

**REHABILITATION AND RESETTLEMENT IN
DEVELOPMENT INDUCED DISPLACEMENT:**

AN ECONOMIC ANALYSIS OF THE CIAL PROJECT IN KERALA

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CENTRE FOR DEVELOPMENT STUDIES

June 2006

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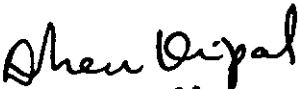
*Dissertation submitted in partial fulfillment of the requirements for the
Degree of Master of Philosophy in Applied Economics
of the Jawaharlal Nehru University*

E. G. Prem Kripal
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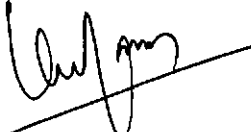
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
I hereby affirm that the work for the dissertation, *Rehabilitation And Resettlement In Development Induced Displacement: An Economic Analysis Of The CLAL Project In Kerala* being submitted as part of the requirements of the M.Phil Programme in Applied Economics of the Jawaharlal Nehru University, was carried out entirely by myself. I also affirm that it was not a part of any other programme of study and has not been submitted to any other University for the award of any degree.

June 30, 2006


E. G. Prem Kripal

Certified that this study is the bona fide work of E. G. Prem Kripal, carried out under my supervision at the Centre for Development Studies.


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To

*My Wife, Priya,
Mother, Gauthami Amma &
Father, Late Easwara Pillai*

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ABSTRACT OF THE DISSERTATION

REHABILITATION AND RESETTLEMENT IN DEVELOPMENT INDUCED DISPLACEMENT: AN ECONOMIC ANALYSIS OF THE CIAL PROJECT IN KERALA

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The major part of the existing literature on displacement due to development projects has focused on sociological aspects. Most of the studies reflect upon various economic and socio cultural losses owing to displacement and inadequate compensation to the affected people. Nevertheless, in some cases displacement due to development projects has brought in improvement in the economic well being of the households without affecting much of their socio-cultural fabric. Therefore, it is imperative to examine the process of rehabilitation and resettlement in such cases. The present study of the households displaced due to CIAL project in Kerala State of India reveals that a majority of the displaced households show satisfaction on the level of compensation. Most of the households who received compensation through negotiation with the project authority with the help, political as well as religious establishments, NGOs, Local Self-Governments perceive the compensation as satisfactory. The households who received better compensation by resorting to courts express their dissatisfaction on the level of compensation. The study reveals that a host of factors like formal and informal institutions (judiciary, revenue department, media and other departments involved in land acquisition), attributes peculiar to the project, rich social capital, social awareness of the displaced households and household characteristics (in the form of higher educational attainment etc.), could play a crucial role in receiving better compensation to the displaced households.

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ABBREVIATIONS

ADB	Asian Development Bank
AITUC	All India Trade Union Centre
CIAL	Cochin International Airport Limited
IDP	Internally Displaced Persons
KIAS	Kochi International Airport Society
KPMS	Kerala Pulaya Maha Sabha
LAO	Land Acquisition Officer
LSG	Local Self Government
NAPM	National Association of People's Movement
NGO	Non Governmental Organisation
PHC	Primary Health Centre
PWD	Public Works Department
R & R	Rehabilitation and Resettlement
SC	Scheduled Caste
SNDP	Sree Narayana Dharma Paripalana Sangham
ST	Scheduled Tribe
UN	United Nations
UNHCR	United Nations High Commission for Refugees

CHAPTER 1

INTRODUCTION

1.1 The Context

The process of development induced displacement have always been disquieting and widely disputed. The execution of various development projects generally faces number of protests by sections of society who face the negative consequences in the form of displacement. This involuntary resettlement today is not merely a problem in developing countries alone rather it is an issue, which has drawn attention worldwide. Extensive research findings presented by the World Commission on Dams (WCD, 1997) have shown that construction of large hydroelectric dams alone have displaced around 40 to 80 million people. Fernandes (1998a) shows that in India between 1951 and 1990 there are a minimum of 21.3 million displaced /project affected people in the country and by the end of 1990s the number of Internally Displaced Persons (IDP) must have crossed 45 million. However, in general there is paucity of official data on the number of displaced persons and their rehabilitation.

Besides the above projects there are miscellaneous schemes like roads, railways, universities and educational institutions, government offices, which displace people. Researchers estimate another five lakhs in this account (Fernandes, 1998; Parasuraman, 1999). The official account states that the major coal mines in India displaced 32,751 families in 1981-85. The four steel plants constructed in eastern India displaced 1.25 lakhs in the 1950s and 60s. (Govt of India, 1961), and for a similar project in Singrauli displaced another 50,000 people (Guggenheim, 1990). In 1994, Government of India admitted that 10 million people displaced by dams, mines, deforestation and other development projects were still 'awaiting rehabilitation', a figure regarded as very conservative by most independent researchers. The policy makers have often overlooked the problems of the IDPs. During the last decade the United Nations (UN) has gradually paid more attention to such conflict-induced displacement and identified the vulnerabilities of the IDPs.

These displacements cause significant economic losses to the households in terms of agricultural land and employment opportunities. Involuntary residential changes also create social seclusion. Rehabilitating the affected households in a different economic and socio-cultural order has its own costs of adjustment involved and could originate social disharmony. The seclusion of the newly settled community from the local community

weakens the social network of the former and adversely affects the transaction cost for different economic activities.

Displacement often causes joblessness, homelessness, marginalisation, food insecurity, morbidity and social disarticulation. During displacement, people also lose their natural capital, man-made (physical) capital, and social capital (Cernea, 1997). Moreover among agricultural households loss of land, in the absence of 'facilitated alternatives' eventually push the households to poverty. Although both landed and landless peasants risk destitution as a result of development-induced displacement, landless, small and marginal farmers experience the most serious deprivation. The WCD (1997) has stated that among the affected communities, gender gaps have widened and women have frequently borne a disproportionate share of the social costs.

In the process of land acquisition for development projects, the autonomy of the government is unquestionable even if the same set of people faces recurrence of displacement. The tragedy is intensified manifold in multiple displacements, which means that the same group of people is displaced by different projects. These people are displaced and put to different societal conditions and live without identity. They face difficulty in finding their acceptance in the host community and their economic well-being is questioned. These difficulties if repeated (in the case of multiple displacements) will push the households towards persistent poverty.

In 1960s, more than 30,000 people are forcibly displaced without adequate compensation for the construction of a dam in the Rihand tributary. In the later half of 1960s, the same oustees were displaced again, for coalmine exploration. In 1970s Government set up a series of electricity plants around the reservoir. In continuation, there arose a number of energy intensive industrial units around this area. In 1980s, many of these oustees were displaced again. That is three to four displacements within a period of 20 – 25 years. Another example of multiple displacements is that many fishing families displaced by the Mangalore Port in the 1960s and resettled were displaced again by the Konkan Railway in 1980s (Fernandes 1991).

In academic research, until recent past, resettlement issue was mostly considered as a sociological or anthropological problem. Therefore, the studies of displacements by economists are sparse. Moreover, in the domain of community studies it is noted that the

methodological gulf is particularly wide between Economists and Anthropologists (Bardhan, 1989: 7).

The economic research on displacement and resettlement has focused only upon *cost benefit analysis* or *Project Risk analysis*. These methods are incapable of answering the economic and financial challenges in the resettlement operations (Cernea, 1999). Issues related to displacement and resettlement increases the cost of the project. But the financial analysis of the development project does not pay much attention to this aspect. The cost benefit analysis used in projects without considering the economics of displacement and issues related with Rehabilitation & Resettlement (R & R) is incapable of internalising real financial challenges. Moreover, most of the studies have focused on the impact assessment and have come up with a very negative picture.

Nevertheless, in a few cases displacements due to development projects brings positive outcome to the displaced households. Depending upon the nature of existing social, political and legal institutions in the locality, the rehabilitation and resettlement of the displaced households fails or succeeds. Therefore, while analysing the economics of displacement, it is imperative to examine the nature of project and it's impact on the oustees. Similarly, it is important to examine the factors that influence the success or failure of rehabilitation and resettlement of the displaced households.

From time to time, Kerala also implemented many infrastructure, development and other projects. In line with the national pattern, Kerala has also acquired 4% of her geographical area for various projects. Considering the population density of Kerala, the rate of displaced is more than the national level. This study is based on a development project implemented in Nedumbassery, Ernakulam district, Kerala. The project was constructing an international airport in private-public joint sector. This project was commissioned in 1999. For this project officially 834 families were displaced. The compensation were paid on the basis of proximity and category of land acquired.

In this context, the present study explores into process of land acquisition along with the R & R issues. Among various aspects, this study focussed on the role of different factors and some of the actors in facilitating the process. Because of the dearth of secondary data the analysis depends on the primary data collected through survey among the displaced households. It was inferred that in contrary to the majority literature on displacement, there

was relative success in the land compensation received by the displaced and in the process of R & R. The objectives of the present study are as follows.

1.2 Objectives of the Study

- To examine the process of Rehabilitation and Resettlement in Cochin International Airport Limited (CIAL) project.
- To trace out the factors that made R&R in CIAL relatively successful.

1.3 Outline of the Chapters

Rest of this chapter discusses the extent of displacement in India over years for various development projects. It also provides an overview of Land Acquisition Act in India and the guidelines given by multinational agencies such as the World Bank for providing compensation to the displaced households. In Chapter-II literature on the development induced displacement is reviewed and the methodology of this study is stated in detail. Chapter-III explains the major findings of the study. Chapter-IV concludes with summary and issues for further research.

1.4 The History of Land Acquisition in India

There is evidence in India before British rule that there was displacement of less organised people and utilisation of land for organised agriculture by intermediaries on clear violation of their rights. In 1793, Lord Cornwallis, the Governor General of India introduced the Permanent Settlement Act, which conferred Private Property Rights on the individuals. The Zamindars obtained the status of proprietors. Land Acquisition Act 1894 further consolidated state power and legalized all forms of state sponsored acquisition. Forest, water-bodies, land etc used by people became the property of the state (Gadgil & Guha 1992).

1.4.1 Amendments in the Land Acquisition Act

The Land Acquisition Act 1894 was amended recently. The salient features of the recent amendments (1984 and subsequently in 2002) to the Land Acquisition Act are as follows.

1. Under Sec 4(1) the notification to be published in the Official Gazette is amended to 'also to be published in two newspapers one in regional language and also made public through public notice in the area of the land to be acquired'
2. Under Sec 6 of the Act Govt has to declare to go ahead with the proceedings of the acquisition after dispensing the petitions filed by the landowners. There was no time limit prescribed for this. This is amended to prove the 'public purpose' of the

acquisition not after the one-year of Sec 4(1) notification. If the matter was in court, (after the judgement is pronounced) it is allowed to declare after 180 days.

3. The rate of solatium specified in Sec 23 (2) of the Act is increased from 15% to 30% of the price of the land.

The rate of interest is revised from 4% to 9% in the first year of pendency (before payment) and 15% thereafter.

Even after a couple of amendments to the Land Acquisition Act currently there is no uniform policy, across States, for rehabilitating the displaced people due to development projects. For example, Govt. of Kerala has no specific rehabilitation policy. The compensation as per Land Acquisition Act is given to the displaced. Political¹ and other social factors also influence the rehabilitation. Govt. of Karnataka also had no official R & R policy and resettled people with absolute minimum provisions. Karnataka provided forest land to the displaced persons till 1970. After the implementation of Forest Conservation Act, 1980 the providing of forest land was stopped (Fernandes 1990). Even though Karnataka legislature passed the *Karnataka Resettlement of Project Displaced Persons Act* in 1987 it received the President's assent only in 1994.

In the case of Sardar Sarovar Project (SSP), as the benefit of the dam is shared by Gujarat, Madhya Pradesh and Maharashtra an examination of the rehabilitation policy in these three states is done. Before 1985, Gujarat had no official R&R policy. As the need arose, Govt. of Gujarat announced the policy that all displaced people with land in their names would be eligible for two hectares of land. Joint holders, landless people were not eligible for land. Later, the policy was changed to the effect that all landless families (including encroachers) were eligible to receive two hectares of land (NCA 1992).

In Maharashtra, the Maharashtra Resettlement of Project Displaced Persons Act had been enacted in 1976. This act envisages all people with land to their names were eligible for 1-2 hectares of land. The Project Affected Persons (PAPs) were required to pay 75 percent of the compensation for the land lost, or the actual cost of new land. The difference between the amount deposited and the actual cost of the land would be collected in six annual installments. In contrary to the policy of Gujarat, joint holders and landless people (including encroachers) were not eligible for land.

¹In the case of Gwalior Rayons, Mavoor and Brahmapuram Diesel Power Project at Kayamkulam etc., compensation paid to the displaced were influenced by political parties.

In Madhya Pradesh, the resettlement was dealt with occasional resolutions. *Madhya Pradesh Project Displaced Persons Resettlement Act, 1985* envisages that the landed people were entitled to receive a minimum of two hectares of land. Encroachers before 1987 were eligible for 1-2 hectares of land. Thus there exist differences in resettlement policies across states (GOMP 1992).

The prevailing Land Acquisition Act only talks about the procedure of land acquisition and fixation of land price, which is purely a state subject. The cost of rehabilitation is not normally included in the project. Hence States do not take much burden of expenditure for rehabilitation of the displaced people. The minimum legal obligations are only met. Some states have laws/policies for rehabilitation, but the Union Government is yet to finalise any National Rehabilitation Policy. The worst part of it happens when the agency implementing the development project is entrusted with the rehabilitation activities. The efficiency of the project staff is adjudged with their way of cost effectiveness and timeliness in implementing the project. So rehabilitation is normally accorded low priority. In the case of projects implemented in Sanctuaries or Parks etc, they displace few, but destabilises the life supporting system of certain communities

1.5 World Bank Guidelines on Involuntary Resettlement by World Bank Group

The policy gives emphasis to the following

Avoid involuntary resettlement wherever feasible

Minimize resettlement (if population displacement is unavoidable) by exploring all viable project options.

If communities lose their land, means of livelihood, they should be compensated for lost assets, loss of income, and livelihood, assisted for relocation, should be provided with land and housing infrastructure and fully informed about and consulted on resettlement and compensation options.

It is also mentioned that the lack of formal legal titles should not be a bar to compensation. The assistance should be provided to address the poorest affected persons such as female headed households and other vulnerable groups such as indigenous people. The policy requires that international funding agencies assist the government and other project sponsors to adopt and implement the principles of the policy within their own policy, legal, administrative and institutional frameworks. World Bank policy requires the borrowing

Government or agency to submit a satisfactory resettlement plan with time bound actions and budgets before loan appraisal.

Until recent past, development-induced displacement of population was considered as a 'sacrifice' some people have to do for the betterment of the majority. Resettlement programs included statutory monetary compensation for land acquired and in some cases development of a resettlement site. The growing awareness on the loss of economic, social and environmental consequences delayed the project implementation. Resettlement was also considered a development issue. Then policy makers considered that inadequate attention to involuntary resettlement escalate the cost of proper resettlement in time.

The Bank's Policy is formed with the following basic principles.

- Involuntary Resettlement should be avoided or minimized.
- The displaced people or community should be compensated with economic and social future with at least the same level without the project position.
- Appropriate patterns of social organisations should be promoted. Resettlers should be integrated economically and socially into host communities. If needed, appropriate assistance to host communities may also be provided.

CHAPTER 2

REVIEW OF ISSUES RELATED TO REHABILITATION AND RESETTLEMENT

2 The Nature and Degree of Displacement

Involuntary Resettlement is not only an issue of developing nations, but also of developed countries. The construction of major projects in the developing nations, like Narmada in India, Xingu in Brazil, Three Gorges in China, Kiambere in Kenya etc. and the projects in all industrialized and post-industrialised countries like the expansion of Paris and building of airport in Japan and La Grande hydroelectric project in Canada have all caused massive displacement of rural and urban households (Cernea, 1991; Lawrin & Monpetit, 1992; Scudder, 1996; Senecal & Egge, 1997 as cited in Cernea, 1991).

Similarly, in India a large number of displacements have been occurring since British regime. The construction of major dams, roads, railway tracks, ports and other development projects have displaced tens of thousands of households. Even after independence, when people were entitled to the land they possessed, they were not compensated fully during displacements. During 1950s and 60s as part of massive industrialization programme, the setting up of steel plants at Bhilai, Durgapur, Rourkela and Bokaro by Government of India displaced around 1,35,200 people from landed households and over 50,000 from landless households. (Parasuraman 1990a, 1990b). Similarly, a number of other projects, in mining, and irrigation have contributed significantly to the displacement of many of tribal and other households.

There is no official statistics of displaced persons or families in India. A database of this would facilitate to plan their rehabilitation and also to make policies of rehabilitation and resettlement. An estimate of displaced and rehabilitated in India due to various reasons during the period 1951-1990 is presented in Table 2.1. This indicates that the major displacements were caused because of construction of dams. The other significant causes of displacement were mines and industries. But the percentage of rehabilitated among the displaced persons is high in the case of 'Industries' (31.25 percent) followed by 'Others (30 percent)'. It is the least in the case of displaced due to 'Sanctuaries (20.83 percent)' and 'Dams (25 percent)'. As dams are built in hilly areas and remote land, the tribal population is generally displaced (Mahapatra 1990). Reason for high proportion of tribal among the displaced persons includes the growing number of projects in their area.

Table 2.1 Estimate of persons displaced in various projects

Sl No	Type of Project	Displaced	Rehabilitated	% of DPs
1	Mines	25,50,000	6,30,000	24.71
2	Dams	1,64,00,000	41,00,000	25.00
3	Industries	12,50,000	3,75,000	31.25
4	Sanctuaries	6,00,000	1,25,500	20.83
5	Others	5,00,000	1,50,000	30.00
Total		2,13,00,000	53,80,000	25.26

Source: Fernandes 1998: 251

2.1 Impact Assessment

There is a dearth of economic literature assessing the impact of displacement owing to development projects. Most of the studies are sociological in nature. The documentation in the literature has focused on the consequences of displacement, its magnitude and nature. In an observation on the social impacts of dams the Commission states that very often the negative effects were frequently neither adequately assessed nor accounted for. The range of these impacts is substantial, including on the lives, livelihoods and health of the affected communities dependent on the riverine environment: Millions of people living downstream of dams - particularly those dependent on natural floodplains - have also suffered serious harm to their livelihoods and the productivity of their resources.

Many of the displaced were not recognised (or enumerated) as such, and therefore were not resettled or compensated. Where compensation was provided it was often inadequate, and where the physically displaced were enumerated, many were not included in resettlement programmes. Those who were resettled rarely had their livelihoods restored, as resettlement programmes have focused on physical relocation rather than the economic and social development of the displaced. The larger the magnitude of displacement, the less likely it restored the livelihoods of affected communities. Even in the 1990s, impacts on downstream livelihoods were, in many cases, not adequately assessed or addressed in the planning and design of large dams.

Communities face adverse effects on cultural heritage through the loss of cultural resources and the submergence and degradation of plant and animal remains, burial sites and archaeological monuments. The indigenous and tribal people share the social and

environmental costs of large dam projects without gaining a commensurate share of the economic benefits.

Cernea, (1999) identifies two processes in the involuntary population resettlement: dismantling their patterns of economic and social organization in the location and reconstruction of their livelihood and social networks. In the 'impoverishment risks and reconstruction of livelihood' model, Cernea is concerned not only with economic impoverishment but also with the loss of social and cultural endowments.

Parasuraman (1999) based on an analysis of six major projects in India finds that no analysis is made of the costs incurred by the displaced people or the investments required for their economic recovery. Even the baseline data on resettlers' pre-project incomes and economic conditions are not collected.

Verma (1985) in a study on the Jawaharlal Nehru Port at Bombay, in an urban context, finds the failure of R & R policy to compensate the affected people. For the development of New Bombay Port an area of 343.7sq.km was designated. Around two lakh people were affected. Of the 95 villages, 33 villages are to be completely displaced. The Land Acquisition Act and the R & R policy failed to compensate for the common resources-salt pans and fishery-a source of livelihood to the displaced. In the Project Affected villages, backward communities accounted for 98% of the population. Disproportionate (50% excess area) area of land was acquired from these people for meager compensation based on outdated norms impoverishing them. The unused land was handed over to private builders for large-scale housing projects catering to the needs of the salaried class in the organized sector. The compensation received by the landowners was inadequate for reinvestment as it took 5 to 10 years to get a new investment opportunity near the vicinity of the Port. As the Port authority was made responsible for R & R work, Govt of Maharashtra withdrew from implementation of this (Parasuraman, 1999).

Parasuraman (1991) states that mining contributes to the economic and social marginalisation of indigenous people. Mining activities displace people from their land and encourage population growth due to migration of outsiders to this project area. Instead of preparing the tribal people (displaced) with skill and mental power, the mine authorities effectively segregated the tribal from the non-tribal workers eventually eliminating them from the mining employment (Viegas 1992). By displacing people from their land, the mines have created an army of marginalised, unskilled and cheap laborers.

2.2 Factors Influencing the Levels of Compensation

2.2.1 Methodological Errors

Many times, the rehabilitation and resettlement plans fail to provide adequate compensation to the affected people because of wrong estimation of the people affected and their economic and social costs involved due to various methodological errors. For instance, in various projects the studies conducted by different agencies have come up with very different estimates (see Table 2.2)

Project	Official	Studies	Authors
Hirakud	1,10,000 to 1,60,000	1,80,000	[Patnaik, Das, Misra (1987)]
Sardar Sarovar	45,000(Verma)	1,20,000 1,63,500	[Mankody & Gangobadhyay (1983)] [McCully 1996)].
Teri	NA	70,000	[Mankody & Gangobadhyay (1983)]

Similarly, Cernea (1994) describes the other methodological errors like unsatisfactory treatment of externalities and provides an analysis of voluntary and involuntary resettlement. Lack of knowledge and economic research on R&R mean that obsolete methodology of economic and financial analysis is used for R&R operations. Anthropologists and Sociologists have analysed not only cultural but also many economic aspects of the issue. Lack of using the expertise of professional economists affects the proper estimation of losses. Therefore, a professional partnership between economists and sociologists in studying the R&R issue is very important (Cernea, 1999). The World Bank issued the economic guidelines in this issue of costing resettlement-probably adjudged as the best guideline in the world literature in 1988 (Cernea 96). But it is unfortunate that these 1988 guidelines issued by WB are not adapted in most of the non-Bank financed projects.

If the developer or government allocates new land of the same quality, then some of the cost burden is transferred to the re-settlers towards the cost of customisation of the land such as demarcation of boundaries, drain facilities construction of fence etc. This can be controlled if the new land of the same quantity and quality or some part of the old land is allocated to the re-settlers (Pearce 1999). If this is done, the re-settlers may gain in some contexts because the price increase may reflect real and productivity gains from the project.

2.2.2 Estimation for the Loss of Property with Customary Right.

Another major factor, which causes inadequate compensation for many households, is the lack of legal entitlement over the land on which the households had been staying for long time and the ignorance of the benefits enjoyed by the poor households from the common property resources. Even though WB guidelines say that the customary rights over property may also be recognized in the case of absence of legal title, economists do not adjudge it as a healthy practice (Pearce, 1999). Determining the structure of rights in a local context is very complex. There is also the risk that outsiders will seek to exploit the availability of compensation funding by claiming (non-existing) false customary rights.

2.2.3 Time lag between Displacement and Compensation

Under-compensation exists because of the time lag between determining compensation and time of resettlement (Pearce 1999). The time taken by the general institutional framework, including judiciary, for determining the compensation will result in under-compensation. The compensation at market values may be inadequate, because the development itself raises land values between the time of dispensation of compensation and the time of dislocation (Butcher, 1990).

2.2.4 Social Cost

Compensation received by 'losers' from major projects is inadequate. The baseline surveys, even if conducted, have been inadequate to assess the loss of asset and income base of the population. If the majority affected are the poor, the concern about the effects of displacement is based on equity grounds. 'The involuntary resettlement may be treated as a development activity and not as a relief or salvage operation' (Pearce, 1999). The full cost of R&R may be internalized in the project cost. The procedural lapses in determining the full social costs (include the loss of non-priced environmental and cultural assets etc.) may be corrected.

Many countries operate compensation policies based on property value and removal costs only. Usually environmental costs are not compensated. However there exists a rule in Germany, that environmental impacts be offset through the creation of equivalent environmental assets elsewhere (Pearce, 1999).

Blume and Rubinfeld (1987) argue that compensation for takings serves as a form of public insurance for landowners against regulatory risk. However due to the risk of market failure compensation will not cover the full costs. Moreover, the existing mechanism for paying

compensation does not take into account the land loss by the marginal or very marginal landholders and other forms of losses and it takes care of only large losses. Therefore, the compensation policy should take into account of these minute losses too as losses, which is not reflected through market mechanism.

2.3 Institutional Framework

In the process of replacement and rehabilitation, various institutions play vital role. Mahapatra, (1999) states that an important feature of resettlement is the identification of key social actors who participate in the process. In the Indian context, the social actors identified are Development agencies (State, Private and Joint Sector), Project beneficiaries (Land Owners, industrial enterprises etc.), Development operators, planners and executive (technocrats and bureaucrats), Development facilitators: planners and policy makers (politicians, technocrats and bureaucrats), NGOs and activists who mobilize affected people, social analysts and researchers, people sponsored institutions (oustees' organizations etc.) Since actors are inseparable from geopolitical context of economic activity, and the nature of existing social, political and legal institutions to a large extent influence the R & R process. Institutions are creations of human beings (North, 1990). These are manifest at individual, organizational and societal level and are governed by laws of behaviour of individuals, rules and norms of organizations in relation to other organizations (Parto, 2005). Institutions can be broadly classified into two categories: formal and informal (North, 1990). Formal rules include political, judicial and economic rules and contracts. A hierarchy of rules will define the formal structure of institutions and determine the rights in an exchange. On the other and, informal rules come from the socially transmitted information, e.g. experiences, traditional values, religious beliefs, churches, the family, language and other factors that influence the subjective perceptions of individuals etc. And these societal rules are respected by organizations. (Parto, 2005). But the formal institutions impose constraints, on the execution of various policies. These constraints could be formal or informal and could result in positive or negative outcomes. Same institutions can play different role in different contexts.

The institutional framework will affect the transaction cost (North, 1990). Many times the existence of an efficient institution reduces the transaction cost and help to implement the projects at a lower cost. For example, the enforcement cost of contracts by formal institutions will be much higher than that of informal institutions. Pejovich (1995) states that informal rules matter and formal rules imposed on different society produced different

outcomes Therefore, innovative networking between Government agents, Project agencies together with social entrepreneurs will result in successful implementation of projects in different contexts (Chopra, 2001). Depending upon the nature of structure of property right, effectiveness of judicial system, and the complementary development of voluntary organizations and norms, authorities should use appropriate institutions for maximizing social benefit and reducing transaction cost. During project implementation problems regarding measurement and enforcement could arise.

Nevertheless, there are a number of instances of institutional failure in implementing projects due to lack of coordination among the various actors. The lack of cooperation between the departments responsible for R&R and civil engineering resulted in the neglect or delayed development. For instance, in the case of Sardar Sarovar project across the river Narmada, Govt of Maharashtra was responsible for all land acquisition and compensation payment formalities, while the Government of Gujarat was responsible for R&R. The lack of co ordination between these two state government agencies affected the R&R process. The affected people had no role in determining or executing the R & R policy. A number of households have split up into two or more units settling in various places. People are compelled to leave their economic and social environment and fabric. Careful examination of the Resettlement process (at Parveta) prompts us to conclude that it is an example of how resettlement should not be done (Parsuraman, 1999).

2.4 Political forces

In the process of rehabilitation and resettlement political forces play a vital role. Depending upon their ideologies political parties play their role to provide adequate compensation to the affected people or favoring the project authorities (by helping them to minimize their cost). For this reason people involved in legislation intentionally prefer to keep the laws pertaining to R & R vague (Pejovich, 1995). With incomplete information and uncertainty individuals interpret the results of different contracts differently. Legislative process does not provide strong incentive to block inefficient rules. On the other hand a clear legal provision and active involvement of political leaders would increase the bargaining power of the affected people to fetch a better compensation. Guha (2005) states that sometimes decision-makers produce policy documents without the backing of any legislative or statutory powers. Apart from this, in order to minimize the cost of project, authorities could also omit compensation for common pool resources, sharecroppers and migrant agricultural laborers.

2.5 Legal Provisions For Acquisition of Land and Compensation

Miceli and Segerson (1994) raise various legal issues in the process of Land Acquisition and Compensation. There is vast difference between regulated compensation and non-regulated compensation and its effect in efficient use of land. Conditional character of rules will resolve the conflict between the landowner and regulator. There are many arguments in the fairness of taking and transaction costs and on the appropriateness of different rules in different contexts. The right of the government to regulate private property without paying compensation is still ill defined. If the physical acquisition happens, landowners are assured of compensation. The extreme possibilities of 'taking'⁴ over private land by Government are: with full compensation without regulation and excessive regulation with no compensation.

The efficient land use and efficient regulation can both be possible by a conditional compensation rule that awards full compensation for some regulations and no compensation for others. Zero compensation is chosen only if the government is expected to take its decisions based on cost-benefit principles. To restrain the Government from taking this decision and force the Government to facilitate efficient land use, a positive compensation is offered.

The use of policies on land acquisition could also seriously affect the interest of the to-be-affected people. For example, the Land Acquisition Act 1894 established the State's Absolute Property Right, converting land into state property. This Act was formed when the state was not concerned much about 'public welfare'.

2.6 Intentional policies to depress the level of compensation

The value of compensation for acquiring land is usually kept lower. For example, for the mining project in Bihar, a total of 1320 hectares of land was acquired including 300 hectares of thick forestland. While Birla industries purchased land for Rs 12000/ per acre in 1984 for their industries, the Bolani Iron Ore Mines Project compensated Rs 150 to 400 per acre and one member from each household got permanent employment in the mines. The displaced tribal people together cleared 180 – 250 hectares of forestland for cultivation. (Parasuraman, 1991). Such problems could arise due to brushing aside the voice of the affected people while fixing the level of compensation. Thukral (1989) in the study

⁴ Private property can be taken by state for public use and owner is compensated.

of potential oustees by the Sardar Sarovar Project on the Narmada River in Gujarat, states that no efforts were ever made to take the oustees into confidence or seek their participation in the planning and implementation of the project. Their opinions on the rehabilitation plans were not considered. As a result, the oustees hardly knew about their entitlement of compensation or the basis of compensation calculation.

2.7 Projects with adequate Compensation

There are also a few cases where the compensation of the displaced households has brought positive impact after their displacement and rehabilitation and resettlement. . For instance Parasuraman (1990a, 1990b) finds that the displaced households in Durgapur Steel Project in West Bengal were not affected adversely. As the DSP was launched in 1950s, the time when labour-intensive technology was adapted, many people got permanent jobs in the project. In this project 16,834 acres of land were acquired and 3947 households were displaced. All the households who lost land were paid cash compensation. Those households who lost land and house were paid cash compensation and house plots in resettlement sites, and were given one job to each household who lost land. A few landless households were also given employment. Further, he finds that the industrial development in Durgapur has increased economic disparity in the area. People who had access to land in addition to employment in the steel plant were relatively well off, compared to people without land.

It is imperative to undertake a detailed study of the successful cases of R & R. The understanding of the factors that enable the displaced households to receive better compensation would be useful. The present study undertakes an exercise of this nature.

CHAPTER 3

METHODOLOGY

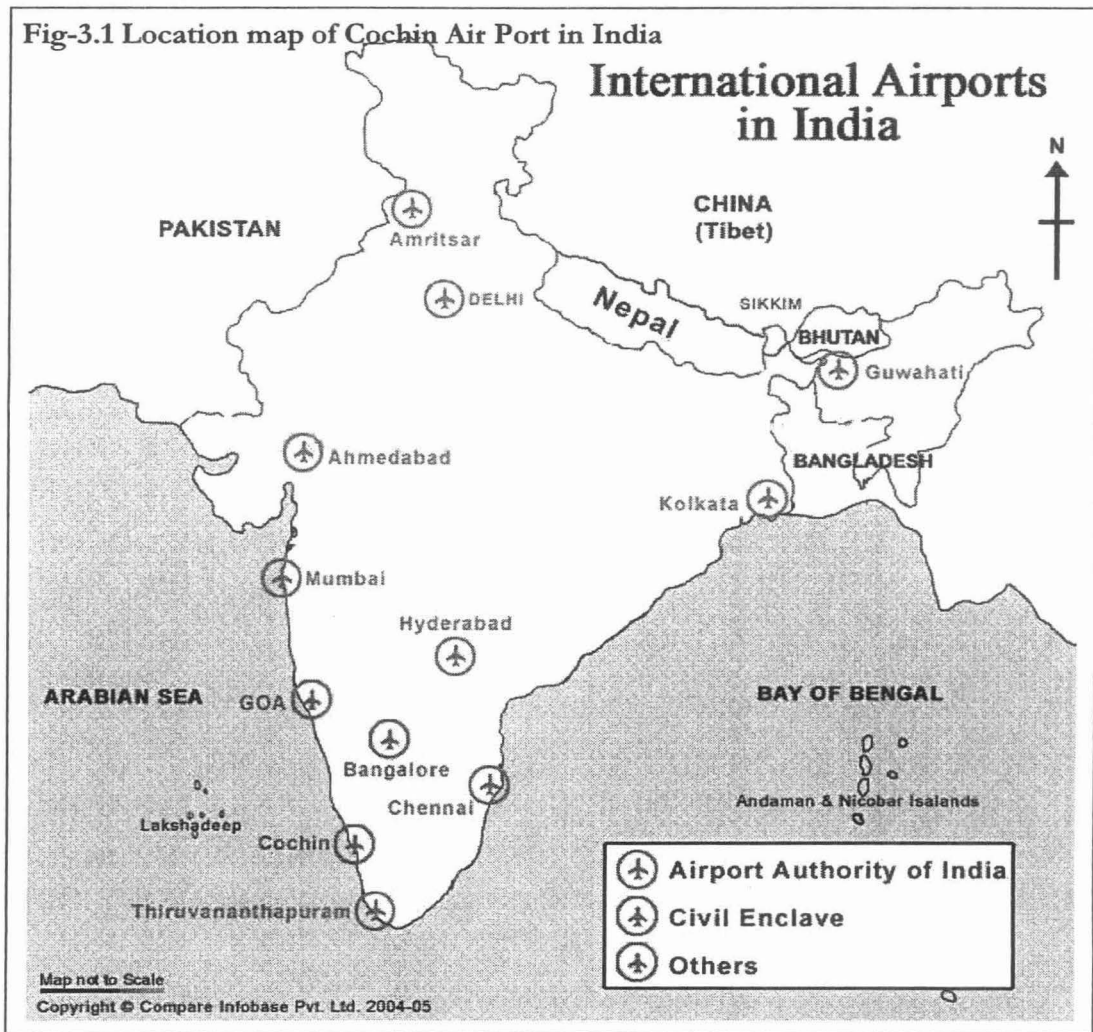
The present study depends to a large extent on primary data. Secondary data are also used with the primary data. The study focuses on the households displaced and rehabilitated due to the setting up of Cochin International Airport Limited (CIAL), in Ernakulam District of Kerala State in India. As there was no baseline survey conducted before the implementation of the project, data on displacement was not available. Therefore, a household survey was carried out among the displaced families with a structured interview schedule. The displaced households in the locality can be categorized into two groups - one who lost only land and others who lost house and land (rehabilitated and self-settled).

The study was carried out among 63 households who lost land and house and 17 households who lost only land. From each sample household an adult member, who was also a member of the household before displacement, was administered with the interview schedule. For gathering the detailed *a priori* information and designing a suitable interview schedule a pilot survey was conducted in the locality. The final interview schedule (see Appendix B for detailed interview schedule) contained a host of information that may be categorised into the following categories. (1) asset profile (land, house, access to CPR), (2) employment profile (education, principal activity and subsidiary activity etc.), and (3) details about their perception on the project. (Sources of grievance redressal mechanism, action taken for better compensation packages, utilization of compensation, nature of their societal network etc).

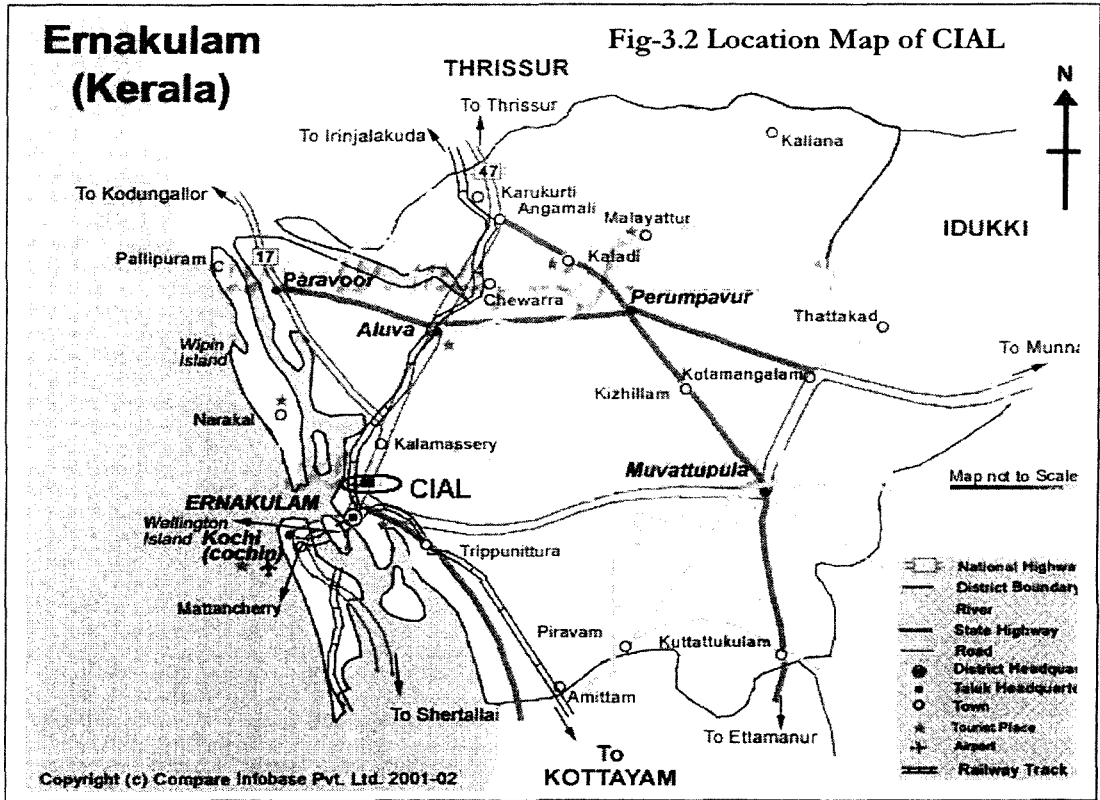
3.1 Study Area

Cochin International Airport Limited (CIAL)² is located in the Angamaly Taluk of Ernakulam district in Kerala. The project falls largely in Nedumbassery village, which is 25 kms away in the Northeast direction of Ernakulam city. However, the land for the project is acquired from four villages namely Nedumbassery, Vadakumbagam, Chowara and Angamaly. In this project, 1250 acres of land spread over three panchayaths, and one Municipality was acquired. 834 families were displaced. Land from 3825 landowners was acquired. Some absentee landlords were also affected due to the acquisition of land for the project. 430 households were rehabilitated.

Fig-3.1 Location map of Cochin Air Port in India



² Among the 12 international airports in India, 2 are civil enclaves maintained by armed forces, 9 are maintained by Airport Authority of India. Cochin International Airport Limited (CIAL) has the unique distinction of being the only international airport in the public private sector.



3.2 Survey Plan

The population characteristics before displacement (gender, age profile, morbidity etc.) were not available for the study. While there is mutual exclusivity between households (household is the unit of study) who initiated any action for better compensation and others, the diffusion effect (net) of the scale of compensation to both is considered in the study. The survey was conducted with enough information to study the degree of influence of any major action taken by various households. The study was limited with the households who can provide any evidence for their action taken.

Detailed information on the name and address of the owner of the land acquired, extent of land acquired, category of land and the level of compensation were gathered from the project authorities and revenue department. Due to unavailability of systematic information on the households displaced, rehabilitated and compensated, and since the displaced households are scattered in the district or the State, it was difficult to trace out the present whereabouts of the displaced families. Therefore, after conducting a pilot survey in the locality, the study was carried out using a snowball-sampling technique. It must be noted that the present study do not capture the households or people³ who neither owned any land/house nor had any tenurial right over the land, due to lack of any information regarding them.

Out of the 834 displaced families, 430 were rehabilitated in their locality and majority of others were self-settled in and around their locality. Taking into account both these categories of households the survey was carried out among 80 households.

Information on the extent of land acquired, category of land, type of house, housing condition, value fixed by land acquisition officer, the criteria used for fixing the land value and cost of building for deciding compensation etc. were collected from the revenue records, records available in the CIAL project office and legal documents from various courts. From the leaflets distributed by NGO's during the time of displacement, media reports and interviews with key persons – e.g. politicians, activists, officials of local government and church/temple representatives, information pertaining to the demands of the displaced people was collected.

³ who were regularly engaged in the land for agricultural work, small traders of wild fruits grown in this area, brick work etc

3.3 Study Area Profile

3.3.1 Land

The land marked for the airport project at Nedumbassery was basically plain land cultivated with crops such as paddy, coconut, cloves, and pepper etc. The paddy cultivation in this area was not profitable. The reasons for the loss included high transport cost, lack of drainage facilities of rainwater in the locality etc. In addition, the soil excavation for brick and tile industries created further environmental problems.

3.3.2 Population

The displaced people in the project are 80% Christians. The population has only 5% people belonging to SC. Their houses were located both in proximity to road and interior. The majority of the displaced households owned a small piece of land. Marriage patterns were as in the general practice of the State. Following the general pattern of the State, women participation in economic activity was very limited. Men primarily engaged in casual work before displacement. The people were mostly from middle-income group. The displaced people were educated and engaged in manual and semi-skilled gainful economic activities. Most of the people were dependent on agriculture-related activities and construction work. Their employment was seasonal and casual in nature.

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CHAPTER 4

DATA ANALYSIS AND MAJOR FINDINGS

4 Data Analysis and Major Findings

In the process of displacement, loss of land and compensation for this remains the most contentious issue. In case of CIAL project the provision for the compensation of land loss was as follows. In case of loss of agricultural land money was paid to the households. In case of loss of land and house, displaced households were provided with 6 cents⁴ of land. If the households don't want the 6 cents of land for housing plot, they were paid cash of Rs.50,000. The monetary compensation for the loss of agricultural land was given on the basis of market price. In addition, a solatium amount was paid, i.e. 30% of the total land value was paid to the households for the compulsory nature of land acquisition.

Further, an amount of 12% of the land value, per annum, was paid as land improvement charge, (the diminution of the profits of the land) for the period between notification and land possession by the authority. In case the authority failed to pay the money before acquiring the land, the affected party is entitled a rate of interest of 9% in the first year of pendency (before payment) and 15% thereafter. Similarly, the compensation of house loss was paid as per the latest PWD schedule of rates for building materials. Moreover, Rs. 10,000 was given to meet the shifting expenses. The authorities also permitted the house owners to take away their reusable materials of the dismantled houses. In case the households went for any litigation, they were not paid the shifting charges.

4.1 Land Possession of the Displaced Households Before and After Displacement

Since the compensation for land loss has always remained a contentious issue, it is imperative to have an in depth analysis of this issue. As per the World Bank guide lines on R & R land should be provided in exchange of land loss due to displacement. Moreover, the cash compensation for land loss varies from place to place depending upon the quality of land. Generally land price varies with the nature of land (dry or wet) and the location of the land (proximate to the road and importance of the place). Therefore, while fixing the price for compensation these aspects need to be taken into account. The CIAL project authority has also taken into account these aspects while paying the compensation to the displaced households.

⁴ Cent is a local unit of measurement and is equal to 432 square feet (0.4047 Acre).

The CIAL project authority has also provided land in exchange of land to the displaced households. Nevertheless, the authority failed to provide the exact amount of land acquired from the displaced households. A comparison of the household land holding before and after displacement reveals that in most cases large land holders became marginal land holders after displacement. (See Table-4.1).

Table- 4.1 Land holding among households before and after displacement

Land Holding (in cents)	Before Displacement		After Displacement	
	Frequency	Percent	Frequency	Percent
1-5	8	10.0	-	-
5-10	10	12.5	44	55.0
10-20	10	12.5	21	26.3
20-50	24	30.0	9	11.3
50-100	13	16.3	3	3.8
100+	15	18.8	3	3.8
Total	80	100.0	80	100.0

Source: Primary survey among the CIAL displaced households (2005)

Before displacement, out of 80 households 15 households (15%) had land above 100 cents. However, after displacement, there are only 3 households (3.8%) having more than 100 cents of land. After displacement a number of households have fallen into 5-10 cents or 10-20 cents categories. As a result, out of 80 households 44 households (55%) have land between 5-10 cents and 21 (26.3%) households have land between 10-20 cents. However no household has land below 6 cents after displacement.

If we see the over all picture of land holding, the mean land holding of 80 households before the displacement was 40.46 cents and after displacement it has become just half i.e. to 20.93 cents. (See Table-4.2).

Table 4.2 Descriptives of land holdings before and after displacement (in cents)

Total land owned	N	Minimum land	Maximum land	Mean	Std. Deviation
Before displacement	80	1	327	40.46	59.183
After displacement	80	6	310	20.93	40.038
After displacement	80	6	310	20.93	40.038

Source: Primary survey among the CIAL displaced households (2005)

The reduction in the standard deviation (SD) indicates that the difference from mean value of extent of land owned after displacement is also decreased. That is, the land inequality is decreased. From the field survey records, and the perusal of socio economic characteristics of the individual households who owned land above 50 cents and above 100 cents, the following observations are made.

1. All the households in these two categories (ie 50 to 100 cents and 100 cents and above) belong to Nedumbassery Panchayat, Non SC households. Majority of these households were self-employed; their land was near PWD/ Panchayath roadside. Most of these landowners settled the compensation package through negotiation.
2. Even though the extent of land owned has decreased, the locational (urban) value of the land has increased (See Table-4.3). The unit value of land (cent) has increased. Our household survey and discussion with resource personnel reveals that among various factors for the appreciation of land value in this area, the implementation of the project is the prime factor for the price increase.

Table 4.3 Proximity of land owned by the displaced households before and after displacement

Location of land (adjacent to)	Before displacement	After displacement
PWD road	12	8
Municipal road	6	9
Panchayat road	47	69
Autorickshaw approach	5	0
Bund	5	0
Footpath	46	7

Source: Primary survey among the CIAL displaced households (2005)

3. The household having more land after displacement in this area has been able to make it by means of negotiation rather than through any litigation.

4.2 Land Compensation and It's Positive Effects

The proximity before displacement was more in the category 'foot path' whereas it is 'Panchayath road' after displacement. The above Table-4.3 clearly indicates the improvement of the proximity of plots from footpath to Panchayath roads. The improvement in proximity reduces the cost of commutation and time. From the primary survey, it is found that there is a positive effect of displacement over commutation.

From the field survey among the displaced and other landowners in the project area, regarding the value of land before displacement, the market value of transaction before displacement varied from Rs 300 to 10000 per cent. The majority of the land value was in 2000 to 5000 class. But after the implementation of the project, average land holding size has decreased. But the value of land has appreciated manifold. The value of the majority (46%) of land plots owned by the displaced people falls in the category of Rs.5000 to 30000 per cent. Value of 18 % of the land plots is above Rs.30,000 and that of more than 2% is above 1 lakh. On enquiry it is reported that, the land value in the exterior areas (in the neighbouring village) of the project are less than Rs.6000/-. One of the displaced and self settled household purchased their plot near the project area for Rs 10000 per cent and sold it for Rs 68000/ percent (within a period of 4 years) and purchased a new plot of land in the adjacent village at the rate of Rs 6000/ per cent.

During the interview, a dealer of real estate in the project area remarked the following: The land value before the implementation of the project was influenced by the land category (Wet or Dry), proximity with National Highway etc. The brick kiln owners for clay soil excavation offered maximum land price. The price for wetland was in the range of 900 to 1500/ per unit of land. The dry land was transacted at the range of 2000 to 5000/. After the implementation of the project, land value at Nedumbassery Panchayat area increased considerably as compared to other panchayats. Land in the 500-meter radius of the airport is transacted at a cost of Rs 2 lakhs per cent if the area of the plot is less than 25 cents. If the area is still lesser, then the cost will be higher. The price of land has shoot up significantly. It is observed that the value of land in a range of Rs.1000 to 15,000 per cent increased to Rs. 3,000 to 4 lakhs depending upon the location of the land. The difference in price between wet and dry land has come down near the Airport. Many housing colonies and hotel projects are coming up in this area. This reflects that the land value has multiplied by number of times in the project area.

For wetland, majority of landowners received compensation of Rs 1001-2000 per cent (refer table 4.4), which is much above the valuation, fixed by the Land acquisition Officer (789/- per cent) for land with poor proximity. The majority of the dry land owners with poor proximity were paid the compensation of Rs 5001-6000 per cent. This is also much above the valuation of the LAO (Rs. 2551/-) for dry in interior locations.

Table 4.4 Value of land per cent before displacement and after displacement

Before displacement	Frequency	Valid Percent	After displacement	Frequency	Valid Percent
Less than 1000	32	26.4	Less than 3000	1	1.1
1001 to 2000	16	13.2	3001 to 5000	6	6.3
2001 to 5000	57	47.1	5001 to 15000	40	43.0
5001 to 7000	6	5.0	15001 to 30000	21	22.5
7001 to 9000	5	4.1	30001 to 50000	10	10.8
9001 to 10000	3	2.5	50001 to 100000	12	12.9
10001 and more	2	1.7	100001 and more	3	3.2
Total	121	100.0	Total	93	100.0

Source: Primary survey among the CIAL displaced households (2005)

The total value of land before displacement might influence compensation perception. That is compensation satisfaction may be influenced (negatively) if the landowner owned more land before displacement and less in the same proximity after displacement. Perception of compensation (Fair or Poor) is analyzed for enquiring whether any association between the perception of compensation and value of land acquired. Out of 80 households, 49 (61%) of them perceived the level of compensation as fair and rest 31 (39%) households considered it as poor.

Table-4.5 Household perception on the level of compensation and the land value before displacement

Land value before displacement	Household perception on compensation		Total
	Poor	Fair	
Less than 1000	6	19	25
1001-2000	6	10	16
2001-5000	4	8	12
5001-7000	1	1	2
7001-9000	3	3	6
9001-10000	-	3	3
10000+	11	5	16
10000+	11	5	16
Total	31	49	80
Total	31	49	80

Note: Chi Square value 10.842 insignificant at 5% level

From Table 4.5 we don't observe any specific pattern of association between land value and the perception. From the field study among the displaced households in the project area it is inferred that the perception level depends on the social acceptance of the project, the importance of their (Displaced Person's) position in the society or the acceptance of leaving their assets voluntarily for a development project etc.

4.3 Housing Condition Before and After Displacement

The data collected from the primary survey is analysed on the above lines. Total households who 'lost houses' contacted in the survey were 63. The variables proxied for measuring their housing conditions were material used for flooring, roofing, and change in floor area. The materials used for flooring showed the improvement from katcha to pucca. The analysis of the data collected from the survey is analysed and the following results are obtained

Table 4.6 Flooring materials used before and after displacement

Material used	Before displacement	After displacement
<i>Mud</i>	27	3
Cement	33	42
Mosaic	2	8
Marble/granite	1	10
Total	63	63

Source: Primary survey among the CIAL displaced households (2005)

Change in floor area (before and after displacement) is categorized and its' association is tested with the perception on the compensation amount.

Table 4.7 Perception on the level of compensation and change in floor area due to displacement

Change in floor area after displacement	Perception on the Compensation		
	Poor	Fair	Total
Worse off	6	9	15
No change	0	1	1
Better off	16	31	47
Total	22	41	63

Source: Primary survey among the CIAL displaced households (2005)

From Table 4.7 it is observed that majority of the (47) households have improved their floor area in their houses after displacement/acquisition of their house/land. But very few

displaced households have lost their floor area. Nevertheless, the table does not show any kind of association between change in floor area and perception of the household on the compensation amount received. Similarly, the quality of the materials used in their houses has improved. (See Table 4.8) The other indicators to measure the quality of the house and sanitary condition include the material used for roof, source of energy for lighting, cooking etc. The survey conducted among the displaced households reveal the following.

Table 4.8 Roof condition before and after displacement

Material used	Before displacement	After displacement
Thatched	7	0
Tiled	41	8
RCC	15	55
Total	63	63

Source: Primary survey among the CIAL displaced households (2005)

Table 4.9 Source of energy for lighting before and after displacement

Source	Before displacement	After displacement
Electricity	41	56
Kerosene	22	7
Total	63	63

Source: Primary survey among the CIAL displaced households (2005)

Table 4.10 Source Of Energy For Cooking Before And After Displacement

Source	Before displacement	After displacement
Firewood	51	26
LPG	12	37
Total	63	63

Source: Primary survey among the CIAL displaced households (2005)

Tables 4.8, 4.9 & 4.10 indicate improvement in the quality of life of the displaced people. Table 4.10 signals the improvement in their standard of living, but to an extent it shows the loss of access to free firewood which was available in their original place of residence before displacement.

4.4 Employment Profile

4.4.1 Nature and composition of employment

The alternative use of land other than agriculture compels people to shift to non-agricultural occupation. Agriculture being dependent on season, rural employed labor takes on seasonal jobs also. When rural agricultural land is acquired for developmental projects, the displaced people are rendered jobless in their sector. They seek unskilled labor at a cheaper wage rate. This lead to change in the nature and composition of their principal activity⁵. With the above in backdrop, the comparative analysis of data on employment of displaced people gives the following result.

Table 4.11 Employment profile of the workers before and after displacement

Principal activity status	Before displacement	After displacement
Self employed as own account worker	22	26
Self employed as employer	13	8
Unpaid family worker	3	5
Regular salaried/wage employee	16	27
Casual wage labor in agriculture	23	21
Brickyard workers	27	7
Casual workers (airport)	0	24
Casual wage worker in non-agriculture	20	30
Cultivator	6	5
Seeking and/or available for work	24	2
Attending educational institution	66	64
Attend domestic duties	61	63
Pensioners, remittance recipients	4	4
Not able to work due to disability/Old age	16	23
Others (includes children below 4 yrs)	31	23
Total	332	332

Source: Primary survey among the CIAL displaced households (2005)

From the above table 4.11, it is inferred that there is a trend of enhancement of job opportunity to regular wage salaried (in the organized sector ie either in Air India or CIAL) and to some other jobs in the casual non-agriculture work. The nature of job is shifted

⁵ The economic activity the work force engaged for the majority of the time in the preceeding 365 days (CSO, GOI)

from (manual) 'agricultural' to (semi-skilled) 'service, construction, and mechanized sector'.
Composition of their job has also changed. From 'casual work' to 'regular wage' employee.

4.5 Education

Examining the educational level of the displaced members, the frequency is as in table no: 4.12. From the field survey, it is found that people in the project area attended the local schools located in their respective Panchayaths; these schools have not been acquired. The displaced persons are rehabilitated in their respective Panchayaths itself. Even before displacement, facility for higher education was available at Aluva only, which is unaffected. As already examined, the implementation of this project has not adversely affected the pattern of educational attendance of persons from this area (Refer Table 4.12). The educational status after displacement is studied here.

Table 4.12 Distribution of educational level of displaced persons

Educational level	No of persons
Illiterate	54
literate without formal schooling	2
Primary	56
Middle	61
Secondary	97
higher secondary/Pre-university	37
Degree	23
PG	2
Technical diploma	1
Total	333

Source: Primary survey among the CIAL displaced households (2005)

The field study among the displaced people showed that above 70% of the displaced attained the level of education 'above middle school'. This level of education is considered enough to build local societal network to bargain with the authorities collectively for their rights over the property or compensation package.

4.6 Utilization Pattern of Compensation Amount

The utilization of compensation amount received is examined under the categories depicted in Table 4.13. It reveals that the compensation amount is utilized for more than one purpose by the landowners. Majority of the displaced households utilized the compensation amount for building or purchasing their house.

Table 4.13 Purpose wise frequency Distribution of compensation amount

Head of utilization of compensation amount	No of households	Percent
Compensation utilised for purchase of agricultural land	3	3.7
Compensation utilised for house construction	59	72.8
Compensation utilised for purchase of land and house	33	40.7
For house renovation	3	3.7
For land improvement	2	2.5
For modernising the business	5	6.2
For educational purpose	1	1.2
For marriage of relatives	17	21.0
For repayment of loans	17	21.0
Other purposes	31	38.3

Source: Primary survey among the CIAL displaced households (2005)

International guidelines issued by the funding agencies stipulate that particular attention should be paid with respect to the needs of the vulnerable groups. In this case study, people belonging to SC is identified as the economically weaker sections of the society. So it was tested whether there is any association between the 'perception of compensation and social group (SC and others)' and 'Perception of compensation and general education'. The results of the analysis are furnished below. The conceptual model for our analysis is as follows:

Perception on Compensation = $f(\text{social group, general educational level})$

It is hypothesised that there exists a positive relationship between Perception on Compensation and general educational level and a negative relationship with social group

4.7 Method

Table-4.14 Variables

percept	Compensation perception as 'Fair' or 'Poor'
socialgr	Social group of the household as stated by them SC, ST and others
Genedu	Highest General educational level attained by the household member

Our logistic regression analysis shows that the 'social group' (socialgr) variable is insignificant in the analysis of perception about compensation. Perception on compensation among the various social groups is same. However, here is a positive relationship between perception and the general education (highest level of education

attained among the members of the displaced household) at significant level. Thus the education level has a significant role in the process.

Table-4.15 Results: logistic percept socialgr genedu						
Logistic regression					Number of obs. = 80	
					LR chi2(2) = 7.02	
					Prob > chi2 = 0.0300	
Log likelihood = -49.901202					Pseudo R2 = 0.0657	
Percept	Odds Ratio	Std. Err	z	P> z 	[95% Conf. Interval]	
socialgr	.8915582	.0727742	-1.41	0.160	.7597481	1.046236
Genedu	1.505753	.2987481	2.06	0.039	1.020637	2.221447

CHAPTER 5

FACTORS THAT INFLUENCE THE SUCCESS OF REHABILITATION AND RESETTLEMENT

As analyzed earlier in chapter-II, an array of social, political and legal institutions play vital role in the successful implementation of project as well as the rehabilitation and resettlement process. In this chapter we analyze the factors that played vital role in the implementation of CIAL project as well as rehabilitation and resettlement of affected communities.

According to North (1991) institutions are the humanly devised constraints that structure political, economic and social interactions. Institution consists of informal constraints (Sanctions, taboos, customs, traditions and codes of conduct) and formal rules (Constitutions, Laws of Property Rights etc.) Therefore, institutions play a functional role in providing a platform for decision-making, they enable individuals to understand what others are doing, what they are likely to do, what they may and may not be done (Neale, 1994).

Broadly, the factors that influence R & R can be analyzed under General Institutional Framework, Project related factors, Local Social Capital, and household characteristics. General Institutional structure is broadly classified as (i) Legal framework and (ii) Enforcement Mechanism. The legal framework, including various rules that exists in the State (the Acts/Rules/ Regulations) which facilitated the R&R of the displaced people are subjected to analysis. And the structure of enforcement mechanism discussed here is broadly identified as Revenue Recording, Registration of land transaction, Judiciary, Political Process, Civil Society and Press.

The vital formal legal framework (formal rules) involved in this project are: Land Acquisition Act 1894 and its recent amendments in 1990, Aircrafts Act- 1934, Travancore Cochin Literary Scientific and Charitable Societies Registration Act 1955 and the Regulation on excavation of soil.

5 Land Acquisition Act 1894

Land Acquisition Act 1894, which is 111 years old and embodies a couple of amendments in recent past, facilitates the Government to acquire any land from the private individuals

for public purpose in any part of the country⁶. Under the provisions of this Act Government retains the sole authority to acquire any plot of land for 'public purpose' and there is no way of questioning the legitimacy of this decision. There is no possibility to demonstrate that another plot is more suitable to serve the purpose. There is no force over the authority to insist on the use of the acquired land, or to use it for the original purpose of acquisition. This way Land Acquisition Act 1894 empowers the state with coercive power to acquire any land by paying the price at (prevailing) market rate. Nevertheless, there is no such formal provision to fix the market price of land. Therefore, while implementing a project a great deal of scope is retained with the government authorities to determine the rate of compensation to the affected party. In the process of negotiation, or litigation the affected party and the project authority- try to maximize their benefit. Ultimately, the level of compensation depends upon the bargaining power of the two stakeholders. In this process, a whole host of institutional factors play crucial role.

The Land Acquisition Act provides two routes to arrive at compensation. The District Collector could decide on the compensation or the Court. However, there are no concrete guidelines to the Dist Collector to decide about compensation. In the court cases, there are guidelines to arrive at the compensation. But in this process, the transaction cost is very high. This grievance redressal mechanism is not accessible to poor landowners due to its high cost and time delay. Moreover, fixation of price involves a complex process. The compensation to land is decided as per the category of the land and prevailing (land) transaction price as per records of the Registration department. The basis used to define the land value is revenue records and registration records of land. Some of the problems evident in the revenue records and registration records are discussed below.

5.1 Problems in Categorization of Land in Revenue Records

Many times revenue records pertaining to extent of land, land categorization and ownership, title deed etc are not updated. Records on the categorization of land existing in the state are 110 years old. Even though, revenue and survey departments have initiated steps to update, these are yet to complete. Similarly, the records on the extent of land are

⁶ If a piece of land is required by Govt for acquisition, Sec 3 (cc) specifies for whom the land can be acquired, a notice as per Section 4(1) is issued. After hearing all arguments of the landowners as specified in Section 5A, Govt has to declare the land for acquisition under Sec 6 of the Act. As per section 9(3), individual notice to landowner is issued. As per Rule 12(5), agreement in Form No 10(a), between the landowner and LAO is executed. No provision is there to return the acquired land to the original landowner even if the Govt doesn't require it.

not updated. Therefore, there are many discrepancies in the extent of land owned and (actual) in possession in the case of many landowners. Wetland fetches more revenue to the Government exchequer by imposing higher land tax, irrigation cess etc. Therefore, Government records on land categorization would show bias towards wetland. But while acquiring land for public purposes by the government, it will hamper the interest of landowner since wetland fetches lesser price than that of dry land. Also over time period many wetlands get converted into dry land. This category change (being wet in official records) will also adversely affect the land price at the time of land acquisition. Further, landowners don't bother about the land category but about the extent only. It is this faulty land categorization, which resulted in compensation loss to many landowners. When land is in possession, the difference in extent of land is not a matter. But when acquisition happens, the landowner is entitled to get compensation to the actual extent of land or that in land record, whichever is less. The Land Acquisition Officer as per the details in the revenue records fixes the land price. This lead to disputes in the matter and landowners approach various forums for grievance redressal. There were many court cases filed by landowners individually and collectively (See Appendix A for details). The main contentions of the landowners were either against categorization or extent of the land.

In the majority of the cases the records (evidences) went against the landowners and there were no enhancements in compensation. Even if there have been favorable judgments in some cases the time lag between the actual possession of the land by CIAL and award of compensation decreased the value of compensation. The price escalation of land in this period was very high due to the project implementation.

5.2 Problems in Registration Records

In fixing the market value of land, the prices of land of the same category in last a few transactions are considered. However, it has a downward bias since landowners show a lower price for their land transaction to evade stamp duty. As the landowner himself declares the land value at the time of transaction, it adversely affects the compensation demand. This way the compensation offered would not be the right reflection of the market value. Also the title deed of the land is considered the prime document for fixing the ownership of the land.

By and large, the development projects are implemented in the areas with less population density and having more unclaimed coconut plantations. Most of the poor households in

rural areas benefited from these resources. Also many people who will have only customary right on land will be left landless. For this reason, international agencies insist on paying compensation to people who have only customary right over land. However, this is rarely followed. Our field survey also reveals that people displaced to the Sreemoolanagaram Panchayath were dependent on such unclaimed land were not compensated on this account.

5.3 The Regulation on Excavation of soil

The land in the project area is with good quality clay and is very useful for brick and tile manufacturing industry. There were 53 brick kilns and some tile factories in the area. Paddy fields in this area are excavated up to 30 feet deep for soil used for the industry. This actually posed threat to ecology and to the landowners who were unwilling to sell land to this brick kiln owners. Even before the acquisition process, Government through the local self Governments in the Project area (Nedumbassery Panchayath) regulated further excavation of soil and prevented further deterioration of ecological condition of the area. Mathruboomi daily (dated 25.11.1994) reported that 'ban on excavation of soil for brick industry at Nedumbassery and Sreemoolanagaram Panchayats was a burden to this industry. 75 brick kilns are to be stopped, 12000 employees will be left jobless etc'. This also encouraged the landowners of the excavated land (which is unfit for any other use) to come forward to surrender land for the airport project.

5.4 Role of Aircraft Act 1934

The Aircraft Act instituted in 1934 by the Central Government for (among other aspects) the need to have a control over the design, and regulation of air traffic etc. This Act was amended in 1994 to facilitate cutting trees, if it is necessary and to restrict the height of any building or structure in the trajectory of Aircraft for the safety of aircraft operations (by notification in the Official Gazette and under the provision 9 A of the Act). It provides for that 'no building or structure shall be constructed or erected, or no tree shall be planted on any land within such radius, not exceeding twenty kilometers from the aerodrome reference point, as may be specified in the notification and where there is any building, structure or tree on such land, also direct the owner or the person having control of such building, structure or tree to demolish such building or structure or, as the case may be, to cut such tree within such period as may be specified in the notification;'. For the compensation of such loss the Act in Section 9 B states that 'any person sustaining any loss or damage, such person shall be paid compensation the amount of which shall be determined in the manner

and in accordance with the principles hereinafter set out, that is to say, (a) where the amount of compensation can be fixed by agreement, it shall be paid in accordance with such agreement; and (b) where no such agreement can be reached, the Central Government shall appoint as arbitrator a person who is or has been qualified for appointment as a Judge of a High Court' and so.

If the owner of the property is not satisfied with the award of compensation offered by the *Officer in charge of the Airport* for the loss he suffered, as per Sec 9 C of this Act, the owner can approach the Director General, Civil Aviation for better compensation within 60 days of award of compensation by the authority.

Here, in the case of CIAL, some days before the commissioning of the airport, Director General, Civil Aviation, on inspection of the suitability of the site for Aircraft Landing, pointed out the need to cut down the trees in the trajectory of the flight landing. Immediately, the Project Officials requested Govt to acquire that land also and this is notified. But due to pressure of time, the procedure of the acquisition was not possible before the commissioning of the airport. So, authorities invoked relevant provisions of the *Aircraft (demolition of Obstructions caused by Buildings and Trees etc.) Rules 1994*.

According to this rule, the landownership remains with the landowners. But there are restrictions on further construction or growing of tall trees in the area. The project authorities paid compensation at the spot (per coconut tree-Rs.4000/-, per clove-Rs.7000/- etc) for the trees cut under the Aircraft Act 1934. The landowners had no grievance over this compensation. From the field survey, it is inferred that this process was very fast with the support of landowners. No property owner on whom *Aircrafts (demolition of Obstructions caused by Buildings and Trees etc.) Rules 1994* is invoked had approached the DG Civil aviation for better compensation.

The residents of the area suffer noise pollution, loss of income from the property and damage to their residential buildings. According to the provisions of the Aircraft Act, no compensation is eligible for these effects. The land is not acquired. But use of the land is restricted. Legal action and mass petitions were initiated for and against the acquisition of this land. But the land has not yet been acquired.

5.5 Travancore Cochin Literary, Scientific and Charitable Societies Registration Act

The Land Acquisition Act 1894 provides for that land can be acquired for any public purpose. Therefore, government went for a public-private partnership venture and formed Kochi International Airport Society (KIAS). The provisions of Travancore Cochin Literary, Scientific and Charitable Societies Registration Act 1955 enable government to register a society for 'public purpose'. The condition is that the society so formed be 'established or administered by Government'. There is no need to own any share by Govt. in this society. The CIAL was formed to implement the development project of KIAS. KIAS remained the requisitioning authority for the acquisition of land⁷. The Chief Minister of the State is the Chairman of the society. Minister (Transport) became the Vice-Chairman of the Society. The Memorandum of Association of the Society shows that the society is not only established but also administered by the Government. The society consists of 40% Ex-Officio members, 20% institutional members, 20% eminent persons nominated by government and 20% donor members. Chief Secretary and various other secretaries of the government are members of the governing body. The above details show that the society was established by Government and controlled by Government. This had facilitated the land acquisition process.

5.6 Role of Judiciary

The very controversial nature of development project assigns a greater responsibility to the judiciary in order to implement the project as well as providing better compensation to the affected people. Judiciary acts as the last resort for dispute settlements since it involves higher transaction cost. Therefore, depending upon the efficiency of judiciary the pace of project implementation as well as levels of compensations are determined. In the implementation of CIAL project also it played a vital role in facilitating the project. People had resorted to approach judiciary at various stages.

5.6.1 Invocation of emergency clause under Sec 17(4) of the LA Act

Section 17(1) and (4) of the Act are exceptions to the normal procedure of delay of the period of 30 days for purpose of acquisition and the reasonable period of the inquiry under Sec 5 A of the Act. The notifications in the newspapers were delayed. But the court didn't find any delay in the publication in local dailies. It is argued by the landowners that since the acquisition is for a company, enquiry under Rule 5 A and declaration within one year of

⁷ Some of the opinion leaders or potential landowners of the Project Area approached High Court *questioning the 'public purpose'*. (Discussed in detail under 'judiciary')

notification under Rule 6 are mandatory. This clause is also not observed within the specified time but court did not find any merit in this argument.

Here, there was a delay of almost one year. So the invoking of emergency clause for acquisition was unwarranted. This was the contention of the landowners. But the Board of Revenue of the Government of Kerala had decided that the airport had to be established urgently and immediate steps were to be taken. Court had no counter opinion in that. Hence the judgement went in favour of the requisitioning agency, the KIAS.

5.6.2 Formation of KIAS

The requisitioning authority in these cases is the society. According to the petitioners, the potential landowners, the society is not a Corporation owned or controlled by the state as defined in Sec 3 (cc) of the Act.

Land Acquisition Act defines 'public purpose' as including the acquisition for a Corporation owned or controlled by the State. The contention of the landowners was that State had not possessed 51% share in the Society and hence the claim of public purpose by KIAS was not applicable. But the Court saying that 'Societies registered under Travancore Cochin Literary Scientific and Charitable Societies Registration Act does not stipulate the condition of share but only the need to be 'constituted or administered by State', rejected this argument. Based on its constitution and board of members, KIAS was constituted and administered by State. Hence the Court rejected the argument of the landowners. (For details of court case, refer to Appendix A).

5.6.3 Classification of land category' and 'fixing the land price as compensation

In most of the cases, the court verdict went in favor of the project. Only in the case of land categorization the verdict went in their favor. As a result people could achieve better compensation since the categorization of land was changed (from wet to dry) after court verdict. (See Appendix A).

5.7 Role of Various Agencies for Better Compensation

Apart from formal institutions, informal institutions have also played crucial role in facilitating the implementation of project and providing better compensation. On perusal of the project report of CIAL, and from the field survey, it came to know that the displaced people in the project made use of different institutional structures for dispute redressal.

The structure of enforcement mechanism discussed here includes political process, civil society and press. The roles of these factors are analyzed in this section.

The negotiation between the landowners and project officials (directly and indirectly through political leaders) was facilitating the project. Judiciary all along facilitated the project. The Local Self-Governments paved the way for discussion of the issues and negotiated with the displaced and project affected for the successful implementation of the project. Media reports were very encouraging on the progress of the project. It was very helpful in achieving the capital mobilization from various sources. The project officials managed the execution very efficiently and most of them were on deputation from government service. The project officials removed religious establishments (temples, churches etc) from the project area very amicably by holding talks with the religious leaders. This way people in various legal, political and religious professions facilitated the affected people to get their compensation. The analysis of the actors in facilitating the process of compensation reveals that most households, (41 out of 80, i.e. 51%) contend that they have received the compensation due to their household characteristics (in terms of higher level of educational attainment and better social network). 20% of the households contend that political factors have played a crucial role in availing the compensation. Similarly, in case of 4 households (5.1%) judiciary played a role in facilitating the compensation. 11 households (14%) have received the compensation through group action, 3 (4%) households state that they have received the assistance from both Judiciary and group action and 5 households have received it due to household characteristics and judicial intervention.

For assessing the level of satisfaction of households on the compensation, we took their perception. And out of the total 80 households, 49 (61%) mention that the compensation was fair and rest 31 (39%) households as unfair. It is expected that the perception of the households would vary according to the agencies through which they received the compensation, since the rate of compensation is generally equal for all. Table 5.1 shows the association between the perception of household on the level of compensation and the agencies that facilitated them receiving the compensation. It reveals that the households who have received the compensation due to their own household characteristics mention that the compensation was fair.

Table 5.1 Actors who played role in the process of compensation and the household perception on compensation

Actors in the process of compensation	Perception on compensation		
	Poor	Fair	Total
Judiciary	2 6.5%	2 4.0%	4 5.1%
Political Parties	3 9.7%	13 26.5%	16 20.1
Group action	4 12.9%	7 14.2%	11 13.9%
Household characteristics	15 48.4%	26 53%	41 51.3%
HH characteristics and judiciary	5 16.1%	-	5 6.3%
Judiciary and Group Action	2 6.5%	1 2.0%	3 3.8%
Total	31 100.0%	49 100.0%	80 100.0%

Source: Primary survey among the CIAL displaced households (2005)

Out of 41 households who received compensation this way, 26 of them view the compensation as fair and rest 15 as poor. Similarly, through group action 11 households have received the compensation and of them 7 households express their satisfaction over the compensation and rest 4 HH express their dissatisfaction. However, out of 16 households who received the compensation in this way 13 of them perceive the compensation as fair and only 3 of them perceive it as poor.

Table 5.2 Household characteristics, process followed for receiving compensation and perception.

Household Perception	Educational Category	Action taken			Total
		Without Action	With negotiation	Through Litigation	
Poor	Secondary or Below	5	8	5	18
	Above Secondary	6	5	2	13
Total		11	13	7	31
Fair	Secondary or Below	11	11	0	22
	Above Secondary	12	14	1	27
Total		23	25	1	49

Source: Primary survey among the CIAL displaced, 2005

A further look into the process followed by the households for getting adequate compensation and their characteristics in terms of educational attainment (See Table-5.2) shows the following. The household characteristics played a vital role in negotiating with the project authorities for compensation. Those households who went for litigation perceived the compensation as poor because the project authorities efficiently conducted court cases. It can also be explained with the high transaction cost involved for litigation and delay in receiving the compensation.

5.8 Role of Informal Mechanisms

North (1991) reveals that formal rules can complement and increase the effectiveness of informal rules. Rules are devised in the interests of private well being rather than social well being. Informal rules come from socially transmitted information (ibid. pp 48). Informal rules make the exchange viable by reducing the measurement cost and enforcement cost. The agreement can be made effective through third party also. The acceptance of formal rules by the people in an area is much dependent on the social norms prevalent in the area. A mixture of informal norms, rules and enforcement characteristics together defines the institution and constraints influencing human behaviour.

From the household survey and discussion with various officials involved in project implementation and R&R we observe that the project authorities and government officials (Land acquisition department and other departments engaged in rehabilitation process) preferred the option of *negotiation* with landowners (either direct or through political leaders etc) to fix the value of land and other rehabilitation package for the displaced people. This process worked beyond formal rules for compensation. From the statement of fact filed in the High Court by CIAL, it is observed that the role of informal rules in fixing the compensation for land proved to be more flexible than that of Land Acquisition Act. Only with mutual trust (with the assurance from the authorities involved in the project, without any written agreement) people surrendered their land with a hope of getting job and other benefits due to the establishment of new project. On this line the project authorities allowed the cooperating house owners to take their own building materials dismantled from the project site free of cost with assistance for transport (evident from Court Judgements). The compensation for religious establishments (evidence from the interview with temple committee member and Panchayath President) was purely on the basis of negotiation and cooperation between various stakeholders. For assuaging the public outcry, as it is evident from the field study, assistances for reestablishing the communal association buildings (like

SNDP committee office etc) were offered by the Project authorities very generously. The negotiations were done not only with landowners but also with opinion leaders, leaders of landowner's associations, representatives of political parties and so on. The cheques of compensation value to the property owners were disbursed without any delay. The compensation offered through negotiation was much better than the legally required amount of compensation. Negotiated settlements were encouraged by the Society.

As a result of negotiation, there existed a 'mutual trust' between the Project authorities and displaced people. As on 30th Nov 2005, 128 direct employment in CIAL and 634 indirect (Prepaid Taxi permits 284, Air India Casual Laborers 102, House keeping 30, Cargo outside laborers 218) employment opportunities were given to people displaced due to the project. Preference was given to those landowners who lost houses due to this project. This was based on unwritten agreements between the landowners and project officials. Out of the total 3,825 landowners who lost property due to the project, 2827 landowners preferred negotiated settlements. From the household interviews, the perceptions of landowners about the negotiated terms for compensation are shown in Table-5.3.

Table 5.3 Action taken for better compensation

Action taken	Frequency
Negotiated through politicians	16
Negotiated directly with project authorities	19
Approached dist court	5
Appealed at High Court	3
No action but by own	37
Total	80

Source: Primary survey among CIAL displaced people

Here it is evident that the major action taken by the landowners was negotiation through various sources (including third party). This was facilitated through informal rules. Also compensations were received as an outcome of the smooth functioning of general institutional framework. It is also observed that the landowners who lost small extent of wetland did not resort to much action. The people who have taken action are these who lost both house and land or large extent of dry land.

5.9 Role of Civil Society Organizations

Our field survey reveals the role of Civil Society Organizations as a facilitating factor. From the primary survey, it is identified that the civil society organizations that have influence

over the local society are of two types. The first category being '*already existing Civil Society Organization*' (NGO) and the second category is the evolution of societal network in the context of an economic exchange. The first category includes *National Association of People's Movement (NAPM)*.

From the field survey, interviews, pamphlets and bit notices, we found that there were many temporary societal networks associated with the places of worship, of landowners with more extent of land, local religious and political leaders, which facilitated the project. This is the second category of civil society organization that evolved to facilitate the project.

5.9.1 Role of NAPM

The action council of displaced landowners and residents under the auspices of NAPM highlighted the issues in connection with the displacement and resettlement. The organization expressed concern over the excavation of soil for brick and tile kilns in the area. Those who opposed to leave their land are under threat of loss of their land due to silting of soil. The NAPM expressed concern about the sand mining from the Periyar River for the airport project.

The action council criticized the change in crop pattern from food crops to cash crops. It also criticized the use of agricultural land to alternative purposes. The main focus of the action council (evident from the collection of bit notices distributed on those days) was to secure better price for the land (acquired for the project), to improve the living conditions in the locality such as lighting, drinking water and sanitation and public facility of hospital, cemetery etc. The people's movement could facilitate a forum for discussion (without political interest) in the matter of land acquisition and resettlement. This happened after every effort of negotiation with the authorities.

The civil society organization, NAPM, as evident from the instruction by the Government of India to the project authorities letter from the Ministry of Environment and Forest (No J 16011/28/94-IA-III dated 15th Mar 1995) demanded land for acquired land and means of livelihood to the displaced people. Justice V R Krishna Iyer, Justice T Chandrasekhara Menon, Dr. Sukumar Azhikode and other leaders associated with the NAPM addressed the displaced / Project Affected people. The possibility of influence of the above factors is dependent on the literacy level of people and mass communication in highlighting the aspects of the project. This created a forum for discussion on the social cost and other

problems related with compensation and R & R. The reports appeared in the press mobilized the general community and affected people to arrive at negotiated solutions.

5.10 Role of Media

The role of media in this process was also vital. The various aspects such as the necessity, the use, the financial source, the progress of the project, the support of the NRIs, regional interest, the views of political parties etc were very well covered by the media. National dailies explained the linkage effects of the CIAL project in the regional economy. The media could create a facilitating role among the migrated Malayalees and non-Malayalees (middle East, Europe and in other states of India). The reports about the need and suitability of the airport project at Nedumbassery were published in detail in the leading newspapers.

The discussion about the project in Ankamaly Municipality attracted public attention. The news of municipality's interest to provide land for rehabilitation of displaced people (in the Mathruboomi dated 21.7.1993) encouraged the local members of AITUC (a trade union organization), Manjapra unit, to voluntarily offer one day's work for the survey of land as a voluntary contribution to the project (The Malayala Manorama daily dated 30.7.1993).

The report (Ref: Deepika daily dated 19.8.1993) on the lobbying against the proposed airport project by the so called "Bombay lobby" created regional support to the project. Various political groups interested in the regional development of Kerala invested their political goodwill in it. It helped to overcome the threat by Calicut airport project also. The traders' organization also came forward to support the project. (Ref Indian Express dated 10.8.1993).

Explaining the financial and technical aspects, The Hindu daily dated (21.4.1993) reported that the Society proposed *to buy land* for the project. The detailed report explained about the proposal of site, financial source, methods of operation, technical aspects, the land price, extent to be acquired, the timeframe etc of the Airport project. The media report in various dailies in the regional language and in English explained day-to-day developments in the Executive, Judiciary and the views of political parties, traders, migrated Malayalees (in Vienna, Germany and Middle East etc.) with regard to the project. A committee with elected representatives of LSGs, and government officials etc was constituted to supervise the land acquisition process and negotiate with landowners and fix the price. (Ref: Desabhimani daily dated 25.7.1993)

The ban on excavation of clay soil at Nedumbassery and Steemoolanagaram Panchayat was a burden to the brick industry. (Ref Mathruboomi daily dated 25.11.1994) This facilitated the land acquisition process further. The Deepika dated 5.5.1994 reported that the negotiated price is much higher than the market (transacted) price, with document number and other details. Indian Express dated 15.4.1994 reported that as KIAS is controlled by politicians, and there is scope for corruption in determining the composition of the equity base of the company. The same report further explains that it is unavoidable to exclude politicians to settle the issues of land acquisition and winning the support of the Govt. (State as well as Central) to the project.

The facilitating role of the media in every aspect of land acquisition and rehabilitation and resettlement of the project is evident from these reports. Media functioned as an important factor in mobilizing public opinion on the concept, and creating a forum for discussion on sources of finance, stages of action, communicating the feedback of the displaced people, remedial action in land acquisition, rehabilitation of the displaced people etc. The communicating influence of the media among the displaced/project-affected population is analyzed in Table 5.4.

Table 5.4 Source of information about the project and political affiliation of the household

Source of information	Political affiliation of the household		Total
	No	Yes	
Through politicians	3	9	12
Through newspaper	27	7	34
While the land survey work started	17	1	18
Through the other villagers	13	3	16
Total	60	20	80

Source: Primary survey among CIAL displaced people

Knowledge about the project is communicated to the people in the locality through media, that too to those houses who do not have political affiliation.

5.11 Role of Project Related Factors

The project is a private-public joint venture. Thus it has the characteristics of state owned public enterprise and flexibility of a private investment namely, in adhering to the time limit and the commitment of the project officials. The majority of the staff is on deputation from Govt departments (both Central and State) and from Civil Aviation department. The

efficient handling of court cases relating to land acquisition, categorisation of land, fixation of price of land and establishment of the Society need special mention in this project. The timely filing of counter affidavits, decision for appeal in the cases in which KIAS lost in lower courts, close follow up in appeal cases were very efficiently handled by the project officials. The negotiation between landowners, stakeholders of the community properties religious institutions etc were another added responsibility of the project officials.

The coordination between various departments within the project (personnel, civil works, financial etc.) with private investors, financial institutions with Central and State Govt. departments Local Self Governments, etc were a huge task before the project authorities. Timely completion of this task led to the desired pace in the progress of the project.

5.12 Role of Social Capital

Like Financial Capital and Human Capital, Social capital is also necessary or inevitable for the successful implementation of projects. The roles of institutions were considered as significant in the developmental process. Putnam (1993) identifies social capital with those features of social organizations such as: trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions. Putnam also examines social capital in terms of the degree of civic involvement as measured by voter turnout, newspaper readership, membership in clubs and societies and confidence in public institutions. He found that Northern Italy where these indicators are higher showed higher levels of development than the southern parts.

It is the networking that help creating the linkages required for the development at all levels of the society. From the field study it is observed that various religious institutions have organized many demonstrations for better compensation. The major religious organizations involved in this process are: Akaparambu Church (which was very old and attended by majority of Christians in the locality), Thuravankara Church, Saraswathi Temple at Avanamcode and Kali temple at Kolpayi. Majority of the displaced people were Christian. The priest of the Akaparambu Church also participated in the protest at the initial stage. The displaced people and Project Affected People assembled near the church and marked their protest with candle lit and marched in silence. The leaflets distributed at that time show that the volunteers of National Association of People's Movement (NAPM) also operated in cooperation with the landowners who were associated with church activities.

During the initial survey for the project the Hindus in the area had objected to the project. The temple committee was consulted and the project authorities came forward to provide enough compensation to perform the religious rituals while demarcating the temple land for the project. The temple at Avanamcode and the temple pond were renovated and the project progressed with the support of the community members. They allowed cutting the sacred banyan tree in the temple for safe landing of aircrafts. The building of the community organization namely SNDP unit at Nayathode was shifted from its original location. The community supported the project with the expectation of employment opportunity. Now there are two SNDP units (one at Akaparambu and the other at Nayathode).

The local politicians (President, Panchayath Members, Local Committee Members of political parties and others), and the priest in the local church were also residents of the area of acquired. They also owned land and house in the acquired area. Hence the displaced people accepted their interest in the compensation demand of land. The grievance redressal mechanism in the area opened the source to express their views through the representatives of the Local Self Governments, through the networks of local trade unionists (work place connections), and NAPM activists (a civil society organisation/NGO). The informal network through the free collection of coconut, firewood and grazing land connected these people got eroded after displacement. Nevertheless, the neighborhood connection is still maintained. In their earlier place of residence (before displacement) their neighborhood was of the same income capability, but at a lower level. Now the neighborhood is of better financial strength. So the financial help (temporary financial support) is improved after displacement. Also, the support from their community organization in the resettled area (KPMS- a SC community welfare organization) is better after displacement.

In the process of displacement, it is observed from the field survey that, the displaced/ Project affected people negotiated with the project officials before approaching judiciary. There were negotiations either directly or through the political parties (individually or collectively) for better terms of rehabilitation or compensation and for other social benefits like drinking water facilities, PHC, street lighting etc. The project authorities also approached the issue with the aim to minimize the process time, with more commitment and expertise.

CHAPTER-6

SUMMARY AND CONCLUSIONS

The development induced displacements have always remained as a contentious issue across globe. Most of the earlier studies on displacement have been carried out by sociologists and anthropologists. Economic studies on displacement are sparse. The findings from the earlier studies show that in most cases the displaced households have not been paid adequate compensation for their economic as well as non-economic losses. This creates a series of negative consequences and many times in it's worst forms. Apart from land loss and loss of home, displacement brings various complex social and gender problems. The acquisition of land for development project not only makes the households landless, rather it takes away their job and insecure their livelihood. Further, due to lack of legal entitlements, many tribal households fail to get any compensation for the land on which they had been living since decades. Similarly, due to the categorization of common land as no-man's land, on which a number of rural households depend upon for their livelihood, many lose their main stay of livelihood. Most complex and irreparable losses are the social losses. Displacement of households from one place to another completely damages the social fabric. It puts enormous implicit cost on the displaced households by dismantling their social network and bringing in new threats of social exclusion.

One of the important reasons for failing to provide adequate compensation to the displaced households is inadequate policy. Even though various guidelines are provided by World Bank and other agencies hardly these are followed in letter and spirit. There are only a few cases where the compensation has been satisfactory. Therefore, it is imperative to study those cases to learn lessons for other projects. The present study on CIAL project in Kerala help us to trace out the factors that facilitate the provision of better compensation to the project affected households.

The detailed analysis of the data collected from the project affected households reveal that a host of factors and institutions played a crucial role in enabling them to get a better compensation. Out of 80 households studied, 51 (61%) of them mentioned that the compensation was fair and rest 39 households express their dissatisfaction over the same. The comparison of the housing condition, and other facilities gives an impression of better off position of the households after the rehabilitation. Out of total 63 households who lost their house, 47 of them have improved their floor area after displacement, (and 15 of them

have lesser floor area after displacement). So far as landholding is concerned, after displacement, a number of households have lost their land and the average size of land holding per household have come down significantly from 40.46 cents to 20.93 cents. The number of households who were having land more than 100 cents (15) or even more than 50 cents (13) has come down significantly to 3 and 3 respectively. But one of the better indications after displacement is that all the displaced households have a minimum of 6 cents of land, which was earlier even one cent. The price of land has shoot up significantly. It is observed that the value of land which was in a range of Rs.1000 to 15,000 per cent increased to Rs. 3,000 to 4 lakh depending upon the location. The job profile of the people displaced shows that the number of people with regular salary or wage has increased from 16 to 27 and the setting up of airport has brought new employment opportunities to 24 people. The number of people seeking work has come down from 24 to only 2 after the setting up of new project. But our finding also shows that a few households have lost their status in the form of becoming worker (after displacement) from employer (before displacement). The employment status of women has remained intact. Overall, the nature of job has shifted from agricultural to service and composition of job has changed from casual to regular workers.

The examination of the process of compensation reveals that various formal and informal institutions played an important role in the negotiation for better compensation. Although there are a number of weaknesses in the Land Acquisition Act, displaced households could succeed to bargain for a fair compensation. The active functioning of social institutions, like churches, temple authorities, political institutions, Local Self Governments, and civil society organizations like NGOs and media played a crucial role to mobilize people and bargain with the project authorities for better compensation. Similarly, the formal institutions like Revenue department, judiciary, and various other government departments, actively performed their duties to enable the project-affected people to receive a fair compensation. Household characteristics like higher level of educational attainment access to better information, through newspaper reading and better social network also helped a majority of households to receive fair compensation. Similarly, the mutual trust between the project authority and the local people helped both the stakeholders to arrive at a better off situation. The resettlement of the displaced households in the same panchayath avoided much damage to the social fabric. Similarly, the compensation process also reveals that no such discrimination was made on the basis of social group or gender (particularly to widows). Moreover, the project authority showed their keen interest to adhere to the

international norms (given by World bank). For example the host communities were also given better facilities to cope up with the newly rehabilitated households.

Nevertheless, a closer examination of the rehabilitation and resettlement process also reveals a number of pitfalls in the Land Acquisition Act and compensation for the common pool resources, which was a source of family income for the poor rural households. Both the literature and our field survey reveal that there is excessive acquisition of land in the case of this project. Fixation of 'fair price' for the land acquired is the core issue in the R&R process. The Land Acquisition Officer is vested with a major role in deciding the land price that may leave space for corruption. From the field we observe that the households (those surrendered land under section 10(2) agreement of Land Acquisition Act and those who went for litigation) were treated differently for getting compensation and other facilities. Similarly, under the present provision if there is no adult member in the prescribed (by the project authorities) age group in the displaced household then no job opportunity is given to the households. Another major flaw is that if there are more than one household (owing the inheritance of property) in one displaced house, then it is considered as one displaced household and only one house plot is allotted. The forceful implementation of allocation of equal extent of land to all displaced households brings dissatisfaction among the displaced households who possess different extents of land before displacement.

6 Limitations

1. The field survey could not cover those displaced who had no legal title or did not have own land in the project area.
2. The assessment of environmental cost is not done.
3. Lack of baseline surveys as part of the implementation of the project leaves us in dark without any data for further economic analysis.

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APPENDIX A

Against the Formation of KIAS (Evidence: Thomas P Vargheese and others in W A No 449 of 96)

Court cases filed by Individuals for better compensation and categorization of land:

1. Judgements of single bench (in O P No 9386/1998 by Justice K S Radhakrishnan)
2. O P No 16355/95V (a collection of 17 Writ Petitions on land acquisition jointly heard) by Justice J B Koshy) and
3. Appeal filed by KIAS at High Court praying for the restriction of land compensation allowed by Sub courts with original jurisdiction at Paravur and Aluva.
4. LAR No 294/96 Claimant: Pappachan. Extent 8.4 are. Appeal filed by KIAS at Division Bench (J B Koshy and Lekshmikutty) at High Court. The appeal Court rejected the document filed by the respondent (Pappachan) as it is not identical one of the acquired property.
5. LAA No 105/2001 (LAC NO 864/94, LAR 248/96)

In No 248/96 Sub court enhanced 96% enhancement over the award of LAO. Appeal by KIAS, Compensation reduced to 45 % over the award of Sub Court. (In all cases, land value is reduced by High Court and the building value is enhanced from 30% award by Sub Court to 40% by High Court.

6. LAR 43/97 Claimant : Velayudhan Extent. 1.66 Are.

Sub Court allowed only 30% enhancement over the value fixed by the LAO.

7. LAA No 76/2001 by State and 255/2001 by KIAS (LAR No 184/96)

Landowner: Varkey Vargheese and others

Extent: 121.20 Are

Section 4(1) notification issued on 24.2.93

Landowner's contention is against the categorization of land acquired.

Judgement by Sub Court:

The classification of land is done as per the details in Thandapper Register. So the extent of land classified is correct. 96% enhancement (in the case of dryland) over the award of LAO ordered. High Court remitted back the case to Sub Court to consider in the case of wetland also.

Question on 'public purpose':

The expression 'public purpose' as defined under Section 3(f) of the Act was questioned by the landowners in the Court on the argument that this society is not formed or administered by Govt and the Govt doesn't hold 51% paid up share capital etc. Court opined that the 'public purpose' would hold good if the acquisition is for a company/Society registered by Government or administered by Government. In this project, the above condition (the Society is registered and administered by Govt and no need to hold share by Govt) is satisfied and any questioning of the public purpose will not stand valid.

Treating the landowners who surrendered land voluntarily and acquired by KIAS at par

(Evidence: OP No 9386/1998P filed by M V Chakkappan and 16 others in the High Court of Kerala)

The petitioners argued for equal consideration of landowners who surrendered land as per agreement under Sec 10 (2) of L A Act for compensation benefits. The petitioners argued in the strength of direction from the Ministry of Environment and Forests and provisions of Article 14 of the Constitution of India. Division Bench of the High Court of Kerala had already agreed the contention of the respondents (CIAL, State and others) that it is unfair to treat these two categories of landowners at par. The L A Act encourages the agreement under mutually agreed terms.

APPENDIX B
INTERVIEW SCHEDULE

Centre for Development Studies, Thiruvananthapuram
(M Phil 2004-06 –Field Study)
Displacement – Resettlement (HH Survey)

Keralam is a densely populated state. Any development project needs land. In the strength of Land Acquisition Act, 1894, it is acquired by Govt. for various projects in the public interest. Displaced people often have to accept the majority rule and leave way to the welfare of others. Development needs to be considered as complete only if the displaced people are also better off compared to their earlier standard of living. This study enquires about the various aspects of Land Acquisition Process, effectiveness of Institutions, timeliness, fairness of compensation and rehabilitation, the living standard of people who have undergone displacement etc. Cochin International Airport Limited at Nedumbassery Project is taken as a case study. This is only for academic purpose.

District	Ernakulam
Panchayat	Nedumbaserry
Origin/Revenue Village	Nedumbassery/Vadakkumbhagam/Chowara/Angamaly

Schedule 2.1 Socio Economic Particulars

Block 1 Identification Particulars

1.1	Ward and House. No.		Remarks
1.2	Name of head of household		
1.3	Social group of household		
1.4	Sampling No.		

Block 2 Demographic particulars

S N o	Name	Rel n to hh	A g e	Sex M- 1, F-2	Mari status	Edn	Princi. Activity		Subs. Activity		Re mar ks*
							B4 displ.	After displ.	B4 displ.	After displ.	
	Before displ										
	After displ (additions or deletions only)										

*any particular difficulty/opportunity the member of the hh has encountered with regard to his education or employment etc to be noted.

Code for col.6	Item
1	UnMarried
2	Married (Living together)
3	Separated / Divorced
4	Widow / Widower
Code for col.3	Item
1	Self
2	Spouse
3	Unmarried son/daughter
4	Son/daughter -in-law
5	Grandchild
6	Mother/father
7	Sister/brother
8	other relative
9	Friend/non relative/servant
Code for col.7	Item
0	Illiterate
1	Literate without formal schooling
2	Primary
3	Middle
4	Secondary
5	Higher Secondary/Pre-University
6	Degree
7	PG and above
8	Technical diploma
9	Professional degree
Code for col 8,9	Item
11	Self employed as own account worker
12	Self employed as employer
21	Unpaid family worker
31	Regular salaried/wage employee
41	Casual wage labour in public works
81	Seeking and/or available for work
91	Attending educational institution
92	Attend domestic duties
93	Attend domestic duties & engaged in tailoring etc for hh use
94	Pensioners, remittance recipients
95	Not able to work due to disability
97	Others (includes children below 4 yrs)

Block 3

3.1 Housing conditions:

	Before displacement	after displacement
i) Floor area (in sq. ft.) :		
ii) Type of House:		
Floor (code)		
Wall: (code)		
Roof: (code)		
iii) No of living rooms (Includes all closed areas Except latrine and kitchen)		
iv) Source of drinking water (code)		
v) Source of energy for lighting (code)		
vi) Source of energy for Cooking (code)		
vii) Imputed value of the house (Rs)		

Codes:

For ii) Floor: mud-1, cement-2, mosaic-3, marble-4, granite-5

 Wall: mud-1, country brick-2, burnt brick-3

 Roof: thatched-1, tiled-2, RCC-3

For iv) open well-1, safe (tap) water -2, tube well-3, others-4

For v) electricity-1, kerosene-2, others-9

For vi) firewood-1, LPG-2, kerosene-3, electricity-4, others-9

3.2 Access to CPR

Pond/ canal (in Rs)		
Other common properties		

Block .4.

4.1 Land in cents

	Before displacement			Land Acquired			Procured with compensation amt.		Otherwise procured		After displacement			Remark
	Ext	Value	Major crops/land use	Ext	compensation	Major crops/land use	Ext	expenditure	Value	Ext	Value	Ext	Major crop/land use	
Owned Wet														
Dry														
Total Wet														
Dry														

Block 5 Land acquisition and Rehabilitation

1. Information about the project

Probe about the source of information, (Through political workers/leaders, Other villagers/employed in Govt./well informed, Project officials, Revenue officials, Media/press, Govt. notification),

2. Knowledge about the project,(Main goal and Technical information, any) and your instant reaction (Worried about self relocation, Success about the development project, Planned to work out max compensation, etc.)

3. (Perception) Offer about the compensation, Resettlement component, attitude of the authorities etc.

4. Did they offer fair/ reasonable compensation? If yes, the factor behind this success.

(Your bargain with Project authorities/ Locally generated Group action/ organized massive protest action with the support of Political parties, other communal / religious organizations/ Reports appeared in the Press/ threat of intervention of Judiciary/ Commitment of the Project Authorities in timely implementation / Role of any interest groups in the project / other factors)

5. Utilization of the land acquired

Details of the land acquired and unutilized, if any portion returned to the owners, details thereof. If received, how it was achieved etc.

6. Utilisation of the compensation amount

Category	Amount	remarks
for purchase of land for agriculture purpose		
for house construction		
purchase of land and house		
renovation of house		
land improvements		
initiating/modernising the business		
educational purposes		
marriage of relatives		
repayment of loans		
other purposes		
Total		

Block 6 Social Articulation

6.1. How do you usually spend your leisure/evening time?

(Last one month may be considered for reference period. Give two codes in consultation of intensity of time) give details of societal network for spending their leisure time. Spending time with relatives in and around their neighbourhood, people within the community, friends, in the local library, parks, places of worship etc are the possible ways. Within the one-month period, they may have more than one way of spending their leisure. This may also be kept in mind. Usual ways before and after displacement may be enquired.)

6.2 How do you get assistance to meet expenses for social functions (like marriage , deaths, school reopening time, for petty consumption purposes in case of emergency etc) ? Possible sources are borrowing from the same community/relatives, help from the neighbourhood, conducting *Kurikalyanam* etc. Comparative to before and after displacement is expected.

Block 7

7.1 Remarks of the investigator

7.2 Remarks of the supervisor

Signature and date of investigator