

## **CASE STUDY ON IMPACTS OF DISPLACEMENT ON LOCAL COMMUNITIES AS A RESULT OF BAUXITE MINING IN KORAPUT DISTRICT**

### **Background to the District**

Koraput is a tribal dominated district with lush forests and rich mineral resources located in the southernmost part of the Orissa state. It is situated between the 17.4° N to 20.7° N latitude and 81.24.4°E to 84.2° E longitude. The district is bounded by Rayagada district (of Orissa) and Srikakulam district (Andhra Pradesh) in the east, Bastar district (Madhya Pradesh) in the west, Nowrangpur district in the north (Orissa) and Vizianagaram and Visakhapatnam district in the south (of Andhra Pradesh). The total area of the district is 8,379 sq km, altitude is 1,000 m above mean sea level and average rainfall of 1,522 mm. The temperature ranges here between a minimum of 12°C and maximum of 38° C. Humidity ranges between 92 percent saturation in August and September to 60 percent in March and May. The district is located on the Eastern Ghats and has a wavy topography. The main rivers that pass through this district are Indravati, Kolab and Machkund. It is divided into four distinct natural divisions based on the altitude of the landscape ranging between 500 feet and 3,000 feet plateau. Seventy percent of the district was at one point covered with forests. Today only 1,410 sq km or 16.8 percentage of the district has a forest cover.

The total population of the district is 11, 77,954 while the adivasi population numbers 585,830 and constitutes 50.66 percent of the population in the district, living mostly in the Scheduled Area. The population is extremely poor and backward. Of the 62 tribal communities in Orissa, 52 of them live in the district. These include some of the most primitive tribes like the Bondas, Parojas and Koyas. Administratively the district is divided into 14 blocks.

Koraput is a mineral rich district and has one of the largest deposits of bauxite in the country, with the major deposits located in five sites—Panchpatmali, Potangi, Balada, Maliparbat and Kodingamali. The two sites were mining is

being carried out is Panchpatmali and Maliparbat. Of these, Panchpatmali, is the site of the biggest bauxite mine (open-cast) in the country with a capacity of 4.8 million tonnes per annum. The mining and processing of the ore is carried out by NALCO, set up specifically for this purpose. Incorporated in 1981 as a public sector enterprise of the Government of India, NALCO today has Asia's largest integrated aluminium complex. The ore from the mines in Panchpatmali is carried by a conveyor belt 14.6 km long to the refinery site in Damanjodi town, in Koraput district itself, where it is refined into alumina. The captive power plant and the smelter in Angul district convert the alumina into aluminium. The mechanised storage and ship handling facilities of NALCO set up in the Visakhapatnam port are used for exporting in bulk and importing caustic soda required for the refining process. The mining in the region was pushed ahead with promises of economic prosperity and improved lives for the people in the region.

However, NALCO's operations in the different locations, including the mining at Panchpatmali and refinery at Damanjodi in Koraput district, have had severe social, economic, cultural and environmental impacts. One of the continuing issues is that of displacement and inadequate compensation/rehabilitation.

### **Displacement and compensation/rehabilitation**

The total land area acquired for the NALCO operations in Koraput district was 4,070.63 ha (10,058.76 acres). Of this, 172.92 ha (427.30 acres) was for the mines, 1,067.94 ha (2,638.96 acres) was for the township and 2,829.76 ha (6,992.50 acres) was for the plant. Of the land acquired 2,805.49 ha (6,932.51 acres) or 40.94 percent was government land and 2,834.56 ha (7,004.35 acres) or 41.36 percent was agricultural land. The villagers depended on this land during their lean months living off the fruit, seeds, leaves and flowers and were used by 70 villages to meet their sanitary requirements.

There are different estimates of the number of displaced persons. From the primary data collected with the Project Affected Persons (PAPs) it was gathered that a total of 26 villages around the mining and refinery sites in Koraput

district have been directly or indirectly affected (Narayanpatna, Koraput, Dasmathpur, Surabeda, Potangi, Semliguda and Laxmipur blocks) with 597 families directly displaced both in terms of land and housing. This action research was conducted in the villages of Amalabadi, Champapadar, Damanjodi, Goudaguda, Janiguda, Marichimala and Putsil, which are apparently some of the most affected by the project. However, according to the statements made by the displaced people the recent update of displaced families for NALCO is 631 families. One source gives the total number of people displaced at Damanjodi to be nearly 3,000 from 19 villages of which 15 villages with 610 families and population of 2,368 were fully displaced and four villages consisting of 178 families and a population of 736 were partially displaced. A statement by the Minister of Mines (in March 2010) gave the number of displaced as 600 families in Damanjodi of which 598 had been rehabilitated in two settlement colonies, with the remaining two families opting to remain in their native place. Those displaced were resettled in two DP Camps, one at Amalabadi and others at a camp near the village of Champapadar. The DP Camp at Champapadar is situated far away from the township of the company while that of Amalabadi is closer. As per the initial resettlement made by NALCO, 597 families were taken as displaced families. Out of these, 441 were rehabilitated in the Amalabadi DP Camp, which was meant to provide resettlement for 13 villages affected by the project. This was later increased by another 156, totaling to 597. A second DP Camp at Champapadar was initiated for 75 households for the displaced from another affected village, Khoraguda, and also those who were affected from hampapadar village itself. At present there are more than 200 families who are living in the Champapadar DP Camp. The housing provided by NALCO consists of 10x10 feet structures. As habilitation was never properly completed, the PAPs invested their own money in building their houses or supplementing the inadequate housing provided by the company. The traditional homesteads of the communities included space for livestock, storage and drying of agricultural produce and space for kitchen gardens to grow vegetables. In the houses provided at DP camps there is barely

enough space for the family. The food basket is devoid of the earlier variety and in the absence of grazing rounds and difficulty in getting fodder there is limited scope for keeping livestock. There are hardly any cattle visible today in the DP Camps. Collecting fuel wood for domestic use is also a huge problem.

The two DP Camps were provided with basic drinking water facilities. Some partially affected villages have tube wells and taps but most still depend on stream and river water for their household use. The water problem is acute during the dry summer months. The company does not provide any medical facilities for the affected from these villages and basic services like drinking water, electricity and education are either not provided or marginally provided by the company.

A total amount of Rs. 1,48,73,474.52 is said to have been paid as compensation. Most of the villages affected had lost fertile agricultural land. Damanjodi had the highest number of displaced families where agricultural land was alienated. Those who lost land were given a compensation of Rs. 3,300/- per acre for paddy land and Rs. 1,100/- per acre for dry land in Damanjodi. In another village Putsil, the average compensation received per family was Rs. 1,300/- per acre. In Marchimala 50 households who lost their land but not their houses, were given an average compensation of Rs. 1,500/- per acre. In Janiguda village more than 240 acres of land was taken by the company but people here were not given any alternate livelihood. A cash compensation averaging Rs. 1,500/- per acre was all that was provided.

Compensation for land was given only to those farmers who had *pattas*, and several *adivasi* and *dalit* families who did not possess *pattas* never received compensation and lost their only source of livelihood. They were now working as landless labourers in agriculture, in rearing animals or as daily wage labourers in the construction industry. In the case of Amalabadi, villagers who were already living there were also displaced from their lands to provide for the oustees. No compensation was paid for common property resources and a mere Rs.150/- was paid on average per tree. The oustees had little negotiating skills

and lost out in the process of receiving adequate compensation and rehabilitation. The *adivasis* fared the worst as they had no exposure to the workings of the mainstream market. Cash received was spent on repaying old loans, purchasing items of daily necessities or wasted on consumer goods without investment in productive assets.

Employment with the company was given where the family lost both house and land and that too only to the eldest son. The work was semi-skilled or unskilled (drivers, operators, machine attendants or labour) and even after 25 years of the company's existence only a few, about seven, of them had been promoted from unskilled to semiskilled level. Those who did not receive employment were working as manual labour under contractors. Of the displaced who got jobs, 108 persons are dead and more than 20 have retired, but none of their family members were given jobs after them. So far only 20 women from the displaced communities are working in the company according to the PAPs. In the Champapadar DP Camp 59 persons of the 75 displaced families got jobs of which seven were from the Scheduled Caste (SC) community and rest were from the (Other Backward Classes (OBCs). In the Amalabadi DP Camp, of the 597 families only 200 managed to get jobs in the company. In Putsil village where 18 households lost both land and house the families were given a job. In Marchimala where more than 50 households were affected only one person who lost both land and house was given a job with the company. Here again the *adivasis* were the worst affected as they had no experience with coping with a wage market, and the extremely high levels of illiteracy proved to be an additional handicap.

**Source:** *Impacts of Government Policies on Sustenance of Tribal People in the Eastern Ghats - by Samatha*