to go around, these aren’t jobs to be envied. **Approximately 55% of the total workforce is made up of contract workers, who do not enjoy any of the benefits and privileges that regular employees do.** The Contract Labour (Regulation & Abolition) Act 1970 specifically prohibits employing contract workers in activities which are “permanent and perpetual” in nature. Almost all the activities conducted by the units in the CSEZ are permanent and perpetual in nature and yet the practice of employing contract workers goes unabated. **Workers are paid as low as Rs. 35 to 75 a day, and are often made to work more than the stipulated eight hours for no extra payment;** the rules of the Minimum Wages Act offer no protection to contract workers. **Worse, they have to part with anything between Rs. 10 to**

**15 daily to the contractor as his commission.** Recruiting agencies get paid for the contracted amount from the companies in the Zone. It is they who then make the payments to the workers on a monthly basis after deducting their commission.

The workers, once they enter the premises do not have any contact with the outside world. The work atmosphere is oppressive; the eerie stillness of work is only occasionally broken by a woman asking for permission to use the toilet. “There are restrictions even in going to the toilet. The supervisor will shout if we take more than a few minutes,” says Sajitha, a semi-skilled worker in a ready made garment unit. “How much ever hard we work, we are scolded and shouted at in front of others. There are very few days when I’ve not cried.” The workers are reluctant to talk, and are afraid of being quoted. Sajitha [not her real name] and other women workers who spoke about the intimidating atmosphere in the Cochin zone insisted on changing their names when quoted.

Most of the women workers come from far away places and are often the only bread winners of their families. Groups of five or six of them rent a room and live together with very limited facilities. A frugal meal of rice and a curry cooked once in a day is shared among them as breakfast, lunch and supper. “We took up this employment with great hopes, but now feel trapped,” says Seena who has been working in a garment factory for the last five years. “We cannot give up and go back as our families are totally dependant on us and there are very few alternatives.” Despite employing more than 3500 women, the zone does not provide accommodation facilities nor are there any crèches. Transportation facilities are inadequate. The workers are taken by vehicles to the factories for the morning shift, but they are left in the lurch once the shift is over. “After the night shift, we are taken in a vehicle and all of us are forced out in front of the first house where some among us stay. All the rest run for their life in the dead of the night,” says 25-year-old Mallika working in a ceramic unit. The lofty ideals of each zone developing into townships catering to all the needs of the work force including housing, education, medicare remain only on paper.

**Often the shifts run 10-12 hours a day to achieve production targets, without the workers receiving any overtime allowances.** “My health is ruined working continuously to complete the stipulated number of pieces. They won’t allow me

to take a day's leave to go to the doctor," mourns Mini John, a contract worker in a glove-making unit.

Exploitation is not limited to the blue collar jobs; even the sophisticated Information Technology jobs here come with a millstone around the employees' necks, in the form of 'traineeships'. **Employees are appointed as trainees for eleven months on meagre wages, and then their employment is terminated. They are then reappointed again as trainees after a reasonable lapse of time and the trainee cycle continues for any period of time you are willing to let yourself be 'trained'.**

The lot of permanent employees is also not much better. Although the Minimum Wages Act does apply to permanent work, only those industries that are brought under its purview by the government can be thus regulated, and so far the IT and Readymade Garment sectors have been left out. **Thus the majority of workers in the Cochin Zone receive no effective protection under the Act.** Many workers complain that the Provident Fund and Employees State Insurance contributions collected from them are not being remitted.

In order to 'facilitate the smooth functioning' of the zones and to stop 'outside interference' **the powers of the labour department were transferred two years ago to the Development Commissioners,** who are in charge of the administration of the zones. With that the last resort for redressal of grievances of workers has been taken away. The administration is vested in a Development Commissioner and a fairly large bureaucracy. The administration admits without qualms that their responsibility is only to see that the units function without any interruptions. **"We cannot bother about the conditions under which the employees work nor about the contract labourers,"** says TV Chandran, one of the Assistant Development Commissioners of the Cochin Zone. (...)

Even though, Kerala has a tradition of militant trade unionism, the unions have not been able to effectively protect the rights of workers in the zone, union leaders admit. **Only about 1500 of the total workforce of 7000 are members of any trade union.** There are **trade unions in only 21 of the 79 units functioning in the Cochin**

**Zone**, the majority of them being led by the Centre for Indian Trade Unions (CITU). “Attempts to organize the contract workers have not born any fruit,” admits Nasser, Joint Secretary of the CSEZ Workers Association (CITU) “They are afraid. They fear retribution from managements and contractors”, he adds. **The women workers also allege that they were tutored on what to say to the State Women’s Commission and The Labour commission when they visited the Zone. They confess that they always abide by the management’s instructions, for fear of reprisals, as also from apprehension that the company itself might close down, if they revealed the truth. “The work culture of the Zones is akin to that which existed during the Industrial Revolution in Europe; mindless exploitation,”** comments advocate Shiny, President of the Workers Union, an independent trade union. (...) *(Source: <http://www.indiatogether.org/2005/aug/eco-sezone.htm>; accessed 19.01.06)*

[**From UEB:** These types of labour-exploitation is happening all the SEZs in several countries. Some of these are reminiscent of the notorious **concentration camps**. Even in the **left-ruled West Bengal**, the **Phalta SEZ** has no better record. Paradoxically, once ‘communist’ **China is a model in this severe exploitation**. Examples of China is very much pertinent here because the ‘left’ parties, particularly the CPI(M) continuously advising the central government (on other words, the ruling classes of India) to follow the SEZ models of China. A team of CPI(M) visited China zones recently and ‘surprised’ at the spectacular growth and progress of these zones. Now CPI(M) is lecturing the central government to emulate the model of land-acquisition, compensation and/or rehabilitation followed in China!

**Firstly**, in recent times, **massive peasant protests and revolts** are occurring in **China** which was brutally suppressed by the ruling elites. **Secondly**, sporadic **movements of workers** are also occurring in the SEZs of China against the notorious labour standards which forced the China Government to adopt some cosmetic measures of legal avenues in recent times. Due to lack of space we cannot detail these aspects here. We are presenting only a brief glimpse of these incidents.]

## **Police in China Battle Villagers in Land Protest**

A week of protests by villagers in China's southern industrial heartland over government land seizures exploded into violence over the weekend, as thousands of police officers brandishing automatic weapons and electric stun batons moved to suppress the demonstrations, residents of the village said Monday. The residents of the village, **Panlong, in Guangdong Province**, said that as many as 60 people were wounded and that at least one person, a 13-year-old girl, was killed by security forces. (...)

The residents of Panlong said their anger had been set off by a government land acquisition program that they had been led to believe in 2003 was part of a construction project to build a superhighway connecting the nearby city of Zhuhai with Beijing. Later, the villagers learned **the land was in fact being resold to developers to set up special chemical and garment industrial zones in the area**. The clash in Panlong was the second time in just over a month in which large numbers of Chinese security forces, including paramilitary troops, were deployed to put down a local demonstration. The earlier protest, 240 miles north in the village of Dongzhou on Dec. 6 over the construction of a power plant, was one of thousands recently in rural China over the environment and land use, with little relief available through the country's legal system. (...)

Eventually, they said, as many as 10,000 police officers were deployed, roughly twice the number of protesters at the peak of the demonstrations, according to some estimates. **In December, in the protest in Dongzhou, residents say as many as 30 people were killed when security forces opened fire on crowds of villagers demonstrating** against the construction of a coal-fired power plant in their midst. (...) Unlike the events at Dongzhou, an out-of-the-way fishing village, the latest confrontation was in a rural enclave in the midst of some of China's biggest and fastest-growing industrial cities. The region that immediately surrounds Panlong is among the most heavily industrialized anywhere. (...) Panlong is a short drive from Shenzhen, Dongguan and Zhuhai — all large and booming cities virtually created from scratch during China's economic takeoff, which began in so-called special economic zones as part of the country's sweeping economic changes.

“We have many special zones in this area, and each of them attracts investment,” said a man who lives in a village adjacent to Panlong who was interviewed by telephone and gave his name as Hou. “The economic deals set in the past were not favorable, and many zones here have had smaller protests before, **but the people were not united.**” “**Now,**” he continued, “**there are uprisings everywhere.**” (Source: *The New York Times*, 17.01.06; retrieved from [www.howardfrench.com/archives/2006/01/17/police\\_in\\_china\\_battle\\_villagers\\_in\\_land\\_protest/](http://www.howardfrench.com/archives/2006/01/17/police_in_china_battle_villagers_in_land_protest/) on 02.09.06)

## Chinese Media Print Slain Villagers' Names

Chinese state media on Sunday published the names of **three villagers killed by police during a protest over the seizure of land** for a power plant and provided a rare and vivid account of the small-town politics that led to the bloody confrontation. (...) Dec. 6 shootings in Dongzhou, a village about 60 miles northeast of Hong Kong in **Guangdong province**. The government says three people were killed, while residents put the toll at up to 20. (...)

The violence was the deadliest clash yet in a series of confrontations throughout China between police and **villagers who are angry over land seizures for construction of factories, shopping malls and other projects**. Villagers say the protest erupted over complaints that residents received little or no compensation for land taken by the government for construction of a power plant.

According to Dongzhou residents, as many as **20 people were killed when police opened fire on a crowd of thousands protesting inadequate land compensation**. Villagers said many of the protesters were unarmed and that dozens of people are still missing. They also said they heard sporadic gunfire through the night, lasting for about 12 hours. (...)

Chinese media has given scant coverage to the incident, with a few articles published by the official Xinhua News Agency and local Guangdong papers. (...) The **government spokesman told** the Guangzhou Daily that in November 2004, the local land resources bureau arranged compensation payments to 1,654 villagers but that 25 households had

refused the deal. He did not say how much money had been offered. Disgruntled villagers blocked workers from entering the plant construction site for nearly three months before the dispute erupted into a riot on Dec. 6 as police confronted villagers armed with knives, wooden clubs and molotov cocktails, he was quoted as saying. (...) The men used illegal radio broadcasts to organize attacks on guards at the power plant and blocked the road to the plant **for 84 days**, according to the paper. Police confiscated explosives, knives and clubs used by the protesters, it said. "The incident of Dec. 6 was a serious violation of law in which a handful of people instigated beating, smashing and burning and launched a violent attack against police officers trying to carry out their law enforcement duties," the spokesman was quoted as saying.

By the government's count, China had more than 70,000 cases of rural unrest last year. *(Source: December 19, 2005; by Alexa Olesen, ABC News; retrieved from <http://mediachannel.org/blog/node/2409> on 21.12.05)*

[**From UEB:** The CPI(M)-led government is doing exactly in West Bengal what is happening in China. These so-called 'communists' is 'rightly' emulating their Chinese counterparts as they are repeatedly alleging that "handful of miscreants" are "creating disturbances" in **Singur, Nandigram**, etc. suppressing the fact of mass unrest growing in the areas where the operations of land-grabbings have been undertaken. Moreover, they are advising the Indian government to do the same! (In Orissa, Maharashtra, Andhra Pradesh these are actually happening.) Now observe some glimpses of **labour conditions in Chinese SEZs.**]



### **Box: Double-standard in 'left'ist style**

- All states are equal, but West Bengal seems to be more equal than others. At least this is the way CPM looks at things. At a meeting in Kolkata (...), the CPM politburo adopted a resolution opposing the acquisition of large tracts of farmland for setting up SEZs, but in the same breath endorsed similar projects in West Bengal. The politburo “discussed in depth” the setting up of SEZs in the country, CPM general secretary Prakash Karat said. Large tracts of land were being given to promoters of multi-product SEZs. Land was being acquired from farmers on a large scale without due compensation or provision for means of livelihood. (...) Karat said the proposal for setting up two SEZs in Haldia, one measuring 10,000 acre and the other 12,500 acres, were examined in depth by the politburo and nothing wrong was found in those. “Not much agricultural land will be sacrificed for setting up the two SEZs,” he pointed out. For projects like Tata Motor factory in Singur, too, the CPM politburo found nothing wrong, despite the project slated to come up on fertile agricultural land. [*Times of India*, 14.09.06]
- “SEZs should be built on non-agricultural land and acquisition of agricultural land for the purpose of SEZs should be discouraged.” [*People’s Democracy or PD, organ of CPI(M)*, 29.10.06]
- CPI general secretary A.B. Bardhan’s comments on the land acquisition Act is a case in point. Citing its provisions, he said that state governments cannot acquire land for industry. For the Act specifies that land can be acquired for public purpose only. (...) And the person, who presided over the meeting [national council of CPI, held in Kolkata], is none other than CPI minister Nandogopal Bhattacharya, who had okayed land acquisition for industry in the Cabinet as well as the Left Front meeting. (...) [*Times of India*, 06.01.07]
- The Bengal government today opposed the Centre’s 10 per cent ceiling on farmland within a proposed special economic zone, citing the scarcity of fallow land in the state. The Centre has hinted that it wouldn’t allow agricultural land to make up more than 10 per cent of the area under a multi-product SEZ’s area. “We will oppose this clause. In Bengal, most of the land is agricultural and less than 0.5 per cent is barren. It’s not possible to have a large SEZ with only 10 per cent agricultural land in our state,” commerce and industries secretary Sabyasachi Sen said. (...) [*The Telegraph*, 17.11.06]
- It is with growing concern one notes that the central government and certain state governments in the country, unmindful of the distress of the peasantry and rural poor, with the appalling figure of 20,000 hunger deaths and over 1,20,000 farmers suicides staring them in the face, are still prepared to hand over prime agricultural land of farmers under a Colonial Land Acquisition Act of over a hundred years ago. This measure has led to a shameful land-grab by multinationals, corporates and building companies which will involve the eviction of millions of peasants and agricultural labourers all over the country. (...) [[http://www.ganashakti.com/old/2006/061120/week\\_feature3.htm](http://www.ganashakti.com/old/2006/061120/week_feature3.htm)]
- Addressing a huge public meeting in Araku tribal area of Vishakapatnam district in Andhra Pradesh, CPI(M) Polit Bureau member and MP Brinda Karat lambasted the so-called process of development by which tribals, dalits and poorer sections of people are being uprooted from their lands. She called upon these sections to rise in opposition to this sort of “development”. (...) [*People’s Democracy*, 03.12.06]
- Brinda Karat observed that the heroic agitation of Gangavaram fisherfolk is an inspiration to the displaced people of all projects and SEZs throughout the country. In the name of SEZs, valuable lands are being acquired by throwing out peasants from their lands. Those who agitate are not only facing bullets (like in Gangavaram) but are being brutally repressed and put into jails. Karat condemned this undemocratic practice of most governments and demanded amending the archaic Land Acquisition Act of 1884 in tune to the present situation. [*PD*, 03.12.06]
- West Bengal commerce and industry minister Nirupam Sen told the state legislature (...) it was difficult for state government to entirely avoid acquisition of fertile land for proposed urbanisation and industrialisation. (...) (*Economic Times*, 24.11.06)

## British MNCs in Shenzhen & Guangdong:

(...) Clothes and toys on sale in Britain's high streets are made by Chinese workers forced to endure illegal, exhausting and dangerous conditions, according to a new study. A three-year investigation into booming export factories for companies such as Marks & Spencer and Ikea discovered the human cost of China's "economic miracle". It found an army of powerless rural migrants toiling up to 14 hours a day, almost every day. Many were allowed just one day off a month and paid less than £50 a month for shifts that breached Chinese law and International Labour Organisation rules. Despite evidence of the shocking working conditions, cheap clothes, toys and increasingly electronic goods from the sweatshops are on sale in British shops with household names, including those with ethical buying policies.

Assembly-line personnel in free-trade zones in south China operate machinery without safety guards and spray paint with inadequate face masks. They often die in industrial accidents or from *gulaosi*, the Chinese term for death from overwork. Workplace death rates in China are at least 12 times those of Britain and 13 factory workers a day lose a finger or an arm in the boom city of Shenzhen. In a sign of official disquiet, the state-owned China Daily reported in November that a 30-year-old woman, He Chunmei, died from exhaustion after **working 24-hours non-stop** at a handicraft factory.

The International Textile, Garment and Leather Workers Union fears that multinationals are in a "race to the bottom" in workers' conditions. Neil Kearney, its general secretary, said: "There's no such thing as cheap clothing because ... the main people paying the price are the people producing it." Of a factory visit two months ago, he recalled: "There were about 700 workers in this factory. Those workers appeared dirty, raggedly clothed and malnourished. If you had taken some black-and-white pictures they would have fitted not too badly into **Dickensian scenes**.

"They were sharing 12 men to a room. Literally they had a box to themselves, like the boxes you see in the films of the concentration camps. The washing facilities were a cold water tap on a balcony. The wages were something like ... £1 a day."

Such miserable conditions allow China to undercut developing countries by up to 60 per cent. It now supplies 90 per cent of the world's toys and one-fifth of Europe's clothes, though textile exports are soaring. With explosive annual growth of 9 per cent, China overtook the UK last month as the world's fourth largest economy and is forecast to pass Germany by 2010. Its transformation from peasant economy to industrial marvel has drawn 100 million peasants to the cities — the largest human movement of people in history. Most of the workers end up in the free-trade factories of the Pearl River Delta. Little publicity emerges about these factories because they are privately run and in Guangdong province, which is 1,500 miles from foreign correspondents in Beijing.

The Chinese authorities acknowledged last month that **80 per cent** of private companies “frequently violated” workers’ rights. (...) (*Source: www.chinalaborwatch.org; accessed 10.04.06*)

### **Procter & Gamble (Guangdong):**

(...) [T]hese Chinese workers have put in years of work, they are nonetheless labeled “temporary workers”. Temporary workers are more severely punished and more easily fired than their counterparts. The segregation is physical as well as financial, as temporary workers are forced to eat at a separate dining hall with lower quality food. In some cases, they are forced to work double overtime shifts, on top of their already onerous schedules, under threat of suspension.

Temporary workers in the Guangzhou P&G factory (the P&G Huangpu Factory in the Guangzhou Economic Development Zone) are contracted out to P&G by the “Bestfriend Human Resource Company.” **They are forced to work twelve hour shifts six days a week, with only four days off per month.** Furthermore, the company does not allow them paid holiday for either weddings or funerals. None of the temporary workers receive “social insurance,” a term that encompasses the health, unemployment and pension insurance that the Chinese government guarantees workers under law. At the end of a twelve hour day of work, they are forced to travel to a separate distribution center for additional work. **Failure to comply will result in suspension.** PRC law clearly states that workers are to

enjoy the benefits of social insurance and that no worker can be forced to work overtime. (...) (Source: [www.chinalaborwatch.org](http://www.chinalaborwatch.org); accessed 10.04.06)

### **Kingmaker Zhuhai Factory (Guangdong):**

A few hundred workers from the Mei Xing Footwear Co. Ltd in Zhuhai, Guangdong Province went on strike July 4 and 5 [2005] to protest low wages and poor quality food at the factory. Mei Xing is one of the production facilities of the Taiwan-invested Kingmaker Footwear Holding Ltd. The factory is located in the Xiangzhou Cuizhu Industrial Zone of Zhuhai City, Guangdong Province, China and employs a total of 14,000 workers. The factory manufactures footwear products for several multinational shoe companies, including Clarks and Sketchers. (...)

Alleged violations include:

- Up to 81 hours of work per week, well in excess of the legal limit of 44 hours mandated by Chinese labor law;
- An overtime wage of 2.5 yuan, which is actually less than the regular wage, a clear violation of Article 44 of Chinese Labor Law, which mandates that overtime wages must be at least 1.5 times the regular wage;
- No maternity leave and no special protection for pregnant workers;
- No legal paid holidays and no health insurance;
- Exposure to toxic, corrective chemicals posing great health risks;
- Workers charged for cafeteria food regardless of whether or not they eat in the canteen;
- Regular intrusive and humiliating body searches;
- Workers threatened with termination, harassment and verbal or even physical abuse if they attempt to complain against conditions.

In response to these conditions, workers at this factory were also on strike for three days in April 2004 and again in May 2005, but the management paid little attention

to workers' grievance and consequently the conditions remain unchanged. (...)  
(Source: [www.chinalaborwatch.org](http://www.chinalaborwatch.org); accessed 10.04.06)

[**From UEB:** These are very few aspects of the working conditions in Chinese SEZs advocated strongly by the CPI(M) leaders to be pursued in India!

As we are giving finishing touches to this edition of **Update, Nandigram, an area near Haldia (East Midnapur district)** bursts into anger against the notification of **land acquisition for a SEZ of Indonesian Salim**. In the section "Simmering West Bengal" we have given reports of growing unrest in Nandigram. The people here formed a forum called '*Krishak Uchched Birodhi O Janasartha Raksha Committee*' (Committee against the uprooting of peasants and for protection of people's interest) and continued their agitations during the months of November & December 2006. But the situations here took a abrupt turn as the LF government of West Bengal ("taking a lesson from Singur") gave a 'advance' notification of would-be-land-acquired in the area. Since then Nandigram erupted with raging anger and protests leading to killings of at least seven people. We are giving here some newspaper clippings (printed & electronic) only, collected hurriedly to publish this issue of **Update** as fast as possible.]