

**A REPORT OF PEOPLE'S AUDIT OF SEZ
KARNATAKA**

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KARNATAKA¹

Introduction

This report is an attempt to consolidate the concerted resistance of the people of the state of Karnataka to the existing development paradigm of the country which in the guise of rapid industrialization and export promotion has completely circumvented people from the process. While the frame of reference is the People's Audit of Mangalore Special Economic Zone (MSEZ) – the forum where people affected by MSEZ themselves assessed the impact of the SEZ on their lives and livelihoods – the report also questions the unconstitutionality of the land acquisition processes that have been happening in the state of Karnataka under The Karnataka Industrial Areas Development (KIAD) Act since 1966 as emerged from the appraisal.

On November 8, 2009 people's organisations from the Mangalore region of coastal Karnataka – the Krishi Bhoomi Samrakshana Samiti (KBSS) – the local resistance group from the MSEZ area and the Karavali Karnataka Janaabhivridhi Vedike (KKJV) – a forum of farmers, social activists, individuals and groups – supported by National Alliance of People's Movements (NAPM), the National Campaign for People's Right to Information (NCPRI), the Tata Institute of Social Sciences (TISS), India Centre for Human Rights Lawyers Network (ICHRLN) and National Centre for Advocacy Studies (NCAS) organized the People's Audit of MSEZ at Bajpe Village of Mangalore Taluk in Dakshina Kannada District. It was one of the many such audits conducted across states, which invited an eminent panel of social scientists, economists, retired bureaucrats, journalists and other esteemed individuals who critically examined issues emerging around MSEZ, of land acquisition; displacement; environmental impact; corruption; compensation, employment generation, livelihood loss and labour rights as well as questions of development and economic growth. The deponents were the people from the MSEZ (Phase I & II) notified villages of Mangalore Taluk in Dakshina Kannada, those displaced from the existing refinery of the project proponents, and the experts studying MSEZ.

This report will specifically set the background for the conflict and highlight the issues that the eminent panel observed during the audit process. The complete testimonials of the people who deposed on the day of the audit, of research scholars who presented their

¹ Acknowledgments are due to Vidya Dinker and Vinay Kumar; special thanks to Sanjeev Dahal

study and the report prepared by the nine-member panel are attached as annexure to the report.

PART- I

Background

The promotion of MSEZ (Phase I & II) and the subsequent people's resistance to the project is the result of the inherent conflict between the rationale of the promoters and that of the people affected by it. The business logic behind the MSEZ that looks for expansion of present capacity of the Mangalore Refinery and Petrochemical Ltd. (MRPL) – a subsidiary of Oil and Natural Gas Ltd. (ONGC), refers to the well developed infrastructure and the conducive commercial environment of Mangalore, namely its port, roads, railways and airports. On the other hand, the resistance has consistently highlighted that this model of development is unnecessary for a prosperous and developed district such as Dakshina Kannada, and that the logic of a petrochemical complex as the MSEZ overlooks people's needs, their concerns and grievances based on the problems already arising in the area because of the existence of MRPL and the unconstitutionality of the processes during the acquisition of areas notified for the MSEZ (Phase I) and forcible acquisition of a part of MSEZ (phase II). A brief background to the struggle is given below.

MRPL and MSEZ

Mangalore Refinery and Petrochemical Limited was incorporated on 7th March 1988, pursuant to a Memorandum of Understanding (MOU) dated 26th June, 1987 executed between the President of India representing the Government of India (GOI), Hindustan Petroleum Corporation Limited (HPCL) and Indian Rayon & Industries Limited (IRIL) - Aditya Birla Group for the purpose of setting up a refinery at Mangalore in the state of Karnataka.

It obtained the Certificate of Commencement of business on 2nd August 1988, from the Registrar of Companies, Karnataka and subsequently the Letter of Intent from the Government India. It was promoted by Hindustan Petroleum Corporation Ltd., Indian Rayon and Industries Ltd., Grasim Industries Limited, Hindalco Industries Ltd., and Indo Gulf Fertilisers and Chemicals Corp. Ltd., On 28th March 2003, ONGC acquired the total shareholding of the A.V. Birla Group and further infused equity capital of Rs.600 crores thus making MRPL a majority held subsidiary of ONGC. MSEZ seeks to expand the

capacity of the present refinery while also setting up an Aromatics and an Olefins complex to manufacture, organic compounds such as Benzene, Xylene, etc.²

During 1984-91, MRPL had acquired 1700 acres of land in five villages' viz. Bala, Kalavaru, Thokuru, Kuthethur and Permude, displacing 609 families. At the time of this acquisition, the government and the company had assured the affected families of their entitlement to a package of amenities that included at least one house and one job for each family, potable water, schools and play grounds, in short, a new and better environment in which they could lead their lives in a peaceful manner.³ The contention around the resettlement and rehabilitation of the MRPL affected families along with the environmental hazards the people in the area have lived through has a clear link and bearing with the grievances of the people in the rehabilitation colonies.

The Mangalore SEZ (Phase-I and Phase-II)

The Mangalore SEZ Limited Company has received formal approval to acquire 1453 acres in the Dakshina Kannada district of Karnataka and this has been notified on 6th November 2007. The government of India notified SEZ listings this as a Petroleum and Petrochemical sector specific SEZ. According to the Mangalore SEZ Limited (MSEZL) website, the proposed area of land that falls into the MSEZ enclave includes 3985 acres of land of the Dakshina Kannada District. Currently, 1800 acres of land is already in possession with the company, of which 1453 acres are already notified to be Sector specific SEZ (petroleum and petrochemicals). The processing area of the SEZ is slated to have two kinds of industries, petroleum and petrochemical industries and other multiproduct industries subsequently.

The MSEZL is a combination of both central and state government institutions and also a private financial company. The MSEZL currently consists of the Oil and Natural Gas Corporation Limited (ONGCL) 26 per cent, the Karnataka Industrial Area Development Board (KIADB) 23 per cent, Infrastructure Leasing and Financial Services (IL&FS) 49 per cent and Kanara Chamber of Commerce and Industry (KCCI) 2 per cent. In addition the New Mangalore Port Trust has also evinced an interest in becoming an equity partner in the MSEZ.

Though the operations in the MSEZ Phase –II are still unknown, the environment clearance notification awarded to the MSEZ Phase –I specify the following operations in the proposed MSEZ.

Mangalore SEZ (Phase I)⁴

The Mangalore Special Economic Zone (MSEZ) Phase –I involves a) MRPL Phase-III refinery, b) Aromatic Complex and c) Olefin Complex are proposed to be developed by

² For details see www.mrpl.co.in

³ People's audit of Mangalore SEZ panel report

⁴ No. 21-383/2007-IA-III Government of India, Ministry of Environment and Forests

the anchor promoter of MSEZ project, i.e. M/s ONGC-MRPL in the already acquired land of about 1800 acres. The proposed MSEZ is planned adjacent to the existing MRPL refinery complex on the northern and eastern sides and proposed to connect New Mangalore Port (NMPT) with a dedicated 70/100 meter wide road cum pipeline (approx. 15 km long) corridor for the movement of cargo, crude and products between New Mangalore Port and MSEZ. The proposed layout has one main entry from the proposed Mangalore SEZ corridor connected to the existing New Mangalore Port and National Highway 17. The primary, secondary and tertiary roads are planned to give access to the industries falling in the MSEZ phase-I, Industrial Zones for locating the Olefin complex, Aromatics Complex, D/S Petrochemicals, Indian Strategic Petroleum Reserve Company Ltd. underground crude oil storage and land for MRPL Phase-III refinery are effectively placed in the central and southwest part of the proposed MSEZ premises. Further, the SEZ will have necessary road alignment between NMPT, SEZ and network of roads within including service roads for inspection of pipelines on elevated corridors. The pipelines shall be built at elevated corridor locations. Pipelines will be laid on sleepers and pipe racks with sufficient ground clearance. The preferred corridor alignment avoids Coastal Regulation Zone-I & II portion along the Gurupura River and it will have elevated roadway over structures (railways/minor bridges) and reinforced earth walls. However, the corridor passes over CRZ III zones along the bank of the Kudumbur rivulet (south of ELF gas) in the form of bridge.

The proposed industrial units in MSEZ Phase-I includes

1. **MRPL Phase-III refinery** is intended to expand the capacity of the current refinery to with respective design capacity measured in MMTPA (million metric tons per annum).
2. **Aromatic Complex:** The Aromatic Complex will produce mainly benzene and paraxylene. The proposed complex would have 8 units with their respective design capacity. Broad cut heavy streams are selected as feedstock to a new NHT/CCR. Aromatics precursors to the new reformer include those that produce toluene, C8- aromatic mix & C9+ aromatic. Whereas a xylene isomerization (ISOMER) unit has been considered to convert other C8- aromatics into paraxylene, a transalkylation & disproportionation (TADP) unit has been included to convert toluene & C9+ aromatics into C8- aromatics mix. Simulated moving bed adsorption for paraxylene recovery (PXREC) has been incorporated.
3. **Olefin Complex:** The Olefin Complex will manufacture products such as HDPE, LLDPE/HDPE, Butene, Polypropylene, C4 mix, benzene, Pyrolysis gasoline, Carbon black feed stock (CBFS) etc. There are about nine major and seven secondary processing units in the Olefin complex. The primary and major process unit at this complex will be Naptha Cracker Unit of 2.168 MMTPA naphtha cracking capacity. It produces ethylene, propylene, mixed C4s and raw pyrolyses gasoline apart from fuel gas and hydrogen which will be used internally. There would be import of polymer grade propylene as feed in addition to Naptha into Olefin Complex as proposed Naptha Cracker capacity fall short to ascertain the

envisage design capacity of overall Olefin Complex. The import is planned from adjacent MRPL refinery.

The specifics of the industrial units proposed in the government documents including the detailed feasibility report and the Environment Impact Assessment report differs from the actual current operations of these units. While KIADB acquired 1800 acres of land for the MSEZ, the MRPL phase-III refinery was denied the SEZ status by the Ministry of Industry and Commerce, Karnataka. The Olefin Complex has been a non-starter, so the only currently operational units in the MSEZ phase-I include the Aromatic Complex (450 acres) and the Indian Strategic Petroleum Reserve Company Limited underground crude oil storage (80 acres). This means that of the 1800 acres of land that was been acquired by KIADB under Karnataka Industrial Areas Development ACT 1966 for MSEZ, only 530 acres of land is been used for industrial purposes within the MSEZ.

Environment Impact Assessment (EIA) of MSEZ:

Environment Impact Assessment of the MSEZ and subsequent award of Environment Clearance for the MSEZ Phase-I and the request made by the project proponents of MSEZ to Expert Committee on Infrastructure Development and Miscellaneous Projects to extend it to the MSEZ Phase-II have been the major reasons for conflicts.

While the EIA report of MSEZ Phase-1 and its finding submitted by The National Environmental Engineering Research Institute, (NEERI) Pune has been questioned and criticized on its very methodology from the people's groups and activists, the socio-economic study – a component of the EIA which also form a basis for resettlement and rehabilitation package for the forced displaced has been criticized by experts.⁵ The sheer negligence and overlooking of crucial aspects related to the environment has been highlighted in the testimonials presented by the experts. The observation from the panel has been included later in this report.

The request made by the project proponents of the MSEZ to the expert committee for the extension of the Environment clearance awarded to the MSEZ Phase-I to the MSEZ Phase-II, is the issue which has generated a great deal of resistance. Account of the issue is highlighted clearly in a letter dated 13/11/2007 written to the Secretary, Ministry of Environment and Forest, Government of India by Krishi Bhoomi Samrakshana Samithi, Mangalore.

The meeting of Expert committee on Infrastructure Development and Miscellaneous Projects held on 27th February 2008, has recommended environmental clearance only to the first phase of the proposed Mangalore SEZ project. While The project proponents of the MSEZ had carried out the EIA for only the first phase of MSEZ which is proposed in the previously acquired 1800 acre, they made a "humble request" to the Expert Committee to give

⁵ Refer to expert testimonies attached with the report

environmental clearance to the entire project spread over 3985 acres, including the proposed II phase of MSEZ.

But the Farmers who teamed up under Krishibhoomi Samrakshana Samithi had objected to the inclusion of 2nd phase of MSEZ in environmental clearance process, stating that the farmers from the 2035 acres have objected to the first notification of KIADB for land acquisition itself, and the process of land acquisition had been completely halted. Further the EIA does not cover the villages identified for the 2nd phase.

A technical committee from MOEF had recently visited Mangalore and the villages identified for MSEZ to assess ground realities. Based on the report submitted by the committee chaired by Sri. R.K. Garg, the Expert committee on Infrastructure Development And Miscellaneous Projects, has recommended only the First phase of MSEZ for environmental clearance.

Environment clearance:

The account of the environment clearance given to the MSEZ Phase-I by the Ministry of Environment and Forests (MoEF)⁶:

“The proposal was considered by expert committee for Infrastructural Development and Miscellaneous Projects at its meeting held on 19th to 21st April, 2007 , 21st & 22nd June, 2007 and 27th & 28th February , 2008. Further site visit was undertaken by the above Committee on 20th June 2007 and public hearing, as per the Environmental impact assessment Notification, 2006 was conducted by the Karnataka State Pollution Control Board (KSPCB) on 28.11.2007. To address any other issues which were not considered during the above public hearing the Ministry had constituted a technical Committee, which had public discussions and site visits on 2nd and 3rd February, 2008. Based on the recommendations of above expert committee the Ministry hereby accords environment clearance to the Phase-I of said Project under the provision of Environmental Impact assessment Notification, 2006 and coastal Regulation Zones Notification 1991, subject to the following conditions:

The few of the specific conditions accorded to the promoters by MoEF are crucial.

- 1. No Objection certificate from the KSPCB shall be obtained before initiating the project.*
- 2. The MSEZ project shall be restricted to the phase-I of the project, proposed over 1800 acres. The phase II of the project shall be considered by MoEF only after receipt of all requisite documents/ information as laid down in the Environmental Impact assessment*

⁶ No. 21-383/2007-IA-III Government of India, Ministry of Environment and Forests

Notification, 2006 and Coastal regulation Zone notification, 1991as applicable.

3. *All development in the coastal regulation Zones shall be in accordance with the coastal regulation Zone notification, 1991. No destruction of mangroves shall be undertaken except while undertaking the permissible activities in the Coastal Regulation Zone-I areas.....”*

However, the conflict was great exacerbated when 15.34 acres of land belonging mainly to the tribal Kudubi community and falling within the MSEZ Phase-II notified area was forcibly taken over on the pretext of setting up the rehabilitation colony.

Kudubi Padav (aka Permude Padav):

Kudubis are a community that is intrinsically tribal or adivasi in nature, but is not scheduled. Their rituals, rites and communitarian way of living and subsistence resemble to great detail the customs of several adivasi communities of central India. The entry into second phase of MSEZ begins at the 15.34 acres of Kudubi Padavu. The report of the fact finding committee constituted by the people’s group in the district highlighted the followings.

Back ground to forced eviction in Kudubi Padavu, Permude village, Mangalore Taluk⁷.

On 8th May 2008, after sunset, Sri Balakrishna Rai, Revenue Inspector, KIADB, issued white coloured notice to the houses of some Kudubi tribals owning land in Survey No. 32 and others, at Kudubi Padav, Permude Village, Mangalore Taluk, obtaining thumb impressions / signatures of the people. On enquiry with the Kudubis the following morning, the recipients of the notice learnt that the notice was a direction from KIADB under rule 28(6) of the KIAD Act to transfer the possession of their land.

The very next morning (date: 09.05.2008), when MSEZ officials and their contractors came to Kudubi Padav and started the work of surveying, demarcating the boundaries of the land by planting poles, the shocked residents and villagers protested. MSEZ officials lodged a complaint at Bajpe Police Station against some of the protesters. On the basis of the complaint received, some persons from the village were taken into police custody on 10 May 2008. When the villagers held a demonstration in front of the police station, persons detained were released at night. On 12th May, 2008, Company officials performed Bhumi Pooja; later in the same venue members opposing the land acquisition offered an all religion prayer to God to save their land.

⁷ Citizens Forum Mangalore collected documents

Atrocities and injustices have been incessantly meted by officials of KIADB, Revenue Department, MSEZ, their contractors and also by the police.

PART-II

Dakshina Kannada

Dakshina Kannada Dakshin Kannada district lies in an ecologically sensitive zone (between the Western Ghats on the east and the Arabian Sea on the west). The Western Ghats are home to some of the last remaining pristine forests of India that are inhabited by a large number of endemic, rare and endangered species of plants and animals. The area receives heavy rainfall, supporting a strong agrarian economy centered on grains, pulses, horticulture and plantations. It has a dense network of rivers and estuaries that have contributed to a strong fisheries sector.

The press statement released by MoEF on February 4, 2010 highlighted the ecological significance of Western Ghats and the need for preservation, restoration and rejuvenation of the region. According to the statement⁸

It has been estimated that the Western Ghats neutralizes 4 million tons of carbon equivalent to 14 millions tons of CO₂ annually. This is about 10 per cent of the total gas emissions neutralized by India's forest. Also given the complex interstate of its geography , as well as the rich biodiversity of the region, it was felt that the

The Western Ghats generally receives 500 mm to 7000 mm of rainfall. Most of the rivers in peninsular India have their origin in Western Ghats. These water resources have been harnesses for irrigation and power. About 30 per cent of the area of the Western Ghats region is under forests. The region is also a treasure house of plant and animal life. The region harbors 1,741 species of flowering plants and 430 species of birds. Notable wild life includes the tiger, elephant, the Indian bison, lion-tailed macaque, Wayanad laughing thrush, Travancore tortoise, uropeltide snakes, several species of legless amphibians and dipterocarp trees.

The traditional horticulture crops in the region are arecanut, pepper and cardamom in the hills and coconut in the coast along with mango and jack fruit.

⁸ Ministry of Environment and forests, Government of India, Press Statement, February 4, 2010; *Environment in Karnataka: A Status Report, Economic and Political Weekly*

Tea, coffee, rubber, cashew and tapioca are the other important plantation crops of the region. This region has one of the world's highest concentration of wild relatives of cultivated plants.

Mangalore, one of important towns in the Western Ghats region, lies on the west coast of the Dakshina Kannada district, covering a total area of 834 Sq KM. A variety of pulses, paddy, coconut and arecanut form the major crops of the area. Rainfall is plentiful, amounting to 4000 mm per year and groundwater is in abundance, amounting to a total of 7525 Hectares of groundwater.

Rationale for Choosing Mangalore

Mangalore has been chosen as ideal for setting up an SEZ because of its close proximity to a major Sea Port, an Airport with International operations, a network of National & State Highways, and it's connectivity by rail to other parts of the country. Also, the region is fed each year by the southwest monsoons for four months, receiving, on an average, 4000mm of rainfall leading to adequate water availability. Further, this area has been the home to a host of leading banks and has several educational institutions in the vicinity with an ability to provide highly skilled personnel required for Industry and Trade.

Thus, the coastal region of this District with a maritime port is the perfect venue for setting up an SEZ. Promoted as a Tier II city, it has attracted investments from Mangalore Refinery & Petrochemicals Ltd (MRPL- now a subsidiary of ONGCL), Kudremukh Iron Ore Company (KIOCL)/ Kudremukh Iron & Steel Company (KISCO), Mangalore Chemicals & Fertilizers (MCF), BASF etc.

Moreover, the MSEZL website confirms that water as a resource is available in abundance in this region . MSEZL intends to arrange for a total of 45 million gallons per day of uninterrupted water supply to the SEZ units. The water is being sourced through the construction of vented dams on the Gurpura and the Netravati rivers, from secondary treated water from the three sewerage treatment plants being commissioned by the Mangalore City Corporation, from harvesting rain water from the natural dams in the project site and pumping water from the reservoirs on the site. Similarly, adequate power is being arranged through a combination of various sources like captive power plants of individual units and drawing power from the grid through dedicated express feeder lines (220 KV), pending finalization of the gas based power plant/clean power from other sources.

The Struggle

The first phase (1757 acres comprising of 4 villages) of acquisition was carried out from 2004 to 2007. In keeping with the MSEZL R&R policy, the compensation given included

Rs 8-8.5 lakh per acre. The land selected for the rehabilitation colony was an erstwhile quarry that was filled up which had no strong foundation. While the rehabilitation and resettlement of the MSEZ phase I brought out a lot of in-congruencies and procedural gaps, towards the end of 2006 further notification to acquire 2035 acres of land (comprising of 4 villages) were issued for the second phase. This brought about a strong resistance from the people from the MSEZ phase –II affected villages, which was later joined and supported by the groups aggrieved in the process of acquisition in the MSEZ-Phase I and MRPL.

Notification to acquire 2035 acres of land For MSEZ phase-II has a significant historical contribution by the Citizens Forum Mangalore in informing the citizens of Mangalore and organizing people's resistance around MSEZ. Citizen Forum Mangalore is a voluntary civic group comprising individuals from Mangalore who believes on decentralized, people-centered regional planning of Mangalore city. This Forum, when noticed that the section of proposed MSEZ development fell under the Coastal Regulation Zone I (no development area), send a representation to the Prime Minister, Government of India, Ministry of Environment and Forest, Karnataka Pollution Control board and managed to oppose and restrict 875 acres of land under CRZ I area from the MSEZ⁹. Acquiring an additional 875 acres of land would mean that proposed SEZ area would be above 2500 acres which would make the SEZ a General Purpose Multi-product SEZ. So Phase-II comprised of only 2035 acres of land. Since Phase-I rehabilitation and compensation was not complete, the people from Phase-II were prepared to fight. Gram Sabhas were held and five Gram Sabha resolutions resolved that the area has to be de-notified. The government overlooked this constitutional process and went ahead with the acquisition process. The MSEZL, moreover, have employed the services of students of Srinivas College to conduct surveys in the region. Government and MSEZ figures continue to show this multi-crop land as being recorded dry and barren and not suitable for cultivation. According to the MSEZL website, of the 3985 acres of land proposed for Mangalore SEZ only 28% is cultivated land and remaining 72% is non-cultivated land. About 25% of the SEZ site is total crop land and in it double and triple crop land is less than 10%. Another 3% is horticulture land. Nearly 4.5% of the site area is fallow land which is economically not remunerative for cultivation and hence agricultural activities have been abandoned. Mangalore SEZ has conducted this study through Indian Resources Information Management Technology Ltd. (INRIMT), Hyderabad way back in 2006. However, the official Dakshina Kanada website testifies that as many as three crops of paddy are grown in this region annually along with other crops like pulses and vegetables and coastal plants like coconut plantations. The struggle that still continues has been consolidated and given a voice through the People's audit processes that has been covered in the later section of this report.

The Relief and Rehabilitation

The relief and rehabilitation package issued by the MSEZL defines a Project Displaced Person as "... any person, either land owning or landless, who for at least one year prior

⁹ Citizens Forum Mangalore , collected documents

to the date of publication of the notification under section 28(1) of the KIAD Act 1966 for the purpose of acquiring the land for the above Project, has ordinarily been residing in, or cultivating land, or working for gain in the concerned Project area or carrying any trade/occupation would be or has been displaced from his or her usual places of residence or work due to such land acquisition."¹⁰

In addition, the R&R package provides for ensuring at least one job per each of the Project Displaced Families (PDFs). The package provides for giving developed sites to the PDFs. The package also mandates the development of a R&R Colony with all common facilities like roads, drainage, water supply, electricity, street lights, health center, community center, anganwadi, school, ration shop, bank, market place, burial ground, places of worship, post office etc. Towards this, MSEZL is acquiring land and developing the colony. The website also claims that the site has been acquired in consultation with the PDFs. This is contested by the PDFs since even the gram sabha resolutions were not taken in to consideration.

Since the employment generated will be for highly skilled personnel, the MSEZL R& R package also provides for training in institutions viz. Karnataka Polytechnic, Mangalore, by which up to 650 candidates will be trained for Diploma equivalent in engineering (various branches like Chemical, Mechanical, Electrical, Civil, etc.). In addition, MSEZL is evolving other training schemes for remaining eligible members of PDFs, who have either not passed the 8/10th Class and hence ineligible for the course in Karnataka Polytechnic or are interested in other kind of courses which are non-engineering in nature.

While the situation in the resettlement colonies of the MSEZ phase –I affected people has been far from the reality. The form of resistance and the support of the people's group from the MSEZ phase-I in the overall people's struggle stems from the procedural lacunas and coercion in the process of relief and rehabilitation. The testimonies of the aggrieved groups have revealed some of these issues. Field visit made by a team of the participants for the people's audit observed the how the people of grievances that the resettlement colonies of the MSEZ Phase –I narrated the discrepancies in the process and mentioned how they were aggrieved in the whole transition of shifting from their former location.

¹⁰ www.mangaloresex.com

PART-III

People's Audit Process:

The People's Audit that was conducted in Bajpe village of Mangalore Taluk in Dakshina Kannada District, tried to look at all the aspects of the issue in nuanced detail. The people of the MSEZ project affected villages, and the experts and people's group deposed their testimonies before the eminent panel.

Preparation for the Audit:

The preparations for the People's Audit of MSEZ took more than two months and involved various different activities including the collection of testimonials, contacting prospective panelists, raising of funds, publicity and extensive logistical arrangements on day of the event. The process was initiated by a preliminary meeting in Mangalore where representatives of MKSS and TISS outlined the idea to a group of members from the KBSS and KKJV and where it was resolved that such an audit was necessary and would be useful to the struggle. This was followed by several more meetings where a strategy for the audit was drawn and an action plan created.

Testimonials were collected by teams of volunteers in the local languages (Kannada and Tulu) and translated to English. In this they were helped by the local members of KBSS in bringing the volunteers face to face with the affected villagers sometimes in their homes and sometimes in panchayat offices.

Before the details of the event could be disclosed to the general public it was necessary to make the issue once again current amongst the local press. This was achieved by organizing a painting exhibition which involved the participation of 23 local artists. These artists were taken to the MSEZ areas to meet the local people and get acquainted with the ground realities. The following day the artists gathered in a church in Mangalore and translated their experiences into a series of paintings that depicted in poignant detail the suffering of the people and the inhumanity of the SEZ model of development. During

the exhibition of these paintings, eminent artists and writers from the area expressed their dismay and disgust with the way MSEZ has been pushed. This event was widely covered by the press and formed the backdrop for increasing awareness about the issue and the coming People's Audit. The sale of some of these paintings also provided part of the funds for the audit.

On the day of the event the Bajpe Church Hall with a capacity of some 1000 people was packed to capacity and a large group of people had to sit outside the hall and watch the proceedings projected on a television screen. Inside the hall in addition to the people, the paintings by the local artistes, enlarged copies of important press reports related to MSEZ, and photographs from the different phases of the anti-MSEZ struggle were exhibited. Images from the struggle were continuously projected onto a large screen inside the hall.

MSEZ Ltd. made a concerted attempt to derail the People's Audit¹¹. A day prior to the event, MSEZ decided to hold a ceremony and hand out the house titles to some of those displaced by Phase-I. Although a small fraction of the total families living in rehabilitation sites received titles, the event was aimed at dissuading Phase-I displaced families from attending the audit scheduled the very next day.

On the day of the audit the organizers were surprised to find that not a single press person had shown up. On enquiry they realized that MSEZ had spread a rumour amongst the local journalists and reporters on the previous day that the audit has been canceled. It was only after the organizers clarified that the event had never been canceled that press people attended the event towards the afternoon. Even so no crew from any of the local TV channels attended the event. Despite these considerable hurdles the People's Audit saw a heavy turnout of local people and included between the testimonials, music, songs and street plays presented by local artistes.

Summary and Findings by the Panel:

The Panel consisted of the following eminent individuals:

1. Trilochan Sastry, Board Member, Dean IIM-Bangalore
2. Ram Manohar Reddy, Editor, Economic and Political Weekly
3. Dr. Anand Teltumbde, Managing Director, Petronet India Ltd.
4. D. Jeevan Kumar, Director for Gandhian Studies, Bangalore University
5. K.T. Ravindran, Head of Department, Urban Design, School of Planning and Architecture, Delhi

¹¹ Attempts to derail the people's process could be reflected in the cases filed against the activists in the area by MSEZ Ltd. See annexure

6. Kalpana Sharma, Journalist, Hindu
7. E.A.S. Sarma, Former Secretary, Ministry of Power, Government of India
8. Nagesh Hegde, Senior Journalist, Bangalore
9. Vaidehi, Writer, Manipal

Besides Medha Patkar, Narmada Bachaon Andolan and NAPM and Aruna Roy, MKSS and NCPRI, and other proponents of people's rights participated as special observers.

A summary of the findings of the panel and observations made by them follows¹²:

A. Definition of “development” & the SEZ and other Acts:

1. In our view, what the local community wants by way of a change for the better is what “development” should imply. It is a simple definition. At best, any responsible government would have placed a menu of alternatives before the people and leave the choice to them, to decide what kind of development they wish to have. Discussion on this should take place within the community, among the Gram Sabhas and the Panchayats before the discussion can escalate to legislative assemblies and the Parliament. This approach is not only consistent with the spirit of democracy that our Constitution enshrines but also is consistent with the real meaning of “development”.
2. Contrary to this, the SEZ Act has been imposed from above. Before SEZs are approved in Delhi and in Bengaluru, no opportunity has ever been given to the local community to decide what they wish to have in the name of development. The SEZ Act and its likes therefore go counter to the spirit of our Constitution as the local bodies are constitutionally created entities.
3. The SEZ Act has the effect of creating enclaves of lesser governance. Apart from the fact that the Act is an externally imposed one on the community, it has also the effect of excluding the role of the local bodies and diluting the application of the laws that deal with the protection of workers, conservation of the environment and the laws that generate tax revenues to fund public welfare programmes. The local self-government thus faces a double jeopardy through the SEZ Act.

B. Reluctance to be displaced:

Physically, the displaced families formed part of an integrated socio-cultural system that is inter-dependent, self-supportive and living in an environment that is conducive to their

¹² See People’s audit of Mangalore SEZ Panel Report (attached as annexure)

living in peace and dignity. Their existing skills and talent fit admirably into such a system. Displacement to a rehabilitation colony implies displacement in all these dimensions. Moreover, in the new environment, they cannot put their skills and abilities to full use. Culturally and occupationally, they feel disturbed. The new environment is devoid of the basic amenities they had enjoyed hitherto. The rehabilitation colonies are highly polluted and their conditions are not conducive to good living.

C. Multiple Land Acquisitions:

In this paradigm of rapid industrialization, the local community has been facing the threat of multiple land acquisitions, one after the other. Suvarna Bhangi of Thokur (see Annexe II) has narrated how her troubles started in 1993-94 when her 90 cents of land came under the threat of acquisition for a project of Nagarjuna Construction Company (NCC). After repeated protests, the acquisition proceedings were denotified. In 1999, she lost 70 cents in acquisition for ELF Gas without being paid adequate compensation or being provided employment and other facilities. In 2008, MSEZ acquisition has brought another 10 cents of hers under acquisition. She is not sure whether she and others like her will ever be spared from similar acquisitions and displacements in the coming years. The State seems to be highly insensitive to this kind of trauma experienced by the affected families.

D. Self-sufficiency to deprivation:

The evidence adduced by the Panel has invariably shown how each of the concerned families was totally self-sufficient prior to displacement. They had sufficient land and cattle to support themselves and also export food grains, spices, bananas, vegetables to contribute to food security of the larger population of Mangalore. After displacement, they were reduced to deprivation. Their skills went unused. They had to give up their cattle as they had lost their lands. They had to face water scarcity, pollution, loss of privacy and even inhospitable environment.

E. No employment opportunities:

1. In the case of MRPL, as against a total of 609 displaced families, only 18 persons could get employed, that too, in menial positions. The usual excuse is that the displaced families had no qualified persons for employment. Neither the government nor the company had thought of training the local youth and upgrade their skills so that they could readily be employed in a gainful manner in the company's operations. Even the compensation offered in lieu of employment was initially meager but increased grudgingly in the face of public pressure. Those

that protested were first dealt with through force and even jailed before offering marginal increases in compensation. Even the incremental compensation suggested by a Parliamentary Committee has not been paid fully. Largely, MRPL has employed persons from outside, leaving the displaced families highly dissatisfied.

2. While considering employment, one should not ignore the fact that all these displaced families were indeed gainfully employed when they were owners of their ancestral lands and cattle. Perhaps, the social wealth per acre they had created annually when they were fully in charge of their own affairs thus was far higher than what MRPL or MSEZ would have created through their operations. It is a case of employment to unemployment and not the reverse as promised!

F. Unsatisfactory rehabilitation:

Displacement is a process that causes trauma. Displaced families need to be treated with compassion and dignity. Any progressive R&R policy will aim at creating a better environment in which the displaced families will lead their lives afresh. The integrity of the village community needs to be conserved while rehabilitating these families. Both in MRPL and MSEZ, these principles have been mercilessly discarded and the displaced families are treated with contempt. A look at the rehabilitation colonies will show how sub-human are the living conditions of the displaced families, how polluted are their surroundings and how insensitive are the official agencies to their problems. Instead of ensuring that these colonies serve as models of good living, the State has treated R&R as a ritual and the displaced families with utmost contempt.

G. Pollution:

1. Vinay Kumar has shown that both Atturkodi Todu and Kaderi Kodu are constantly contaminated by the effluents released by MRPL near its boundary walls. In turn, the contamination is seeping into drinking water sources, the agricultural fields and fish catches all around, slowly poisoning the health of the people. Can there be a more heinous crime than this? Should this be tolerated in a civilized democracy?
2. Now that MSEZ is becoming a reality and it will soon be enlarged into a PCPIR, a large part of Dakshina Kannada district will face the same kind of pollution hazard, as it cannot be the case of the government that its regulatory agencies who remained silent all these years will suddenly sit up and discharge their functions effectively or that the companies that will set up shop in the SEZ are going to become socially responsible overnight. It is a fact that the regulatory institutions are deliberately subdued by the State to facilitate the dubious growth of the industry.

H. Coercion:

As already pointed out, the Land Acquisition Act of 1894 (and its State-specific versions including KIAD Act of 1966) is a draconian law. With the SEZ Act adding momentum to it, its coercive and destructive power has multiplied by several orders of magnitude. The following are the different dimensions of this problem.

1. The States, with active support from the Center, have started using this law on a massive scale to acquire land for profit-earning private companies. Many of these companies get their projects for the asking, without having to follow the competitive bidding route. The benefits they get from each project are enormous both in terms of the concessions and in terms of their gaining control over the limited natural resources in each region. In short, the stakes are so high that they could capture the State power and bend every conceivable law and regulation to suit their interests. The latest Land Acquisition Bill before the Parliament belongs to this category. If the Bill is enacted, its destructive and coercive power will be all the more.
2. As KBSS documents clearly show, the Hon'ble Supreme Court, in CA No.7405/2000 (KIADB vs Kenchappa & others) had directed the authorities not to impair the ecology while acquiring lands for projects. In October, 2007, in another landmark judgment, in the case of land acquisition for an automobile company in Punjab, the same Court had ordered that agricultural land should not be acquired for "setting up a factory or for any other corporate purpose". The Ministry of Commerce & Industry, in their D.O. Letter No. H7/1/2007-SEZ dated June 15, 2007, had assured the Citizens Forum of Mangalore Development that they would not approve any SEZ after 5-4-2007, if it involved compulsory acquisition of land. Also, that Ministry had advised the States not to acquire fertile agricultural lands for SEZs. These guidelines and norms seem to have been breached again and again in the case of MSEZ.
3. While Section 28 of KIAD Act requires that sufficient opportunity to express objections be provided to persons whose lands are sought to be acquired, the acquisition proceedings carried out in the case of MRPL and MSEZ have apparently flouted these provisions repeatedly and in the case of almost all displaced families. Very few of them received notices under this section. Their objections were rarely recorded in a truthful manner. Orders have been passed summarily, sometimes on the basis of falsified documentation.
4. Instead of determining the quantum of compensation in a scientific and objective manner, the whole process of determining the compensation was reduced to a one-sided ritual in which the authorities took the side of the developer and the displaced family stood isolated. The pricing committees were loaded in favour of a few chosen influential persons and proceedings conducted in English so that the displaced persons could be kept in the dark. Assurances were initially given to tide over the protests from the displaced persons but later those very same assurances were thrown to the winds as soon as the lands were grabbed.

5. Threats, inducements and deception seem to have been used in many cases to break the back of opposition from the displaced families. Section 28 notification issued in early eighties for MRPL was sought to be used for acquisition of land for the 1st stage of MSEZ merely to give the benefit of the lower price to the company to the detriment of the displaced families. There cannot be greater deception than this.
6. Often, the task of pushing out the displaced families from their houses through extra-statutory means is left to the contractors who are the biggest beneficiaries in all these projects. The evidence recorded from tribals such as Girya Gowda and Kudugu Gowda has shown how the contractors' men tried to throw mud on their vegetable fields and destroy them, taking advantage of their helplessness. Sometimes, blasting and noisy construction activity is undertaken all around a cluster of houses so as to make the residents' lives as miserable as possible to drive them out. In one instance (cited in Annexe II), when an affected person tried to register a complaint with the police, he was shocked to find that the police had already registered a case against him! In this case, the State agencies became captive to the company and its contractors.
7. The height of coercion on the part of the State authorities was in trying to suppress democratic ways of protest by resorting to lathi-charge, tear gas and arrests. Instead of enabling the displaced persons to ventilate their grievances in an orderly manner, the State had adopted coercive ways to choke any dissent. This does not augur well in a democracy like ours.

I. Auxiliary workers- No compensation:

The concept of rehabilitation in general has always revolved around land as it is indeed the primary asset in the rural areas. However, one should bear in mind that there are many families that do not possess land but provide other services to the community. When they are displaced, they too should be entitled to adequate compensation.

J. Disruption in the flow of credit:

Victor D'Souza and Monthin D'Souza of Permude were about to get loans from the bank for sinking bore-wells to irrigate their lands. Since their lands were covered under Section 28 notification, they were denied loans. Land acquisition process is usually tortuous and prolonged and these unfortunate families had to resist land acquisition. Failure to obtain credit from the banks has merely aggravated their already difficult plight.

Conclusion

The push for and the resistance to the Mangalore SEZ underlies some of the key issues that dog the questions of development, democracy and sustainability in India today.

Firstly, Dakshina Kannada district has one of the highest levels of human development in Karnataka (as measured by the Human Development Index). People of this district are unusually prosperous and have enjoyed a high standard of living long before industries like MRPL and MSEZ arrived in the district. Thus it does not need the presence of polluting industries to ensure its growth and development. Secondly, since the area is close to the Western Ghats which contain some of the last remaining pristine forests of India and are the source of water security to the entire peninsular India, the place is highly unsuitable for any kind of dirty industry including petrochemicals or power plants.

These reasons by themselves should have been sufficient to make Mangalore an unsuitable site for the MSEZ in the eyes of policy makers. Yet, a highly polluting industry has been able to push itself into the area for reasons of its own convenience, namely, the availability of good infrastructure and natural resources for its operations. In the process it has either glossed over or falsified vital information relevant to the public interest. Further it has been able to win over some people by dubious promises of jobs and coerce others with active support from state institutions including the police.

The struggle against MSEZ has seen a few encouraging victories and many more frustrating failures. Its success has been in the form of a high level of awareness about the issue amongst the general public of Mangalore and a perceptible though subdued level of opposition to the project. Its mainly tactical victory has been to ensure the denial of environmental clearance to MSEZ Phase-II. However, the struggle has seen significant failures particularly the clearance for MSEZ Phase-I, the forcible take over of Kudubi Padav lands and the inability to translate the latent opposition to the project into a strong and decisive movement.

In the broadest sense, in the case of the MSEZ, sustainability and democracy – the main foundations on which any long lasting civilization ought to build itself have been seriously cast aside in the interests of a narrow commercial definition of development. The People's Audit of MSEZ has shed light this crucial reality of contemporary India, and bluntly addresses civil society to find a way out of this increasingly suicidal path.

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A summary of the findings of the Panel on People's Audit of Mangalore

SEZ held on 8-11-2009 at Bajpe village near Mangalore

1. Karnataka has as many as 88 approved SEZs. MSEZ is one of them. Mangalore SEZ is also a sector specific SEZ intended for promoting petroleum and petrochemical industrial units. The major promoters of this SEZ are ONGC, IL&FS, Karnataka Industrial Areas Development Board (KIADB) and the local Kanara Chamber of Commerce & Industry (KCCI).
2. The area covered by MSEZ is adjacent to the area already acquired and under the occupation of the erstwhile private company, MRPL since early eighties. Land acquisition for MRPL has already left a trail of destruction of the local environment, physical, cultural and occupational displacement of the people and numerous broken promises on the part of the government and the company. As a result, people's faith in the government as their champion was shaken, as will be evident from what we are going to describe in the following paragraphs.
3. MSEZ is being implemented in two stages. The first stage involved acquisition of 1757 acres. In this stage, land acquisition has more or less been completed in the face of stiff opposition from the affected people who were initially unaware of the legal intricacies of the Land Acquisition Act and were therefore not fully empowered to put forward their objections and take full advantage of the safeguards available in the Karnataka Industrial Areas Development Act (Act No.18 of 1966). It was during this stage, that the local farmers and the concerned citizens in and around Mangalore organized themselves into a number of citizens' resistance bodies such as Thokur Nagarika Hitarakshana Samithi (TNHS), Krishi Bhumi Samrakshana Samithi (KBSS), Citizens Forum of Mangalore Development and other citizens' bodies to resist forcible acquisition of lands from the farmers, prevent degradation of the lush green, fertile lands in the region and conserve the unique environment of the area.
4. The second stage of MSEZ followed quickly after the first stage and the local farmers are now facing the threat of forcible acquisition of their lands to the extent of 3985 acres, out of which 2035 acres is already notified. There is a concept plan prepared by the Karnataka authorities to set up a Petroleum,

Chemical and Petrochemical Industrial Region (PCPIR) in this area. PCPIR will encompass MSEZ and will involve further acquisition of land covering an area of 74,131 acres. While the Panel on People's Audit of Mangalore SEZ has focused its attention on the evidence adduced from those immediately affected by MSEZ, it has also heard testimonies in relation to the fears and apprehensions expressed by the local people on the PCPIR proposal that will cause large scale displacement of people through further forcible land acquisition.

5. The Panel, at the very outset, wishes to express its gratitude and appreciation of the colossal effort put in by the Karavali Karnataka Janaabhivridhi Vedike (KKJV) and the Krishi Bhoomi Samrakshana Samiti (KBSS), in organizing the People's Audit, eliciting cooperation from hundreds of deponents from the villages, patiently translating their testimonies into English for the benefit of the Panelists and ensuring that the Audit outcomes turned out to be meaningful. The contributions of Vidya Dinker, Natesh Ullal, Hemalatha Bhatt, T.R. Bhatt, Sampath Kumar, Govind Das, and several others from the MSEZ area in making this process a success were enormous and we would like to thank them for their efforts.
6. The panel would also like to thank the National Alliance of People's Movements, the National Campaign for People's Right to Information, the Tata Institute of Social Sciences, The National Centre for Advocacy Studies and the Jagatikikaran Virodhi Kriti Samiti for organizing this process. The panel greatly benefited from the insights of key organizers of this process, notably Aruna Roy and Medha Patkar, who enriched this process with their inputs and suggestions. Preeti Sampat, Sumanya Velamur and Shiva Dhakal also played key roles in organizing this People's Audit and we would like to express our thanks to them and all the others who worked hard behind the scenes to give shape to it.
7. A number of NGOs and activists from places such as Manipal, Bengaluru, Hyderabad, Visakhapatnam etc. have attended the Public Audit proceedings. The Panel is glad that their presence at Mangalore has facilitated a meaningful and educative interaction between them and the villagers from this area around Mangalore. Their presence has certainly added value to the Audit proceedings.
8. Despite the wide publicity provided for this Public Audit, the Panel was surprised that neither the State Government nor the MSEZ was represented in any manner at the proceedings.
9. We enclose a list (Annexe I) of the names of the deponents some of whom had spoken at the meeting and explained their points of view and the others who had given us their written depositions.

Field Visit:

10. Before hearing the deponents, the members of the Panel visited some of the villages affected by MRPL and the first stage of MSEZ and also the other villages now facing the threat of land acquisition and displacement in the second stage. We are grateful to Gregory Patrao, a 45 year old resident of Kalavar village for having taken us around some of these villages to give us a feel of what has been at stake.
11. Gregory Patrao and others like him represent the indomitable spirit of the people of Dakshina Karnataka who are not prepared to barter away their lives, livelihoods and proud existence in the face of inducements and threats posed by the officials, the profit-earning companies and their greedy contractors. They stand for upholding the spirit of democracy and the institutions that nurture it, such as the Gram Sabhas and the Panchayats. They have a stake in the democratic processes that alone can ensure a bright future for our country.
12. Both MSEZ-I and II are adjacent to the Mangalore Refinery (MRPL), set up in the private sector during early eighties and now taken over by the state-owned ONGC.
13. During 1984-91, MRPL had acquired 1700 acres of land in five villages viz. Bala, Kalavaru, Thokuru, Kuthethur and Permude, displacing 609 families. At the time of this acquisition, the government and the company had assured the affected families of their entitlement to a package of amenities that included at least one house and one job for each family, potable water, schools and play grounds, in short, a new and better environment in which they could lead their lives in a peaceful manner. On the other hand, the site chosen for their rehabilitation colony was an abandoned laterite stone quarry to be developed by filling up the deep and wide pits. In reality, no such development was ever carried out. There were instances of the houses in the colony caving in. Families who did not possess a house but had agricultural land that was acquired were denied employment. In all, as against a total of 609 families displaced, only 18 persons were provided employment, that too in menial positions. No efforts were made either by the company or by the State government to train the local youth for better employment opportunities.
14. Public protests continued against displacement long after the process of acquisition was over. In 1996, those who protested for the guaranteed compensation were arrested and jailed for a fortnight at Bellary. Even after this, protests continued. The State government then announced that Rs.1.50 lakhs would be paid to the displaced in lieu of employment. The project affected families continued to demand for a higher compensation. After the visit to this place by a Rajya Sabha committee, this compensation was enhanced to Rs.3 lakhs. Out of the additional Rs.1.5 lakhs of compensation thus announced, only Rs.0.40 lakhs has been paid, leaving a balance of Rs.1.10 lakhs. In the eyes of the

local villagers, the manner in which land had been forcibly taken away with false promises, threats and inducements eroded the credibility of land acquisition process in general and the credibility of the official agencies in particular. Apart from the trauma it had caused, MRPL has also inflicted wounds and scars on the landscape around Mangalore, clearly visible all around.

15. Land acquisition for the 1st stage of MSEZ took place during 2003-04. In addition to acquisition of the remaining land in Kalavaru, Thokuru and Permude covered by MRPL, the 1st stage of MSEZ involved further acquisition of lands in Bajpe also. Strangely, the concerned officers of the State government adopted means that were not totally above board. The acquisition proceedings were taken up under the provisions of the KIADB Act, 1966. In the initial stages of surveys etc., the local people were kept in the dark. Later, instead of straightforwardly applying the procedure laid down in the Act with prospective effect, a KIADB official announced that the notification issued in 1983 under Section 28(1) of the Act would be used to acquire an additional 250 acres out of the 600 acres originally notified in 1983 so that the acquisition proceedings could be pursued under the remaining Sub-Sections of Section 28 of the Act, presumably to ensure that the lands could be acquired at the “old” rate of Rs.65,000 per acre. This somewhat behind-the-back approach betrayed the anti-people attitude of the government in helping profit-earning company at the expense of the local communities. The value of these lands had already appreciated in leaps and bounds as two decades had gone by after the first spate of land acquisition. Apparently, the interests of the farmers were relegated to the background to benefit the company!
16. Sections 28(2) and 28(3) of the Act required the authorities to issue notices to individual farmers, especially those that are in occupation of the land, and record their individual objections. These procedures were given a go by, sacks of notices were dumped at the local Panchayat office and objections recorded in a summary and ritualistic manner, ignoring the issues raised by the farmers altogether. When the farmers approached the Deputy Commissioner, they were assured that not more than just 0.70 acres would be acquired. However, what followed thereafter was a series of deceptive steps that amounted to acquiring 777 acres and even more by bending the rules and procedures to hand over the land somehow to the developer.
17. A price advisory committee was set up to determine the value of the land. However, contrary to the prescribed norms, no representatives of SCs/STs/OBCs/ small & marginal farmers were included in the committee, whereas a few big farmers who had not lost much land were nominated. The proceedings of the committee meetings were all in English and the majority of the farmers had no inkling as to what had transpired at those meetings. Initially, the price of land was fixed in the range Rs.2 lakhs to Rs.2.50 lakhs per acre. On repeated protests from the smaller farmers, it was enhanced to Rs.5 lakhs per acre on the ground that the maximum price recorded in the area was that much. However, it was later found that land in Kalvaru was sold at Rs.15 lakhs per acre in at least two sale transactions. The farmers requested the administration to enhance the rate of

compensation accordingly. Instead of considering the above sale value, the authorities, for reasons best known to them, arbitrarily refixed the price at Rs.7.50 lakhs per acre. Hita Rakshna Samithi which represented the farmers rejected this price. Later, in view of the continuing protests, the authorities agreed to further increase the price at Rs. 8 lakhs for non-irrigated and Rs.8.50 lakhs for irrigated lands. Despite the fact that the farmers could produce adequate evidence on the real land value in the area, the authorities were adamant and refused to enhance the compensation. A few farmers like Gregory Patrao of Kalvaru refused to accept the compensation.

18. As far as the compensation payable for houses, cattle, trees, wells etc., was concerned, the authorities were reluctant to value these assets realistically on the ground that the displaced families had already received a high rate of compensation for land! The official machinery thus refused to appreciate that each individual family that faced displacement would be entitled to the rights conferred on it by the Constitution of India and the question of treating the compensation as a benefit to be given in charity or as a State largesse should not arise!
19. The displaced families were issued Right to Transfer Certificates (RTCs) that entitled them to different sizes of residential plots in the rehabilitation colony, depending on whether they possessed one house or more. The surveys carried out to determine the house property owned by the displaced, the valuation of those properties and the sizes of the plots to be allotted were sketchy and arbitrary, leading to the public perception that there was corruption permeating all this. The rehabilitation colony was far too constrained for space as to enable the rehabilitated families to maintain their cattle within the plots assigned to them. These colonies failed to provide for any pasture land for the cattle.
20. The foregoing facts emerged from Gregory Patrao's testimony as well the clarifications given by him during the Panel's field visit. The facts described above show how the official machinery had acted more on behalf of the developer than on behalf of the people they were supposed to serve. The authorities were also highly insensitive to the feelings of the displaced families and were unmindful of their basic human rights and their entitlement to be treated with compassion and dignity.
21. The whole area, lush green with thick tree cover, coconut groves and a wide ranging variety of agricultural crops including paddy, vegetables, beetle leaf, bananas, arecanuts, black pepper etc., is a veritable paradise owned by the proud farmers of this region in Mangalore district. These farmers have a sentimental attachment to their lands. The Panel felt that these farmers, if they were to be given the same facilities and concessions given to the SEZ, could create much more prosperity for the region.

22. The Panel visited a rehabilitation colony under construction for the first stage of MSEZ. Even though several families have been deprived of their shelter in the first stage, the colonies are still not ready. One should not be surprised if the colony visited by the Panel meets the same fate as the one provided to the families displaced by MRPL.
23. The Panel saw for itself a few stretches of land producing three crops but reported to have been shown in the Revenue records as “dry” or “single crop” lands, presumably to ensure that the compensation payable to the farmers is kept to the minimum. The Panel has also taken note of the fact that the going price of land in these parts could range above Rs.50 lakhs per acre, whereas the farmers were grudgingly paid compensation at the rate of only Rs.8-8.50 lakhs per acre.

Testimonies:

24. The Panel heard a large number of villagers who attended the Public Audit proceedings to depose before it. As already stated, a list of those that deposed in person and those that placed written evidence before the Panel is at **Annexe I**.
25. Those that deposed before the Panel and those that produced written evidence covered a wide ground of problems faced by the displaced. For easy reference, the evidence has been carefully sifted, classified w.r.t. the problem areas and tabulated at **Annexe II**. As far as possible, we have tried to provide a gist of the deposition of each of the deponents in Annexe II. The evidence adduced is discussed below in relation to each of the problem areas.

A. Definition of “development”& the SEZ and other Acts:

26. During the field visit and during the Public Audit proceedings, one important issue that came up again and again and continuously rankled our minds was the real meaning of “development” and whether projects such as MSEZ or, for that matter, a project like MRPL, will truly amount to “development”. The 1st stage of MSEZ involved displacement of people from 1800 acres and its 2nd stage would cover another 2035 acres. Thus, these two stages would uproot a large number of families from 3835 acres of land that they have owned, cultivated and contributed from it to the food security of the region for generations. These families are otherwise fully self-sufficient as the lands gave them food, the cattle gave them milk and the cattle and the land had a symbiotic relationship. Over and above this, each of these families exported their surpluses in terms of paddy, coconuts, beetle leaves, arecanut, black pepper, vegetables etc. to the adjacent urban agglomerations. Each of these families is a private enterprise of excellence that needed no sops like the big companies, resorted to no coercion like them and continued for generations to be highly successful in managing the natural resources to their own advantage and to the advantage of the people at large in an

environmentally benign manner. They have caused no pollution like the big companies.

27. If the concessions given to the big companies, such as monetary benefits, assured power supply, assured water availability etc. were to be provided to these individual families, their contribution to the society would perhaps have been far higher than what an MRPL or an MSEZ would have contributed. To the best of our knowledge, no such cost-benefit comparison has ever been carried out in appraising either MRPL or MSEZ before the government has embarked on the dubious path of “rapid industrialization” through such projects.
28. Coming to the cost-benefit analysis, how does one assess the cost of physical, emotional, occupational or cultural displacement? How does one value the sentimental attachment that a family has to the land it has inherited from its ancestors? While assessing the benefits of an industrial project, should not the analysis take into account the extent of benefit that accrues or not to the local community in terms of employment etc.? These are difficult questions to answer but they should not be glossed over.
29. In our view, what the local community wants by way of a change for the better is what “development” should imply. It is a simple definition. At best, any responsible government would have placed a menu of alternatives before the people and leave the choice to them, to decide what kind of development they wish to have. Discussion on this should take place within the community, among the Gram Sabhas and the Panchayats before the discussion can escalate to legislative assemblies and the Parliament. This approach is not only consistent with the spirit of democracy that our Constitution enshrines but also is consistent with the real meaning of “development”.
30. Contrary to this, the SEZ Act has been imposed from above. Before SEZs are approved in Delhi and in Bengaluru, no opportunity has ever been given to the local community to decide what they wish to have in the name of development. The SEZ Act and its likes therefore go counter to the spirit of our Constitution as the local bodies are Constitutionally created entities.
31. The SEZ Act has the effect of creating enclaves of lesser governance. Apart from the fact that the Act is an externally imposed one on the community, it has also the effect of excluding the role of the local bodies and diluting the application of the laws that deal with the protection of workers, conservation of the environment and the laws that generate tax revenues to fund public welfare programmes. The local self-government thus faces a double jeopardy through the SEZ Act.
32. The SEZ Act has a snowballing impact on many other laws, the notable among them being the land acquisition laws. The Land Acquisition Act of 1894 and its

State-specific versions such as the KIADB Act of 1966 are essentially draconian laws as they invoke the so called “Eminent Domain” of the State to dispossess people of their land-based properties. In the past, when the government had not yet embarked on the “rapid development” track, these draconian and harsh laws were used more sparingly, that too, for limited purposes that could come within the definition of “public purpose”, though the purpose could still be questioned in some ways. In the new paradigm of “rapid industrialization”, as a result of the magnitude of the monetary benefits involved and the control that the companies gain over the resources of the community, the stakes are high and the draconian nature of these coercive laws becomes all the more acute. The State has already started enlarging the ambit of “public purpose” to include private interests.

33. We believe that in view of the foregoing considerations, the SEZ Act and the land acquisition laws need to be revisited. There is a strong case for withdrawing the SEZ Act and reviewing the ambit of the land acquisition laws. We will discuss this in more detail in our findings at the end of this report.

34. We feel that “development” is what the people want. For this, the government needs to trigger discussion and debate on the various models of development among the people and among the local bodies. The local bodies also need to be empowered and activated suitably to be able to rise to the occasion.

B. Reluctance to be displaced:

All the deponents that spoke at the Public Audit were totally opposed to displacement. In their view, displacement had many dimensions. Displacement could be physical, occupational and cultural.

- i. Physically, the displaced families formed part of an integrated socio-cultural system that is inter-dependent, self-supportive and living in an environment that is conducive to their living in peace and dignity. Their existing skills and talent fit admirably into such a system. Displacement to a rehabilitation colony implies displacement in all these dimensions. Moreover, in the new environment, they cannot put their skills and abilities to full use. Culturally and occupationally, they feel disturbed. The new environment is devoid of the basic amenities they had enjoyed hitherto. The rehabilitation colonies are highly polluted and their conditions are not conducive to good living.

- ii. Each of the families displaced had a sentimental attachment to its land, house and surroundings. In Gregory Patrao's words, "*I have heard from my father and grandfather that we have been living here since the time of our forefathers. Initially we owned 75 cents and slowly my grandfather and father were able to acquire the present 16 acres. I have also heard from my forefathers that our house was used for Sunday Mass before the Pejavar church in Kalavar was built. It must be mentioned that Pejavar celebrated its 325th anniversary in 2007.*"

- iii. Many persons like Gregory refused all inducements to shift, while others had to yield ground to State coercion and leave.

C. Multiple Land Acquisitions:

In this paradigm of rapid industrialization, the local community has been facing the threat of multiple land acquisitions, one after the other. Suvarna Bhangi of Thokur (see Annexe II) has narrated how her troubles started in 1993-94 when her 90 cents of land came under the threat of acquisition for a project of Nagarjuna Construction Company (NCC). After repeated protests, the acquisition proceedings were denotified. In 1999, she lost 70 cents in acquisition for ELF Gas without being paid adequate compensation or being provided employment and other facilities. In 2008, MSEZ acquisition has brought another 10 cents of hers under acquisition. She is not sure whether she and others like her will ever be spared from similar acquisitions and displacements in the coming years. The State seems to be highly insensitive to this kind of trauma experienced by the affected families.

D. Self-sufficiency to deprivation:

The evidence adduced by the Panel has invariably shown how each of the concerned families was totally self-sufficient prior to displacement. They had sufficient land and cattle to support themselves and also export foodgrains, spices, bananas, vegetables to contribute to food security of the larger population of Mangalore. After displacement, they were reduced to deprivation. Their skills went unused. They had to give up their cattle as they had lost their lands. They had to face water scarcity, pollution, loss of privacy and even inhospitable environment.

E. No employment opportunities:

- i. Invariably, the State agencies and the project developers have acted behind the back of the people while acquiring lands from them for projects. The promises and guarantees given by them on employment opportunities have largely turned out to be false and misleading.
- ii. In the case of MRPL, as against a total of 609 displaced families, only 18 persons could get employed, that too, in menial positions. The usual excuse is that the displaced families had no qualified persons for employment. Neither the government nor the company had thought of training the local youth and upgrade their skills so that they could readily be employed in a gainful manner in the company's operations. Even the compensation offered in lieu of employment was initially meager but increased grudgingly in the face of public pressure. Those that protested were first dealt with through force and even jailed before offering marginal increases in compensation. Even the incremental compensation suggested by a Parliamentary Committee has not been paid fully. Largely, MRPL has employed persons from outside, leaving the displaced families highly dissatisfied.
- iii. While considering employment, one should not ignore the fact that all these displaced families were indeed gainfully employed when they were owners of their ancestral lands and cattle. Perhaps, the social wealth per acre they had created annually when they were fully in charge of their own affairs thus was far higher than what MRPL or MSEZ would have created through their operations. It is a case of employment to unemployment and not vice versa!

F. Unsatisfactory rehabilitation:

Displacement is a process that causes trauma. Displaced families need to be treated with compassion and dignity. Any progressive R&R policy will aim at creating a better environment in which the displaced families will lead their lives afresh. The integrity of the village community needs to be conserved while rehabilitating these families. Both in MRPL and MSEZ, these principles have been mercilessly discarded and the displaced families are treated with contempt. A look at the rehabilitation colonies will show how sub-human are the living conditions of the displaced families, how polluted are their surroundings and how

insensitive are the official agencies to their problems. Instead of ensuring that these colonies serve as models of good living, the State has treated R&R as a ritual and the displaced families with utmost contempt.

G. Pollution:

- i. While India can pride itself of having enacted excellent laws to protect the environment, they remain only on paper as the regulatory institutions that are expected to enforce those laws have become moribund and ineffective due to callousness on the part of the government.
- ii. While deponent after deponent poured forth their stories of woe on pollution, Vijay Kumar's excellent paper, "MRPL's legacy 500 meters from its boundary wall" has brought out the dangers of escalating pollution from MRPL and the failure on the part of the concerned agencies to stop the pollution and bring the company to book.
- iii. Vinay Kumar has shown that both Atturkodi Todu and Kaderi Kodu are constantly contaminated by the effluents released by MRPL near its boundary walls. In turn, the contamination is seeping into drinking water sources, the agricultural fields and fish catches all around, slowly poisoning the health of the people. Can there be a more heinous crime than this? Should this be tolerated in a civilized democracy?
- iv. Now that MSEZ is becoming a reality and it will soon be enlarged into a PCPIR, a major extent of Mangalore district will face the same kind of pollution hazard, as it cannot be the case of the government that its regulatory agencies who remained silent all these years will suddenly sit up and discharge their functions effectively or that the companies that will set up shop in the SEZ are going to become socially responsible overnight. It is a fact that the regulatory institutions are deliberately subdued by the State to facilitate the dubious growth of the industry.

H. Coercion:

As already pointed out, the Land Acquisition Act of 1894 (and its State-specific versions including KIADB Act of 1966) is a draconian law. With the SEZ Act adding momentum to it, its coercive and destructive

power has multiplied by several orders of magnitude. The following are the different dimensions of this problem.

- i. The States, with active support from the Centre, have started using this law on a massive scale to acquire land for profit-earning private companies. Many of these companies get their projects for the asking, without having to follow the competitive bidding route. The benefits they get from each project are enormous both in terms of the concessions and in terms of their gaining control over the limited natural resources in each region. In short, the stakes are so high that they could capture the State power and bend every conceivable law and regulation to suit their interests. The latest Land Acquisition Bill before the Parliament belongs to this category. If the Bill is enacted, its destructive and coercive power will be all the more.
- ii. As KBSS documents clearly show, the Hon'ble Supreme Court, in CA No.7405/ 2000 (KIADB vs Kenchappa & others) had directed the authorities not to impair the ecology while acquiring lands for projects. In October, 2007, in another landmark judgment, in the case of land acquisition for an automobile company in Punjab, the same Court had ordered that agricultural land should not be acquired for "setting up a factory or for any other corporate purpose". The Ministry of Commerce & Industry, in their D.O. Letter No. H7/1/2007-SEZ dated June 15, 2007, had assured the Citizens Forum of Mangalore Development that they would not approve any SEZ after 5-4-2007, if it involved compulsory acquisition of land. Also, that Ministry had advised the States not to acquire fertile agricultural lands for SEZs. These guidelines and norms seem to have been breached again and again in the case of MSEZ.
- iii. While Section 28 of KIADB Act requires that sufficient opportunity to express objections be provided to persons whose lands are sought to be acquired, the acquisition proceedings carried out in the case of MRPL and MSEZ have apparently flouted these provisions repeatedly and in the case of almost all displaced families. Very few of them received notices under this section. Their objections were rarely recorded in a truthful manner. Orders have been passed summarily, sometimes on the basis of falsified documentation.
- iv. Instead of determining the quantum of compensation in a scientific and objective manner, the whole process of determining the compensation was reduced to a one-sided ritual in which the authorities took the side of the developer and the displaced family stood isolated. The pricing committees were loaded in favour of a few chosen influential persons and proceedings conducted in English so that the displaced persons could be kept in the dark. Assurances were initially given to tide over the protests from the displaced persons but later those very same assurances were thrown to the winds as soon as the lands were grabbed.

- v. Threats, inducements and deception seem to have been used in many cases to break the back of opposition from the displaced families. Section 28 notification issued in early eighties for MRPL was sought to be used for acquisition of land for the 1st stage of MSEZ merely to give the benefit of the lower price to the company to the detriment of the displaced families. There cannot be greater deception than this.

- vi. Often, the task of pushing out the displaced families from their houses through extra-statutory means is left to the contractors who are the biggest beneficiaries in all these projects. The evidence recorded from tribals such as Giryra Gowda and Kudugu Gowda has shown how the contractors' men tried to throw mud on their vegetable fields and destroy them, taking advantage of their helplessness. Sometimes, blasting and noisy construction activity is undertaken all around a cluster of houses so as to make the residents' lives as miserable as possible to drive them out. In one instance (cited in Annexe II), when an affected person tried to register a complaint with the police, he was shocked to find that the police had already registered a case against him! In this case, the State agencies became captive to the company and its contractors.

- vii. The height of coercion on the part of the State authorities was in trying to suppress democratic ways of protest by resorting to lathi charge, tear gas and arrests. Instead of enabling the displaced persons to ventilate their grievances in an orderly manner, the State had adopted coercive ways to choke any dissent. This does not augur well in a democracy like ours.

I. Auxiliary workers- No compensation:

- i. The concept of rehabilitation in general has always revolved around land as it is indeed the primary asset in the rural areas. However, one should bear in mind that there are many families that do not possess land but provide other services to the community. When they are displaced, they too should be entitled to adequate compensation.

- ii. For example, Jayalatha of Permude has a piece of land and her husband also earns income from arrack making. Bhaskar Moolya of Tenka Ekkaru is engaged in transporting agricultural commodities from the fields to the market. When a village as a whole is displaced, they need to be compensated as they too lose their livelihoods.

J. Disruption in the flow of credit:

Victor D'Souza and Monthin D'Souza of Permude were about to get loans from the bank for sinking borewells to irrigate their lands. Since their lands were covered under Section 28 notification, they were denied loans. Land acquisition process is usually tortuous and prolonged and these unfortunate families had to resist land acquisition. Failure to obtain credit from the banks has merely aggravated their already difficult plight.

Findings:

The Panel has considered what it has observed during the field visit to the villages and the evidence placed before it to arrive at the following findings:

1. At the very outset, the Panel wishes to record its intense disappointment with the representatives of the State government and its various agencies including Revenue and Industry departments, as well as the MSEZ, for not having deputed their officers to take part in the Audit proceedings, listen to the concerns of the people affected and explain their point of view for the benefit of the Panel and the people of this region. In a democratic system like ours, one would expect such participation. Apparently, these officials are insensitive to it.
2. From what the Panel has learned from its one-day long interaction with the people here, especially the displaced villagers, it appears that the local self-government institutions like Gram Sabhas and Panchayats have been ignored altogether by the government and its agencies, while decisions were taken that would directly impinge on the lives of the local communities. Since the successive governments themselves came to power through a democratic process, one would have expected that decisions on major projects such as SEZs and PCPIR would be based on a public debate and discussion at the level of Gram Sabhas and Panchayats. It has not been the case here. The resolutions passed by these local bodies and the civil society have been totally ignored and the various government agencies seemed to have acted at the behest of the project developers instead. This is a situation that needs to be considered carefully by those that matter in the government and the democratic processes revived and activated fully. Otherwise, the repercussions could be disastrous. The anger and the intense sense of dissatisfaction among the people here about the way MSEZ is being imposed on them do not augur well for the government.
3. In view of the foregoing discussion on the need to revisit the paradigm of "rapid industrialization" and the adverse impact of the SEZ Act on the local democratic

institutions, we feel that there is a strong and unimpeachable case for repealing SEZ Act with immediate effect, as its continuance is indeed a threat to Gram Sabhas, Panchayats and other local bodies. A realistic cost-benefit appraisal, we are confident, will show the futility of imposing SEZs in an area where the same concessions that are offered to the SEZ developers, if extended to the local land-based community, can create greater social wealth than the SEZs.

4. As an immediate measure, as far as Dakshina Karnata is concerned, MSEZ should be dropped altogether, all land acquisition proceedings withdrawn and a family-to-family interaction undertaken to compensate the affected people for the trauma they have gone through, the loss they have incurred in terms of land, employment, auxiliary incomes etc. As far as possible, they should be allowed to get back to their previous environment. Their well being will determine the well being of Dakshina Karnataka and Karnataka State. In particular, we feel that there are many tribals like Girya Gowda and many SC/OBC families who are far too diffident to stand up before the officials and explain their case effectively. The official machinery should be proactive in reaching out to them benignly and understanding their problems for finding solutions.
5. While listening to the travails of Girya Gowda and others like him, the Panel could not help wondering whether we still live in a civilized democracy, whether the basic human rights of individuals are at risk and whether the role of the government has since changed from that of a true representative of the people to that of an agent of big business. We request both the Central government and all the State governments to introspect on this.
6. The State seems to be vigorously pursuing a proposal for setting up a PCPIR in this area. The popular sentiment is clearly against it. The Panel does not find that displacing people to accommodate PCPIR is advantageous in any manner. We are sure that a realistic cost-benefit appraisal on the lines suggested in the foregoing paragraphs will confirm this premise. We feel that the PCPIR proposal should be given up.
7. The Land Acquisition Act of 1894 and its State-specific counterparts are highly coercive laws that have no place in a civilized society. The land Acquisition Bill pending before the Parliament is equally outmoded in its concepts. All these laws need to be reviewed. The Panel recommends that the Central government should immediately withdraw the Bill, hold consultations with the civil society at large and design a law that is firmly founded on principles of democracy and people-driven development paradigm. Development as a concept should be generated from below, by the local communities, rather than by the governments sitting in Delhi and Bengaluru. Such a concept will recognize the community's entitlement to the local resources and their right to decide the way those resources should be managed.
8. From the evidence adduced, the Panel feels that the laws and the institutions in place are inadequate for protecting property rights and basic human rights of individuals and for conserving the ecology and environment of different areas. The laws need to be so strengthened as to ensure that those that infringe them attract severe civil and criminal liability and brought to book within the shortest possible time. As an immediate measure,

MRPL should be proceeded against for the pollution hazard it has created and steps taken to stop any further contamination of the water bodies.

9. In the paradigm of “rapid industrialization”, the governments at the Centre and in the States seem to have lost sight of their own legitimate role in governance and knowingly or unknowingly become agents of big industry. The political parties and the Parliament need to introspect on this and redefine the role of the government and the paradigm of development that is most appropriate for a democratic polity like ours. If this is not done immediately, it can have disastrous results that may not be conducive for a healthy democracy like ours to thrive.
10. The functioning of the government machinery at the local level needs to be made transparent and accountable to the people. All official proceedings should be conducted in the local language. The officials should be mandated to adopt public consultation methods in resolving problems. Those that flout the laws and regulations and adopt coercion should be subject to penal action. At present, the contractors to whom works are outsourced seem to represent the “face” of the government. This is a highly unsatisfactory situation that needs to be reversed.
11. During the depositions and during the field visit, the Panel felt that some manipulation has already taken place in the Revenue records in the villages falling within the ambit of MSEZ. Such manipulation of the land-use classification would help the developers at the expense of the farmers. Similar manipulation is possible in the case of villages that will eventually come within the purview of PCPIR. We suggest that a quick sample survey carried out to determine the extent of manipulation as scam could be in the making.
12. The State government is advised to start a “democracy campaign” in Dakshina Karnataka to encourage every Gram Sabha, Panchayat and Municipality to discuss and debate the kind of development that they wish to have so as to be able to formulate a democratically determined paradigm of development that could serve as a model for the rest of the country.
13. After the People’s Audit it was brought to the notice of the Panel that the organizers are being intimidated by the local authorities. The Panel is deeply concerned about the harassment by the authorities to the organizers at Mangalore and victimization of the innocent villagers who deposed during the public hearing. We urge the state government to take immediate action to secure just rule of law in this regard.

Annexe I

List of the names of the Deponents:

1. Gregory Patrao of Kalavar village
2. Jayanth Suvarna Bhangi of Thokur village
3. Jerome Albuquerque of Kalavar village
4. Dinesh Kulal of Krishnapura village
5. Doddanna Shetty of Soorinje village
6. Dora Dcunha of Kutettoor village
7. Dhanpal Kothan of Panambur village
8. Chandu of Cheliaru village
9. Ganesh Kumar of Cheilaru village
10. Vishwanath Bhandary of Cheilaru village
11. Poovappa Pujari of Cheilaru village
12. Shamsuddin of Jogatte village
13. B. Shakunjhi of Jogatte village
14. B. Mohammed of Jogatte village
15. Jayalatha of Permude village
16. Albert Pinto of Permude village
17. Victor D'Silva of Permude village
18. Lavina D'Souza of village
19. Purushotham Poojary of Permude village
20. Krishnaraj and others of Bajpe village
21. Pushpa of Tenka Ekkaru village
22. Bhaskar Moolya of Tenka Ekkaru village
23. Chennamma Bai of Tenka Ekkaru village
24. Gabriel Nazareth of Permude village
25. Sanjeeva Moolya of Tenka Ekkaru village
26. Appi Shedthi of Tenka Ekkaru village
27. Bhoja Shettigar of village
28. Monthin D'Souza of Permude village
29. Mallappa Gowda of village
30. Girya Gowda of village
31. Shyamala of village
32. Kudugu Gowda of village
33. Krishi Bhumi Samrakshana Samithi
34. Citizens Forum of Mangalore Development
35. Vinay Kumar

Annexe II

A Gist of the Testimonies

Problem	Deponents	Remarks
Opposed to acquisition of land	Chennamma Bai, Sanjeeva Moolya, Appi Shedthi of Tenka Ekkaru, Gabriel Nazareth, Monthin D'Souza of Permude, Bhoja Shettigar	<p>Chennamma's land has been notified for acquisition for MSEZ. She and her family have a sentimental attachment to their land. She does not to part with her land nor does she want any compensation or employment.</p> <p>Gabriel's family grows a range of crops that include coconuts, bananas, beetle leaf, arecanut, black pepper, vegetables etc. They have cattle that depend on the land. They are totally self sufficient. They do not therefore wish to give up their land.</p> <p>Sanjeeva is an agricultural daily wage worker with a little land of his own. His land permits three crops a year, as there is enough water there. Sanjeeva has no intention to give away his land because (i) his land is fertile, it has ample water supply and it constitutes his lifeline and (ii) he cannot take up any other profession based on the compensation money, as his skills are suited only to agriculture.</p> <p>Appi Shedthi has a sentimental attachment to his land and has no wish to give it up.</p> <p>Bhoja Shettigar has 15.66 acres of land in which he raises crops in 4 acres and environmental friendly trees over the rest of the area. He has started cattle rearing recently. He is self sufficient and has no wish to give up this property. His written objections to land acquisition have not been acknowledged.</p> <p>Monthin D'Souza is unwilling to part with her land as she and her family are not capable of doing anything other than agriculture. However, the construction activity all around her place has caused pollution.making it difficult for her to live</p>

Multiple land acquisitions	Suvarna Bhangi of Thokur	<p>Suvarna Bhangi's family lost 90 cents land to Nagarjuna Construction Company (NCC) in 1993-94 but got it denotified through protests. In 1999, the same family lost 1acre 70 cents to ELF Gas Co. promises of rehabilitation through employment, road construction, water, free gas etc. unfulfilled. Remaining 10 cents notified for acquisition in 2008 for MSEZ. By forming Thokur Nagarika Hitarakshana Samithi (TNHS) and using RTI Act, she and others have resisted acquisition. They have so far not yielded to inducements and threats. Land acquisition proceedings could not progress.</p>
Self sufficiency to deprivation	Jerome Albuquerque of Kalvaru, Poovappa Pujary of Cheliaru, Pushpa of Tenka Ekkaru	<p>Jerome had 3.63 acres of three-crop agricultural land with a pump to irrigate it. He had three cows and two buffaloes which gave milk for the family and manure for the land. He was fully self sufficient. The threats and inducements of the developer caused mental trauma to him. He accepted whatever compensation given to him and moved to Perra where he has become dependent on outside sources for water, food, vegetables etc. He felt broken economically.</p> <p>Poovappa had 10 acres of land that provided him complete self sufficiency and dignified living. He has not received adequate compensation for the land acquired. One from his family has been provided employment by MRPL but that has not helped his large family. The amenities at the rehabilitation colony are thoroughly inadequate.</p> <p>Pushpa belongs to SC and her land has been notified for acquisition for MSEZ. At present, she is fully self sufficient but if she is forced to move out, her source of livelihood will disappear.</p>

No employment	Dinesh Kulal of Krishnapura, Doddanna Shetty of Soorinje	<p>He lost his land to MRPL. He received inadequate compensation. He never got the promised employment in MRPL, as he was illiterate.</p> <p>Doddanna Shetty lost land to MRPL, given meager compensation but no employment. When he protested, he was jailed at Bellary. Compensation given in lieu of employment was thoroughly inadequate. The “rice bowl of his family was broken”. His surroundings have become polluted. Drinking water in his area is contaminated by oil seepages from MRPL.</p>
Unsatisfactory rehabilitation	Dora D’decunha of Kutettoor	<p>Lost land to MRPL in 1992. Promised employment not given as she is not qualified. She received only Rs.1.90 lakh in lieu of employment as against the promised Rs.3 lakhs. She opted in favour of Rs.30,000 in lieu of a plot in rehabilitation colony in Chelaru as the colony had no basic amenities.</p>
Pollution: fishing/ agriculture/ drinking water	Dhanpal Kotian of Panambur, Vinay Kumar, researcher	<p>Dhanpal used to have good fish catches at less than 10 meters depth in the sea. As a result of pollution in the form of black sludge from MRPL, even at depths of 100 meters, fish catches are not available. This has increased the cost of fishing as he is forced to buy larger quantities of fuel.</p> <p>MRPL has polluted streams such as Atturkodi Todu and Kaderi Kengali Todu which in turn have contaminated their water sources and agricultural lands all around Court its refinery. The Empowered Committee on Hazardous Wastes appointed by the Hon’ble Supreme Court seems to have expressed its dissatisfaction at the continuing pollution of the environment by MRPL but the company is yet to comply with its directions fully. All its efforts to clean up the pollution have been perfunctory. The company seems to have even</p>

		<p>tried to use subtle methods of coercion to prevent people from testifying against it.</p>
Coercion in land acquisition	<p>Chandu, Vishwanath Bhandary and Ganesh Kumar of Cheilaru, Purushotham Poojary of Permude</p>	<p>Lost land to MRPL. Received inadequate compensation. Protests evoked lathi charge, tear gas shells and other ways of coercion. No job given, though a dalit. Received only half the compensation promised in lieu of a job. The rehabilitation colony in Cheliaru has scarcity of fuelwood, grass and water and the living conditions are highly unsatisfactory.</p> <p>Ganesh Kumar lost land to MRPL with inadequate compensation for land. No job was given and compensation in lieu of job was inadequate. Protests evoked a jail term of 22 days at Bellary. Land in the rehabilitation colony was highly unsatisfactory.</p> <p>When Vishwanath disagreed with the authorities on the compensation amount, they forcibly removed the tiles from the roof of his house and pressurized him into moving out. His house in the rehabilitation colony at Cheliaru had no basic amenities and his house there was directly under the HT line of KEB. The water supplied there is not potable. One member of his family was given a job but it was far too inadequate for a large family like his. To eke out a living out of whatever he was left with, he set up a small saloon shop but even that is now being acquired for MSEZ. His is the plight of an independent farmer turning into a broken person.</p> <p>Purushotham's family owns a fertile piece of land with which they have a sentimental attachment. Unwilling to agree to forced land acquisition, he joined others in the village to resist acquisition. He and his brother received threat calls, apparently prompted at the instance of MSEZ. When he tried to lodge a complaint before the Police, the</p>

		latter suggested that he should reconsider it as Purushotham happened to be a government employee. The response of the police in this case could also have been prompted by MSEZ.
House surrounded by construction	Shamsuddin, Shakunji of Jogatte, Albert Pinto of Permude, Krishnaraj & others of Bajpe	<p>All around Shamsuddin's house, construction is going on. His house has become uninhabitable due to noise, pollution and loss of privacy</p> <p>MSEZ's contractor has been dumping mud on the road abutting his house causing inconvenience and throwing up dust. When he objected, the local police official called him to the police station as the company lodged a complaint against Shakunji. Shakunji has been warned not to interfere with the construction work.</p> <p>Albert Pinto's family has been using the land adjacent to their house for making manure for their agricultural operations for decades. MSEZ contractors along with KIADB officials descended on that land one day without any notice and started surveying it saying it is government land required by MSEZ. Albert feels it is only a ploy on the part of MSEZ to get at his house also</p> <p>Krishnaraj and others are all harijans who are agricultural daily wage workers. Some of them are also engaged in basket making. Lands all around their 105 houses are being acquired for MSEZ, leaving their houses alone. In a way, acquisition around their cluster of houses will make it difficult for them to sustain their own livelihoods. They would therefore like to move out for which they should be paid compensation.</p>
Acquisition procedures flouted	B. Mohammed of Jogatte, Lavina D'Souza, Bhaskar Moolya of Tenka Ekkaru	Without prior notice, road rollers and bull dozers started leveling Mohammed's land. False documents were prepared by

		<p>MSEZ to hoodwink farmers like him. Public roads are being damaged by MSEZ by deploying heavy vehicles for which the roads are not designed</p> <p>Lavina has a house in S.No. 190/5 and her house site is being acquired under Section 28(3) of KIADB Act. She has not received any notice of acquisition. When she came to know about the proposed acquisition, she accompanied other villagers, attended the meeting convened by KIADB and filed her objections. However, the record of proceedings showed that no representative from her family had attended the meeting. As a result, her house was being acquired despite her objections. Her family is not in a position to shift due to the illness of the seniors. Her problem is further compounded by the blastings taking place all around her house. The walls of her house have developed cracks and her life has become difficult.</p> <p>Bhaskar has filed his objections to land acquisition but the same have not so far been acknowledged.</p>
Auxiliary livelihoods lost	Jayalatha of Permude, Bhaskar Moolya of Tenka Ekkaru	<p>In addition to losing their livelihood from land as result of its acquisition for MSEZ, Jayalatha's husband who is engaged in arrack making will also lose his income as a result of the displacement.</p> <p>Bhaskar earns his livelihood largely from transporting agricultural products from agricultural fields to the market. If the lands in his neighbourhood are acquired, he will lose his livelihood also.</p>
Loans not forthcoming for lands notified for acquisition for MSEZ	Victor D'Silva, Monthin D'Souza of Permude	<p>Victor and his family members are agriculturists and they depend on their land. They were about to get a loan for sinking a well there and fitting it with a pump. When they approached the bank for a loan, the bank has informed them that no loan could be given to them in view of the acquisition</p>

		<p>notice. Monthin D'Souza's land has been notified for acquisition for MSEZ and since then, she has not been able to secure credit from the banks.</p>
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Account of Police Cases Filled by MSEZ/Contractors and Cases filed by farmers and activists

Cases filed by MSEZ/Contractors

7-09-2008

A case under House trespass, Intentional insult with intent to provoke breach of the peace along with Criminal intimidation has been registered in Bajpe Police Station. On 05/09/2008 at 2000 hrs accused Vidhya Dinakar and Ronald Vincent D'Souza criminally trespassed into the house belonging to one Lingappa Gowda (38) R/o Permude village Mangalore Taluk and abused him and his family in filthy language and also gave life threat to them owing to civil dispute.

20/10/2008

A case under Rioting, Criminal trespass along with Intentional insult with intent to provoke breach of the peace has been registered in Bajpe Police Station. On 20/10/2008 at 1130 hrs accused Vidhya Dinakar, Lawrence D Cunha, Madhukar Amin, Gregori Patrao, Natesh Ullal, Raghu Yekkaru, Krishnappa Yekkaru, William, Vedavyasa Bhat, Mallappa Gowda, Giriya Gowda and Devappa Gowda by forming into an unlawful assembly and criminally trespassed into the construction area of one Prabodh K.S Asst. Administration MSEZ Mangalore at Padavu Permude village Mangalore Taluk and abused him in filthy language owing to civil dispute.

A case under Rioting, Criminal trespass along with Criminal intimidation has been registered in Bajpe Police Station.

A case under Criminal restraint, Intentional insult with intent to provoke breach of the peace along with Criminal force to deter public servant from discharge of his duty has been registered in Bajpe Police Station. On 20/10/2008 at 1205 hrs accused Vidhya Dinakar and others abused one Pramod PSI Panambur PS in filthy language while he was on duty near Mengilapadavu Permude village Mangalore Taluk.

8/11/08

A case under Rioting, Criminal trespass, Criminal restraint along with Criminal intimidation has been registered in Bajpe Police Station. On 08/11/2008 at 1030 hrs accused Michel Saldana S, P.B. Desa, Anthony Pinto, Benedix Nazarath, Swami Basavaraja Devara and other 20 persons forming into an unlawful assembly and criminally trespassed into the land at Permude Padav Permude village Mangalore Taluk and criminally restrained one Raghavendra Holla (29) C/o MSEZ officer Mangalore and they also gave life threat to him owing to trivial issue.

9-11-2008

A case under Criminal restraint, Criminal trespass, Intentional insult with intent to provoke breach of the peace along with Criminal intimidation has been registered in Bajpe Police Station. On 08/11/2008 at 1100 hrs accused Mhickle S Saldhana, Desa P.B, Anthony Pinto and 20 other persons criminally trespassed into the land belonging to the MSEZ at Kudubipadavu Permude village Mangalore Taluk and criminally restrained one Yadava Kotian (43) R/o Permude Village Mangalore Taluk near Kudubipadavu Permude village Mangalore Taluk and abused him in filthy language and also gave life threat to him owing to civil dispute.

A case under Rioting, Criminal trespass, Intentional insult with intent to provoke breach of the peace along with Criminal intimidation has been registered in Bajpe Police Station. On 16/11/2008 at 1130 hrs accused Vedavyasa Rao P, Krishnappa Yekkaru, Krishna K, Madhukara Amin, Mallappa Gowda, Giryaa Gowda, Pandu Gowda, Natesh Ullal, Lawrence D' Cunha, William, Sadananda Gowda, Pushpa, Lingappa Gowda and Namadeva Sheony forming into unlawful assembly and criminally trespassed into the land belonging to the MSEZ at Permudepadavu Permude village Mangalore Taluk and criminally restrained one Prabhodha K.S. MSEZ officer and abused him in filthy language and also gave life threat to him owing to civil dispute.

28-2-2009

A case under Rioting, Criminal trespass, Intentional insult with intent to provoke breach of the peace along with Criminal intimidation has been registered in Bajpe Police Station. On 27/02/2009 at 1630 hrs accused Shripathi Rao, Vedavyasa Rao and others forming into unlawful assembly Subbara Kodi at Permude village Mangalore Taluk and criminally trespassed into the land belonging to one Leena D' Souza R/o Subbara Kodi at Permude village Mangalore Taluk and abused one Poovappa G.K in filthy language and also gave life threat to him owing to civil dispute.

Cases filed by farmers and activists

21-10-08

A case under Rioting, House trespass, Mischief of causing damage along with criminal intimidation has been registered in Bajpe Police Station. On 20/10/2008 at 0930 hrs accused MSEZ official, Raghvendra Holla, Santhosh, Yogish, Surendra Sahetty, Yadava Kotian and Girish forming into an unlawful assembly and criminally trespassed into the land belonging to Korgu Gowda (55) R/o Crosspadavu Permude village Mangalore Taluk near his house and damaged paddy cultivation and gave life threat to him owing to civil dispute.

On 20/10/2008 at 1230 hrs accused one MSEZ officer, Raghavendra Holla, Santhosh, Yogish, Surendra Shetty, Yadava Kotian and Girish Shetty by forming into an unlawful assembly and criminally trespassed into the land belonging to one Honnayya Gowda (42) R/o Cross padavu Permude village Mangalore Taluk near his house Permude village Mangalore Taluk and gave life threat to him owing to civil dispute.

A case under Hurt along with Criminal intimidation has been registered in Bajpe Police Station. On 20/10/2008 at 1215 hrs accused one Raghavendra Holla assaulted one Krishna K (25) R/o Palladakodi Thenkayekkaru village Mangalore Taluk at Crosspadavu Permude village Mangalore Taluk by hand and also gave life to him owing to civil dispute.

22.7.2008

A case under Intentional insult with intent to provoke breach of the peace, Criminal intimidation along with SC/ST Prevention of Atrocities Act has been registered in Urwa Station. On 21/07/2008 at 1230 hrs accused one A.G. Pai Chief Executive Officer M.S.E.Z. office Urwastore Mangalore abused one Krishnappa (39) R/o Permude Yekkar village Mangalore Taluk in filthy language at M.S.E.Z. office Mooda building Urwastore Mangalore and referring to his caste and also gave life threat him owing to trivial issue.

**DEPOSITIONS IN THE MATTER OF FORCIBLE LAND ACQUISITION BY
KARNATAKA INDUSTRIAL AREA DEVELOPMENT BOARD ON BEHALF OF
THE MANGALORE SPECIAL ECONOMIC ZONE**

DEPOSITION OF SHRI. GREGORY PATRAO

Mr. Gregory Patrao, (S/o) Late Shri. Thomas Patrao
Uggedane House,
Kalavar Post & Village,
Mangalore Taluk
D.K.District

I, Gregory Patrao aged 45 years, resident of the above address, on ancestral property of 16 acres of cropland and a house about 350 years old. I have heard from my father and grandfather that we have been living here since the time of our forefathers. Initially we owned 75 cents and slowly my grandfather and father were able to obtain the present 16 acres. I have also heard from my forefathers that our house was used for Sunday Mass before the Pejavar church in Kalavar was built. It must be mentioned that Pejavar church celebrated its 325th anniversary in 2007.

Land acquisition process for the MRPL started during 1984. By the end of 1991 MRPL had acquired about 1700 acres of farmland in 5 villages namely Bala, Kalavaru, Thokuru, Kuthethur and Permude. This acquisition displaced 609 families. A rehabilitation colony was established at Cheluru village and the company assured a package for the displaced families. At the time of this displacement the company's promised package consisted of one house for each family along with developed roads, sewage system, electricity, potable water, schools and playgrounds. The site of the rehabilitation colony was an abandoned laterite stone quarry. It was assured that this site would be developed properly by filling up the deep and wide pits using 18 ton rollers. Nothing of the sort was done and in the last few years there have been instances of houses caving in. One job for each family was also promised. Families who did not own a house in the project area were denied employment although compensation for their cropland was given. At the last count only 18 persons were given employment, menial at that. In 1996 those who protested the compensation deal were taken to Bellary and jailed there for 15 days. On their release a meeting was organised to decide about the compensation in lieu of employment.

As per the Government of Karnataka order No. CI 36 SPL 94 Bangalore dated 2.11.1996, those who could not be given jobs, a compensation of Rs. 1,50,000.00 was sanctioned. Later a Rajya Sabha committee under the chairperson of the late K. R. Narayan visited the affected area and declared the compensation to be raised to Rs. 3,00,000.00, of which Rs. 40,000.00 only was paid. Thus a balance of Rs. 1,10,000.00 is still pending for disbursement.

List of documents attached:

1. 1992 R&R package.

2. Karnataka High Court order dated 18.9.1997 in W.P. no. 15221-15239 dated 24.6.1997.
3. Representation dated 4.11.1997 by project affected persons given to KIADB in relation to the Karnataka High Court order dated 18.9.1997 in W.P. no. 15221-15239 dated 24.6.1997.
4. Order no. RD 203 Reh 98 dated 13.7.2000 regarding clarification of issues relating to the payment of compensation to the project affected families.

Similar to the MPRL acquisition of 1700 acres during 1991 to 1996, a process of forcible land acquisition was undertaken in 2003-04 by the MRPL / ONGC for the establishment of the Mangalore Special Economic Zone in the remaining land in Permude, Bajpe, Kalavaru and Thokuru.

Total strangers started entering the crop land of these villages and started the survey and measurement of these lands. On enquiry by the villagers, no satisfactory answers were available from them. Further when KIADB was represented by the villagers vide letter dated 12.7.2004, a misleading reply was furnished by the Special Land Acquisition Officer vide F. No. SR 56 2004 -05 dated 14.7.2004 stating that no land surveyors have been deployed. Three months later a KIADB official, Shri. Chandra Mohan issued a press statement to the effect that the land acquisition notification dated 8.8.1983 under section 28(1) of the KIADB Act, 1966 will be used for the acquisition of additional 250 acres from the 600 acres notified in the 1983 order. It was further clarified that the KIADB will proceed under section 28(4) of the KIADB Act, 1966 for land acquisition. The compensation for this acquisition was announced at the old rate of Rs. 65,000.00 per acre, which was fixed during 1983-84. Interestingly, for KIADB there has been no appreciation in the value of the land even after two decades.

As per section 28(2) of the KIADB Act, 1966, notices relating land acquisition have to be served on individual land owners from whom land is to be acquired.

Section 28(3) of the Act stipulates for recording of individual objections to the land acquisition process.

In violation of both the above provisions of the Act, the KIADB in the first failed to deliver acquisition notices on individual farmers; instead they were dumped by the sack full at the panchayat offices with nobody having any inkling to the contents, neither in the sacks nor in the papers. Similarly during the process of recording their objections to the land acquisition, villagers have found that when they have vehemently objected to their land and home being taken over, the officials have recorded on the contrary. In both these instances by the time the people realize the fraud played upon them it is too late.

Subsequently, when the villagers represented to the Deputy Commissioner of D.K. District, Shri. Parshwanath on 21.10.2006 regarding the forcible land acquisition by KIADB without any proper notices, it was informed that just 0.70 acres of Shri. Arun Kumar Rao of Kalavaru village will only be acquired.

List of documents attached:

1. Press cuttings dated 4.8.2005 (Vijay Karnataka).
2. Press cuttings dated 13.3.2006 (Vijay Karnataka).
3. Representation given to KIADB 12.7.2004.
4. Representation given to Deputy Commissioner of D.K. District, Shri. Parshwanath on 21.10.2006.

Ignoring the objections raised by the villagers, the KIADB issued a new notification on 3.3.2006 for the acquisition of further 186 acres in Kalavaru and Perumedu villages and also the earlier notification dated 8.8.1983 was amended. In a separate notification No. CI 445 SPQ 2006 dated 13.1.2006 another 278 acres of land in three the villages of Bajpe, Kalavaru and Perumedu was ordered for acquisition and a price fixation advisory committee meeting notice was issued on 9.3.2006 by the district Deputy Commissioner, to be held on 22.3.2006. Strangely, this notice was sent only to the few very big land holders. This was in contradiction of existing government orders which states that advisory committees should consist of representatives from the Schedule Castes, Schedule Tribes, small and marginal farmers, women and members of the gram panchayat. Some of these big land holders were in fact not losing any land. In the meeting the acquisition price was declared which was as: for Kalavaru Rs. 1,94,440.00 per acre; Bajpe Rs. 2,53,844.00 and Permude Rs. 2,18,840.00 per acre respectively. After a heated debate the price was revised to Rs. 5 lacs per acre for all the villages, on the ground that it is the maximum prevailing market price. Vide order No. CI 138 SPQ 2006 dated 21.6.2006 another 127 acres were further notified in the three villages.

It is emphasized that in Kalavaru village about 0.065 acres land were sold at the rate of Rs. 15.00 lacs per acre on 10.2.2006, the registration documents of this sale is enclosed. This sale document was put before the advisory committee held on 22.3.2006 and the sale document was suspected by the committee to be not genuine. Later under pressure from the villagers the sale document was verified from the sub registrar's office by the Deputy Commissioner and it was found to be genuine. After a week, without calling for any meeting what so ever, the Deputy Commissioner suo moto fixed the land price at Rs. 7.5 lacs per acre. This price was also rejected by the villagers through the Samyukta Hitarakshna Samithi. Later on 12.7.2006, the new Deputy Commissiner, Shri. Maheshwar Rao called another meeting and fixed the price at Rs. 8.00 lacs and Rs. 8.50 lacs for non irrigated and irrigated land respectively. At this meeting another sale document for 0.12 acres was produced which showed the sale at Rs. 15.00 lacs per acre, the registration documents of this sale is also enclosed. The Deputy Commissioner as the Chairman of the advisory committee totally ignored this sale document. At this, serious objections were raised by the affected villagers. On which the Deputy Commissioner ordered that the lands will be acquired whether the declared price is accepted or not. A resolution was finally passed amongst vociferous objections, at which one of the local MLA Shri. J. Krishna Palemar asked for Rs. 9.50 lacs per acre. This suggestion was pointedly ignored. And it was never clarified whether the price fixed was for all the lands to be acquired.

Similarly, 186 acres was notified vide order No. CI SPQ 2006 dated 18.12.2006 in Kalavaru and Perumudu villages, for which also a series of advisory committee

meetings were held and the land price was fixed at Rs. 8.00 lacs and Rs. 8.50 lacs. Though my land of 16 acres falls within these 186 acres, I was never made part of the advisory committee.

It can be seen from the proceedings of the price fixation committee that whichever may be the land under consideration for acquisition the committee members are always the same. For example the signatures on the proceeding documents dated 2.5.2007 for the price fixation for 1070.87 acres of Bajpe, Kalavalru and Permude villages are the same as on the proceeding documents dated 27.2.2007 for 186 acres. The common names therein, apart from the government officials are S/ Shri. Gopal Amin, R.N. Shetty, Ullash R. Shetty, Joseph Albuquerque and Sudhakar Shetty. It is pertinent to note that these four members occur on all advisory committee irrespective of the fact that their land is involved or not.

List of documents:

1. Meeting notice of Price Fixation Advisory Committee.
2. Land Registration document for 0.065 acres @ Rs. 15.00 lacs per acre.
3. Land Registration document for 0.12 acres @ Rs. 15.00 lacs per acre.
4. Price Fixation Advisory Committee fixing land price at Rs. 8.00 and Rs.8.50 lacs per acre.
5. List of market price as declared by KIADB.
6. Proceedings of Price Fixation Advisory Committee held on 12.7.2006.
7. Proceedings of Price Fixation Advisory Committee held on 27.2.2007
8. Proceedings of Price Fixation Advisory Committee held on 2.5.2007

In the rehabilitation and settlement meetings held frequently, Shri. Maheshwar Rao would appeal to the project affected families not to ask for higher rates for properties such as houses, cattle, trees and wells etc. since the price given for the agricultural land was high. It was only this appeal which could be understood by the villagers, because all other discussions which took place in these meetings would be in English. The four or five government officials would speak and discuss amongst themselves, with the villagers looking on as moot spectators. At the end of the meetings a reminder of the above appeal would be repeated and everybody would be asked to go back to their soon to collapsing homes. It would be conveyed that for the Right to Transfer Certificate (RTC) with one house, a plot of land measuring 60 feet by 90 feet of land would be given at the rehabilitation colony. In those TRCs with more than one house, plots measuring 60 by 40 feet would be given to each of the house owner therein. Those who do not have the RTC but have house with door number then plot sizes of 30 by 40 feet would be given. Compensation for RCC building was fixed at Rs. 700.00 per sq. feet when the ongoing prices were over Rs. 1000.00 per sq. feet. Tiled houses were fixed at Rs. 575.00 per sq. ft. when the prevailing price was Rs. 850.00 per sq. ft. In most of the cases the prices fixed were arbitrary and no proper survey was conducted on the properties. This has led to rampant corruption among the government officials as is evident from the press cutting enclosed. The valuation for many houses was fixed at zero, because many could not fulfill the demands of these officials, as is evident from the KIADB Property Valuation Document. In the process of fixing the rates for horticulture trees it was mentioned that the trees would be classified into different classes and valued accordingly. Such classification and fixation was done during 2003 but the

disbursement was effected in 2008 at the rates fixed in 2003, even though prices for 2008 were available. Another aspect that was grossly overlooked was the fact that almost all households owned cattle. After being allotted the tiny plots of land at the rehabilitation colony, people found it extremely difficult to keep the animals. As such as no space was available to keep them, suddenly there were no grazing lands available. Needless to mention almost everybody had to sell their cattle at distress prices.

List of documents.

1. Price fixation order for horticulture trees in 2003 and 2008.
2. Representation given to KIADB for re-fixation of prices.
3. Press cutting dated---
4. Zero valuation - KIADB Property Valuation Document.

Date – 08-11-2009

Place - Bajpe

DEPOSITION OF JEROME ALBUQUERQUE Age: 54

Eden, Erm Padavumane,

Mudu Poru

In a stretch of 3.63 acres of land that is spread across survey number 12-1, 2, 3, 5, 6, 8, 103, in Kalavaru village, agriculture is being practiced from the days of my parents and by me after them.

I have five children and my wife expired in the year 2000. The education of all my children has been possible because of the money earned by growing rice, banana, areca and other vegetables. My agricultural land was a three crop agricultural land with enough water facility. I had also installed a 5 HP pump in a small pond which existed in my land. I also had three cows and 2 buffaloes which gave milk for our family consumption and also for sale. The manure for my agriculture came from these cows and buffaloes. My livelihood is directly connected to my agriculture. I have not brought anything, for daily consumption, from outside.

In the year 2005 I received a notice from K.I.A.D.B. for land acquisition for M.R.P.L. and I, immediately objected. I was not willing to give my land away but because M.R.P.L. acquired the lands on my neighborhood which put me under pressure. The *Gurukaar* of my village remained silent and in place of supporting my stand he supported M.S.E.Z. This situation was capitalized by the MSEZ people to pressurize me with their frequent and regular visits asking me to leave my land for laying the cable line for M.R.P.L. These regular, frequent and repeated visits were emotional trauma for me and as a result of this I decided to vacate my land. I said I would not move out of my land only after I was provided with proper rehabilitation and compensation. But I was asked by the M.S.E.Z. officials to vacate first to be allocated rehabilitation and compensation.

After I vacated my land I was provided with a compensation of Rs. 40 lakhs in the name of medical expenses, door number expenses and house rental expenses. No other facilities were provided. I had to leave my fertile land because I felt pressurized after my neighbors vacated their land for M.R.P.L.

Now I am living in a 60 cents land at Perra, to buy which I had to take loan. I have a small house here and my children also stay with me. There are no proper facilities facilitating proper livelihood here. Now I have to buy food material from outside (shops). There is no proper water facility in the area where I am living now. At times I am faced with conditions where I have to get water in tankers. This poor water condition has become a hurdle in my enthusiasm to grow vegetables in my small piece of land. I am suffering economically now and when I remember my previous life I am in pain.

DEPOSITION OF POOVAPPA POOJARY

Address: Site no. 461, MRPL colony, Cheliaru Post, Mangalore

I used to do agriculture with about 10 acres of land. My house used to be in Gatnabettu in Bala village. The land was fertile and I used to get my basic needs like water, milk, firewood with ease. Hence the economic condition of my family was decent. But in 1992, MRPL and KIADB along with police force coerced me into giving up land at Rs 60,000 per acre which is a very low price for my land. Without even rehabilitating they evicted me and destroyed my house along with inflicting mental torture on me and my family. I was made destitute with a family to look after. We were forced to live in a shed during the rains as we were displaced without rehabilitation/compensation or any alternative. We refused to stay in that shed and found a rented house. Even though they had assured us that they would take care of our rent, they did not keep the promise. I got an absurdly small amount of Rs 50 per coconut tree, Rs 20 per cashew tree and Rs 20 per arecanut tree. It was a time when the agricultural department itself used to quote a price of Rs 2000 per coconut tree. They paid us a mere Rs 200 for our well, which was 15 feet in width.

In Chelaru colony they gave me 12.5 cents (0.125 acres) of housing land only. I built the house on my own. I used to have a family of 6 and we all used to practice farming altogether, but after displacement only one person was employed by the company (MRPL) and the others were left unemployed, hopeless and desperate. The rehabilitation colony to this day poses the biggest problem i.e., extreme scarcity of water, especially drinking water.

Signed: Poovappa Poojary
9880844171

Date: 28-10-2009

DEPOSITION OF DINESH KULAAL

Dinesh Kulaal

Site no. 208, Block No. 9, Krishnapura, Katipalla, Mangalore Taluk

In the year 1993 I gave my 0.12 acre of land and also my house through K.I.A.D.B. for the setting up of M.R.P.L. Prior to land acquisition I was promised of rehabilitation, job and compensation in monetary terms. For my land, which had a house, coconut trees, cashew trees, jackfruit trees, mango trees I received a compensation of Rs. 20, 000 only. After we vacated the land we were told by the company officials that the company did not require illiterate people like us and hence would not provide us any job. Now I and many like me have neither a job nor our own land and house.

DEPOSITION OF GABRIEL NAZARETH

Shenoykodi House, Permude Village

I Gabriel Nazareth, Shenoykodi House, Permude Village, have been leading a life relied on agriculture. My agricultural practices have been taken in survey number 17-5a, 2 b. Earlier we were five in number, practicing agriculture but now we are three. Beatle leave, bananas, arecanuts, coconuts, black pepper, vegetables etc that I have been growing in my agricultural practice have been enough to sustain the needs of my family and lead a happy and satisfied life. I have received no help from the Government or any non-Governmental Organizations for my livelihood. I have been giving shape to my life by practicing agriculture in my own land.

I know of no other means of livelihood than agriculture. I am also involved in cow rearing with six cows. I supply around 12 liters of milk to KMF everyday which is a surplus after the milk consumption of my family. My agriculture and cow rearing are interdependent; the fodder for the cows comes from agriculture and the manure for agriculture comes from the cows.

Soon after the notice was issued to me, I have given it in black and white that I will not give my land for the SEZ. But the notice has not been withdrawn and has been causing continual harm not just to my agriculture but also to my emotional health.

DEPOSITION OF DORA DCUNHA

Name: Dora Dcunha

Age: 32

Address: Kutettoor grama, Mangalore

I Dora Dcunha (32) am a resident of Kutettoor grama, Mangalore.

My land at Bala Grama was acquired in the year 1992 for the setting up of H.P.C.L. promising a job to me. The promise remains unfulfilled to this very day and the justification to this given by the company is that I am under-qualified, educationally, for the job. I have done my schooling till class 10. They then said they would give me compensation in the form of money, in place of a job and assured me to give Rs. 3 lakhs out of which only Rs. 1,90,000 has been released to me yet. When I ask for the remaining money all I get is another promise saying I will receive the remaining money in the near future. They also showed me a land of 5 cents in Cheliaru grama, for rehabilitation. But that place has no basic necessities fulfilled and hence I received a sum of Rs. 30,000 in place of rehabilitation land.

DEPOSITION OF VISHWANATH BHANDARY

Name: Vishwanath Bhandary, Age 39 years

Father's name: Aithappa Bhandary

Address: MRPL Colony, Cheliaru post, Site no. 134

Earlier I was in Bala village as an agriculturist in Mudalemaalu with about 6.5 acres of agricultural land. In 1992 KIADB notified my land and acquired our land. We received Rs 40,000 per acre initially but later went up to Rs 80,000 for those who protested strongly. They wanted to give a very low price for my house but when we disagreed with their quoted price, they removed the tiles from our roof and demolished the house. In this the police, KIADB and MRPL were equally involved. With this crooked method, they forced us to move out. After all this I wasn't given any land for rehabilitation. For about 4 months I resided in a rented place. Then after a lot of inquiry and nagging, I was allotted 12.5 cents of land in Cheliaru. This place has no basic necessities such as water, electricity and others. The land I was given also came directly under a high-tension wire of KEB. This land is controversial and under-dispute as KEB constantly cuts our trees and creates trouble. Hence, presently I live in great hardship.

They did provide one job per family but that was taken up by one of my relatives in the undivided joint family. But now our family has split and presently I'm unemployed and am in distress. Presently drinking water is a big problem as the water that is given is unfit for human consumption. But we have no choice other than to drink the water provided and as a result we get sick with vomiting and other illnesses. There have been too many instances when we had to visit the hospital because of this.

Without a way out of this, with great difficulty I opened a small saloon shop. But now it has been acquired by MSEZ . Although 10 years ago I spent Rs 60,000 to set up the shop, now I have received only Rs 12,000 as compensation. So I've lost my livelihood again and find myself and my family more hopeless and despondent more than ever.

My eyes fill with tears when I think of the days when I used to be a farmer, independently earning my livelihood 16 years ago.

Signed: Vishwanath Bhandary

9686146204

DEPOSITION OF CHANDU

Name: Chandu

Age: 46

Address: Shivakripa, Site no. 155, Door no. 329, MRPL Colony, Cheliaru

I used to live in Kalavaru Padavu, Bala Panchayat. I used to own 0.5 acres of agricultural land and sustain myself by agriculture. I used to grow cashew, coconut, some vegetables, tubers, mango and jack fruit trees. I used to sell whatever grass that used to grow on my land to cattle raisers. KIADB issued me a notice for land acquisition in 1985. In 1992, they started leveling all the undulating land in my neighbourhood. I was left with no option but to leave when they started blasting using dynamite and gelatin sticks. When I left there was no rehabilitation for us. When we asked the KIADB and MRPL about rehabilitation they told us to move to Cheliaru and said that a contractor from Puttur would build a house for us.

It was the rainy season when we got evicted and we had no other shelter but a hut which we erected using coconut leaves. We lived in that hut for an year. For all this loss, I got Rs 30,000 as compensation (at the rate of Rs 60,000 per acre) which was divided amongst 6 people of my family. And they gave Rs 2270 for my house. They were supposed to give one job per family but made merely an oral assurance of a job without giving anything in writing.

Hence I became a part of a committee that fought intensely demanding jobs. During this time, I and the committee members were subjected to lathi-charge, tear-gas shells and a lot of torture. For sitting in protest in front of the Cargo gate of MRPL, we were arrested and sent to Bellary jail. Finally after a meeting in Vidhan Soudha with the Industries Minister and our Samiti, they settled for paying us Rs 1.5 lakh in lieu of a job. The government says we dalits have reservations in government offices, but it's a sham. We are denied and deprived and then denied of what we deserved.

It has been 16 years since I have worked or found a job. The water is horrible here. The house runs because my wife does some menial jobs which earn her enough. We can't find anything here; no firewood, no grass, nothing. The worst is scarcity of water. In summer the ground water we get is saline. MRPL supplies us drinking water but we have to pay tax in the panchayat. If we don't then they will cut off our supply.

Signed: Chandu

09343428059

Date: 28-10-2009

DEPOSITION OF GANESH KUMAR

Name: Ganesh Kumar

Father's name: Narayan Poojary

Address: Site No. 143, MRPL colony, Cheilaru, Mangalore

I used to live in Kolavaru with 2.5 acres of agricultural land in my father's name. We were 3 children to my parents. They quoted Rs 80,000 per acre and acquired our agricultural lands by force. KIADB and MRPL did this with the help of police. They gave us a total Rs 45,000 for our house and trees. In compensation, they assured us good rehabilitation as well as one direct govt. job and one private temporary job for two members of the family. We got no job at all as they changed their tune after acquiring the land. They had promised the jobs for uneducated but denied it later and when I fought for it people like me were taken to Bellary jail and kept there for 22 days. When we were in jail they coerced and threatened family members into taking the compensation of 'money for job' that amounted to Rs 1.5 lakhs. Thus I was deprived of everything and cheated. This compensation which was supposed to be Rs 3 lakhs and these people got away by paying us Rs 1.5 lakhs. After persistent fighting they paid me another Rs 40,000. They haven't talked about paying us the rest of the compensation since then.

In the MRPL colony we got 0.125 acres. We had to level the land and everything else. The state of this land was awful. To this day we do not have basic amenities. This has been my state for the last 15 years.

Signed: Ganesh Kumar

9342475497

DEPOSITION OF DODDANNA SHETTY

Doddanna Shetty

Shri Raksha house, Soorinje grama, Mangalore taluk.

I, Doddanna Shetty, aged 65, was born and brought up in Bala Grama where I owned 10 acres of land. I gave my land away in the year 1990 for the setting up of M.R.P.L. Though I received compensation money the promised 'a job per family' was not provided. And while fighting for the same I was put behind the bars of Bellary jail. When I was trying to meet the officials in person and ask them to provide with a job as promised, they would ask me to walk away with Rs. 19,000 in place of a job which would be a compensation for not providing the job. Unable to fight more I took the compensation money which got over within a year. I managed to buy 1 acre of land at Soorinje where there is no proper water facility which makes it impossible for me to indulge in agricultural activities. The rice bowl of my family is broken. More over due to M.R.P.L. the environment around our house and village has become polluted and the drinking water is also contaminated due the seepage of oil into the ground water. This state of joblessness and broken life is not just my story. There are many like me, around me. M.R.P.L. has betrayed us by taking away our land but not giving us job. It pains to know that jobs are being given to people from other parts of the country and not to the people who gave their land for the setting up of the company.

TESTIMONY TO THE PANEL AT THE PEOPLE'S AUDIT OF MSEZ, BAJPE CHURCH HALL, NOVEMBER 8, 2009

VINAY KUMAR

Dear Panel,

I would like to begin my testimony by showing you how thick the EIA report prepared by NEERI and submitted by MSEZ is. Despite its thickness, I can safely say that this is one of the shoddiest and the most useless piece of “technical” work that I have seen in my life. I would like to first dwell on the basic premise of an EIA. The operative words are impact and assessment. The critical questions that an EIA should answer are 1) impact on whom? and 2) assessment for whom? This EIA document demonstrates that the consultant has no clue on whom any impact of the proposed MSEZ industries is going to be felt and it also demonstrates that this entire assessment is hardly meant for us, the public to come to an informed decision about whether we want the industries or not but a mere formality for the sake of getting clearances.

An ideal EIA must first and foremost be aware of all the sensitive receptors that are likely to show the impacts of pollution – namely, humans, crops, forests, water bodies and historical monuments. It must then provide detailed quantitative analysis of the likely impacts drawing on the existing literature of epidemiological studies and the experiences from other similar industrial complexes in India and abroad. This should include the relative risks that humans face with respect to a whole gamut of pollution related health effects as well as impact on human livelihoods like agricultural i.e. crop losses and fisheries. This EIA does not contain even a single word about any of the risks that the people who live in the vicinity of the petrochemical industries of MSEZ might face.

It must be noted that the industries that MSEZ will bring are quite new to this region. There has been a refinery here for many years now but the products of the refinery are quite different from the kinds of products of the new petrochemical industries being proposed now. In MSEZ Phase I, besides greatly expanding the existing capacity of the refinery, it will also introduce an olefins and an aromatics complex. These complexes will manufacture and store large quantities of substances like Benzene (8,000 tonnes of on-site storage) and Xylene (10,000 tonnes of on-site storage) and several other intermediate and derivative organic compounds. All of these are known to be highly inflammable, highly toxic and some of them are carcinogenic. Especially the storage of Benzene is actually of grave concern since it is a known human carcinogen implicated in the cause of leukemia (i.e. Acute Myeloid Leukemia).

There is a glaring gap between the nature of industries being planned in MSEZ and the kind of data that has been gathered by the EIA process. In this regard, the kind of industries those are coming produce very large quantities of acid gases by burning fuels and also emit substantial quantities of hydrocarbons by way of fugitive emissions. What was clearly needed in this situation is baseline data on respiratory illnesses such as Asthma and COPD. In addition, in lieu of the carcinogenic content of the fugitive emissions baseline data on incidence of cancer was also needed. None of these have even been mentioned as potential risks; leave alone collect any significant data on the same. There are some really transparent cases of deception in the EIA. A straight forward instance is where the EIA gives a breakdown of fugitive emissions in terms of the storage tanks. What we need to know is the hydrocarbon content of the fugitive emissions. So a case in point, is where the total fugitive emissions from the Benzene storage tanks is shown as being 2-3 kg/day. But what they don't tell us is that the Pyrolysis Gasolene being stored on site (about 3000 tonnes) contains 20-50% Benzene. If the Benzene content of the fugitive emissions from Pyrolysis Gasolene tanks is taken into account, the amount of Benzene leaking in the air something like 180-500 kg/day. Given that Benzene is one of the most potent carcinogens known to us, this is a serious issue that the EIA contrives to deceive.

Another clear case of deception is the claim that MSEZ is more than 25 km from population centers when everybody knows that thickly populated centers such as Pannambur and Surathkal which are parts of Mangalore City Corporation are well within that range. The EIA treats the MSEZ as merely as isolated instance of a polluting industry, not taking into account the existence of other industries in the area such as MRPL, BASF and additional industries being planned, e.g. MSEZ Phase II leading to the PCPIR. The EIA completely misses the simple and obvious fact that the region will face the cumulative impacts of these industries. It dismisses any demands for a cumulative analysis as being beyond the scope of the EIA process.

TESTIMONY BY HEMLATHA BHATT

Name: Hemalatha Bhatt

Name of Village: Thenka Yekkaru

Land holding: 13.13

Land Use (Extent of crop land) in 8 villages of Mangalore Taluk, identified for MSEZ¹ 2005- 2006 (All in acres)

S. No	Name of the village	Total Extent of land	Land Notified for MSEZ	Single crop land	Double crop land	Triple crop land	Perennial crop land/ Horticulture (Cashew, Coconut, arecanut etc)
1	Kalavaru	815.10	458.80	49.40	101.27	7.41	115.47
2	Bajpe	1785.81	575.65	138.32	209.99	39.02	131.40
3	62 Thokur	1314.04	112.37	54.34	163.02	59.28	129.67
4	Bala	1400.49	73.80	9.88	14.82	8.64	105.59
5	Permude	1832.74	1593.02	192.66	195.13	29.64	200.54
6	Delantha Bettu	790.40	368.48	272.93	217.36	41.50	162.52
7	Thenka Yekkaru	1583.27	447.27	140.79	153.14	83.98	201.19
8	Kuthethooru	1719.12	344.42	175.37	288.99	54.34	199.94
	Total in acres	11240.97	3973.81	1033.69	1343.72	323.81	1246.32
	% of crop land			9.20	11.96	2.89	11.09

Total crop land in the 8 villages in the year 2005- 2006= 35.14 %

¹ The figures are based on Government documents, Revenue Department and Agricultural Department

Land cultivating more than one crop (double, triple perennial crops) = **25.94 %**

Land Use (Crop land) in the year 2006- 2007 in acres

S.No	Name of the village	Total Extent of land	Land Notified for MSEZ	Single crop land	Double crop land	Triple crop land	Perennial Crop land/ Horticulture (Cashew, Coconut, arecanut etc)
1.	Kalavaru	815.10	458.80	86.45	*19.76	12.35	115.55
2.	Bajpe	1785.81	575.65	185.85	*49.40	54.34	133.12
3.	62 Thokur	1314.04	112.37	335.54	*148.20	22.23	130.29
4.	Bala	1400.49	73.80	17.29	24.70	17.29	106.20
5.	Permude	1832.74	1593.02	143.26	281.58	64.22	202.41
6.	Delantha Bettu	790.40	368.48	185.25	185.25	66.69	167.09
7.	Thenka Yekkaru	1583.27	447.27	123.50	180.31	87.68	205.37
8.	Kuthethooru	1719.12	344.42	143.26	190.19	77.80	200.81
	Total in acres	11240.97	3973.81	1220.4	1079.39	402.60	1289.55
	% of crop land			10.86	9.60	3.58	11.47

*After Acquisition

Total crop land in the 8 villages in the year 2006- 2007= 35.51 %

Land cultivating more than one crop (double, triple, perennial crops) = 24.65 %

** Directives from the Joint Secretary, Commerce & Industry, GoI to the Principal Secretary, Commerce & Industry Department, GoK says, “**priority should be given to barren & waste land and if necessary single cropped agricultural land may be acquired. If perforce, a portion of doubled cropped agricultural land has to be acquired to meet the minimum area requirements especially for multi product Special Economic Zones, same should not exceed 10% of the land required for the SEZ. I would request you to strict compliance of these instructions**”.

Land cultivating more than single crop (double crop + triple crop + perennial crop) in the above villages is 25.94 % & 24.65 % in the year 2005-06 & 2006-07 respectively. Hence it is clear that that above directive has been violated in the case of Mangalore SEZ.

MSEZ’s claim-

As per MSEZ land use study (based on Satellite data of 27th Jan 2006) total agricultural land in 5371 acres is as follows

Crop land	1044.50	19.45 %
Fallow land	181.67	3.38%
Agriculture Plantation	187.96	3.50%

Though **MSEZ claims** (in its EIA report) **to have carried out joint field visit with IN-RIMT during 10th to 13th March, 2007**, to visually estimate the double crop extent in the identified area, documents provided under RTI on asking for all documents pertaining to the Land Use study by MSEZ and IN-RIMT, shows **nothing to support this claim**.

It doesn’t explain why crop land /double crop land assessment was taken up neither in Kharif nor in Rabi season, but in Summer season; while statistics with Revenue and Agriculture Departments show substantial extent of land going for cultivation in the notified villages both in Kharif and Rabi seasons and least extent of land being cultivated in Summer season (3rd crop).

Land use as per payments made by KIADB in **1405.28 acres** land acquired for 1st Phase:

Wet land	741.00
Dry land	641.05
Plantation	50.23

Land Use (Crop land) in **2035 acres** as per KIADB's finding of 2007 (based on the information on crops of 2005- 2006, existing with the Village Accountants) - provided by MSEZ. No other documents supporting this have been provided.

Sl No.	Name of the village	2 crop land	3 crop land
1.	Permude	24.96	14.16
2.	Kuthethooru	22.01	1.52
3.	Delantha bettu	8.27	3.71
4.	Thenka Yekkaru	54.43	4.93
Total		109.67	24.32

None of the documents with Revenue and Agriculture departments support this claim of Mangalore SEZ.

Enclosed:

1. Document provided by Revenue Dept. in consultation with Agriculture Dept.
2. Copy of the Letter from the Secretary, C&I, GoI to Smt.Manorama, the then M.P.+ copies of guidelines to GoK enclosed.

Comments on the Socio-economic Assessment of Mangalore Special Economic Zone People's Audit, Mangalore

November 8, 2009

Hema Swaminathan, Indian Institute of Management Bangalore

Introduction: In my brief testimony, I want focus exclusively on socio-economic impact studies that are mandatory before any displacements can begin. This testimony is based on an on-going research program on involuntary development induced displacement, supported by IIM-Bangalore. Development induced displacement is the general term used to describe millions of people around the world including India who have been uprooted in the last seven decades – incredibly sad story.

As this is a people's audit, I do not wish to take more time than is needed to comment as objectively as possible on the Mangalore Special Economic Zone (MSEZ) socio-economic studies. Ultimately, this is a normative political question that has to be addressed on first principles. Thus, I will discuss the socioeconomic assessment that assumes displacement as a legitimate price to be paid using strictly 'official' normative frames. Before I begin my testimony, let me very briefly lay out the -quote -unquote "officially accepted" standards for socio-economic studies. I will then simply measure up what has been done at MSEZ using this very official yard-stick, which without doubt is far from being perfect.

Why conduct a socio-economic study? One of the primary goals of a socio-economic study in a project that involves large-scale displacement (1,787 houses out of a total of 4,700 houses) is to provide a baseline against which future comparisons can be made with regard to the overall welfare of the displaced population. It is useful to conceptually define the minimum set of risks that are faced by the affected population. It is also useful at this stage to clarify who is affected by a project that involves displacement? Affected communities/households/individuals potentially comprise two categories. First, individuals who are displaced because the land they own, or are living on, is acquired for a SEZ and second, individuals who are not actively displaced from their current residence, but who will be impacted by the presence of a SEZ in the neighbourhood.

The following set of parameters is adapted from the sociologist Cernea (2000) who developed this methodology for the World Bank – to reiterate once again, I am interested in the first instance, to see how MSEZ studies measure up against these widely accepted norms.

1. Landlessness: particularly in agrarian economies, loss of land transforms livelihoods, changes asset composition within households, and can cause social distress as land ownership is often linked to one's identity and a way of life.
2. Loss of livelihoods: in addition to loss of livelihoods related to loss of land. Employment options guaranteed may not be sufficient and can result in migration and spells of unemployment. Further, there are also landless labourers, artisans, and other self-employed persons whose livelihoods will be impacted.
3. Homelessness: loss of cultural space associated with leaving a long-held family dwelling.
4. Marginalisation: being displaced can be considered as a drop in social status. People may not be able to use their previously acquired skills in the new locations. If people are coerced, it could further destroy their confidence and self esteem.
5. Food insecurity: it is seen that undernourishment usually accompanies displacement. Loss of livelihoods and loss of productive land means that often people lack the purchasing power to buy adequate food.
6. Adverse health outcomes: empirical evidence from India shows that people who are displaced are at greater risk of vector borne diseases etc. Additionally, there is a sense of grief as well due to the attachment that one develops with place and community.
7. Loss of access to common property: this is an important source of income for communities – access to grazing lands, sale of non-forest timber produce, and a source of food and fuel.
8. Social disarticulation: There is usually a rupture of the social fabric – among family members, communities, and other social networks; loss of social capital and insurance, which could be particularly protective for poorer and vulnerable sections of society. To this framework, I add two other risks that may be experienced.
9. Amplification of existing inequities: this could happen if the resettlement process is not transparent and fair. There could be elite capture of benefits and of institutions in the newer areas.
10. Increased vulnerability of specific socio-demographic groups – religious minority, marginalized castes, women, children, and the elderly.

Thus, a socio-economic study should collect detailed information on all of the above at a minimum and other issues of concern as may be relevant in the local context. The socio

economic study should provide a baseline for future data collection efforts that can facilitate rigorous policy analysis of important questions. Examples of these include: How are individual and household livelihoods affected? Does the establishment of the SEZ have a negative or positive impact on poverty levels of affected households? Is there a change in intra-household resource allocation – i.e., is there any change in the distribution of resources to individuals within the household? Are the changes intergenerational, i.e., is there any adverse impact on children's education and health that could have long-term implications? What has happened to social capital, social networks, and community relationships?

Mapping out these risks explicitly at the beginning and tracing their evolution through time helps to understand the impact the project, but is also essentially to developing a comprehensive Rehabilitation and Resettlement (R&R) framework. The planning of R&R should be undertaken to prevent these risks from materialising and to help individuals re-establish themselves post the experience of displacement.

Study conducted by MSEZ: The original study was conducted by Srinivas Institute of Social Work, Pandeshwar, Mangalore. They administered a questionnaire to respondents in 3 villages, Bajpe, Permude, and Kalavaru. According to the National Environmental Engineering Research Institute (NEERI) report, the socio-economic assessment was “undertaken to assess the local residents, awareness, opinion, perception and apprehensions about the project, a socio-economic study has been undertaken in Project Displaced villages, by interviewing the Sarpanch of each village and respondents (adult male/female) representing various socio-economic sections of the community”. Based on the questionnaire that was canvassed to the respondents, (provided to me by MSEZ), the information collected can be classified into the following groups:

1. Demographic details of individuals (age, sex, marital status, religion, social groupings),
2. Details of current land holding (status - separate, joint, area, type of land, source of irrigation, year acquired, if earmarked for acquisition etc.),
3. Housing – details of ownership and procurement pattern, structural characteristics
4. Employment and income details, and
5. Annual expenditure of the family

The report submitted by NEERI suggests that their organisation also conducted a baseline socioeconomic survey in the larger study area comprised of twenty seven villages (delineated as 15 km area from the ends of the MSEZ site). They collected information on the following domains – demographics, infrastructure base, economic attributes, health status, cultural attributes, Quality of Life information, and awareness and opinion of respondents with respect to the proposed project. A primary survey was conducted, supplemented by observations by survey team and secondary data sources.

Assessment of the socio economic study:

My current assessment of the Srinivas Institute study is based on the NEERI report and the material I was given by the MSEZ office, Mangalore. What was made available from the MSEZ office was only the questionnaire administered by Srinivas Institute in three villages and some incomplete data. Even after much effort, I could not obtain a copy of the socioeconomic assessment report (if it exists). Hence, the scope of the survey, the research design and methodology including sampling frame, and sample size are not clear.

By MSEZ's own admission, the survey was poorly designed and implemented. They also believe that the data is unreliable and consequently are trying to put in place their own data collection mechanisms. Further, the Srinivas Institute has not actually analysed the data they collected. They have generated basic tables of demographic characteristics, people's land holding status, occupational status and so on.

I would like to highlight that there was no systematic information collected on benchmark measures critical to understanding how individual's welfare may change over time. Apart from land holdings and housing, no other measure of productive asset is captured. In fact, even the extent of livestock is not captured, a fairly important asset in agricultural areas. There is also no information on household's and individual's access to common property resources. There is no detailed information on current health status of the respondents. The NEERI report catalogues prevailing diseases in the area (malaria, diarrhoea, dysentery, and viral fever), which is attributed to improper sanitation and lack of hygiene in the villages. Given the nature of the MSEZ project, an accurate baseline of health indicators is indispensable to understanding the health impact of the project over time. The psychological stress and trauma induced by displacement are also factors that need to be considered. We also don't have any information on time use patterns and food security situation of households and individuals. These are important factors to consider as schools, medical facilities, place of employment may be further away and could increase people's time burdens, particularly for women and children. Food insecurity could be experienced by settlers if resettlement is not of the highest quality – they may experience breaks in employment, income shocks, or low agricultural productivity due to poor quality land etc. There is also no comprehensive analysis of household expenditures – this would have been important to generate at least some rough estimates of poverty levels of the household.

Finally, this whole exercise has been gender blind. There is little understanding that men and women will experience the effects of displacement or project development differently. As households cope with economic and emotional shocks, the effects of these will usually be amplified for women – be it in terms of food insecurity, worsened health outcomes, lesser access to economic resources and employment opportunities, increase time poverty, and deteriorating power relations.

With regard to the NEERI socio economic study, while I have not seen the actual questionnaire, their short report suggests that it too suffers from all the deficiencies highlighted above. Further, they develop a quality of life index (QoL), which indicates overall status of socio economic environment in a given area. This is based on objective ranking by an expert group and a subjective ranking by people. Based on this exercise, NEERI concludes that the QoL would increase from 0.48 (pre project) to 0.50 (post project). The methodology of deriving the QoL is rather fuzzy. Even if one buys into the validity and reliability of the QoL method, a .02 increase does not seem significant and we are not provided any measure to judge what this increased number translates into.

Finally, socio economic assessments of this nature need to go well beyond quantitative surveys. They should also be supplemented with extensive qualitative work and deeper understanding of relationships, institutions, and processes that govern people's lives. These changes cannot be picked up surveys alone, yet are important to how people experience the impact of development. I would conclude that judged by the framework laid out above, the MSEZ socio-economic study is inadequate, has not informed the R&R process, and certainly cannot be the bases for going ahead with Phase 2 of the project.

References

Cernea M. Michael. 2000. Risks, Safeguards, and Reconstruction: A Model for Population Displacement and Resettlement, in Cernea and McDowell (eds.) Risks and Reconstruction: Experience of Resettlers and Refugees. World Bank.

A Summary of “BIODIVERSITY INVENTORY IN AND AROUND TENKA YEKKARU GRAMA PANCHAYAT, MANGALORE TALUK, DAKSHINA KANNADA DISTRICT, KARNATAKA”; Ramachandra T.V. et al, Nov 2007

A team led by Ramachandra T.V., et al from the Center for Ecological Sciences of the Indian Institute of Science, Bangalore conducted an inventory and mapping of biodiversity in November 2007 in the villages of Permude, Tenka Yekkaru, Delanthabettu and Kuttethuru. These villages are to be directly affected due to extensive land acquisition by MSEZ Phases I and II. The purpose of the study was to understand the ecological importance of the region considering its proximity to the Western Ghats, one of the eight hottest biodiversity hotspots of the world.

In a short span of two days and by sampling in a few selected localities, the team discovered that the region is rich in biodiversity evident from the occurrence of several flora and fauna species. This study records 187 species of plants, 59 butterflies (2 endangered and 2 endemic), 11 odonates, 6 amphibians (1 endangered and 2 endemic), 3 reptiles, 55 birds (1 schedule I species) and 7 species of mammals (1 schedule I species). Also many of these taxa are protected under Wildlife Protection Act, 1972, amended 2006.

The study made the following observations and recommendations:

1. Carrying capacity of the district has to be assessed on priority before implementing any developmental projects in the erstwhile undivided Dakshina Kannada district.
2. The integrity of water quality is already impaired due to the effluent inflow from industries commissioned and functional in the region (such as MRPL). Polluter pays principle as per “Water (Prevention and Control of Pollution) Cess Act, 1977 and the Water (Prevention and Control of Pollution) Cess (Amendment) Act, 2003” to be implemented on priority.
3. Considering the biological richness and ecological sensitiveness of the Western Ghats, large scale developmental projects should not be planned in any part of the Western Ghats as it is likely to impair functional capabilities of the ecosystem namely hydrology, biodiversity and ecology.
4. The current study area is in the close proximity (< 30 km) to the Western Ghats and setting up megascale industrial projects including power projects in the region will lead to large scale land cover changes, which in turn lead to loss of biological diversity, natural resources and ultimately impact humans.
5. Rabi, Kharrif and summer agriculture crops apart from perennial horticultural crops clearly demonstrate the fertility of the soil, coupled with availability of the water.

6. The region needs to be conserved on priority as per the Wildlife Protection Act, 1972 (amended 2006), due to the presence of many endangered, endemic, rare and threatened species listed (Tables 2-9) under Schedules I-IV of Wildlife Protection Act, 1972.
7. In the event of intense industrialization, pollutants will disperse and get transported to the regions with higher wind regimes, which will affect the ecologically sensitive Western Ghats. This will influence the climate regime and the district will face serious and severe water crisis resulting in prolonged drought in the region.
8. The EIA conducted for the region violates the September 14 2006 EIA notification of Government of India as applicable to Category A and B1 projects.
9. The EIA report lacks detailed field investigations covering all seasons, landscapes, waterscapes, cultural, socio-economic aspects. The report fails to highlight the ecological, biological and cultural importance of the region, [including the inadequacy of data used and the absence of cumulative impact assessment]. Proposed developmental activities in the vicinity of the Western Ghats - ecologically sensitive biodiversity hotspot violates the due recognition given to wildlife and forests, in the constitution of India. In particular it violates Section 10 of the Constitution (Forty-second Amendment) Act 1976, Article 48; Section II of the Constitution (Forty-second Amendment) Act 1976, Article 51 A; Forest policy 1998; Forest policy 1998; The Wild Life (Protection) Act, 1972; The Biological Diversity Act, 2002; The Environment (Protection) Act, 1986; and The National Environmental Policy 2006.

The report concludes by stating “District authorities and elected representatives should take cognizance of prevailing regulation as per the constitution of India and should strive for the conservation of ecologically fragile and sensitive global biodiversity hotspot – the Western Ghats. Taking sincere measures in this direction would be a befitting gift by our generation to the future generation. The governance of the region should encompass the principle of transparency, rationality, accountability, participation, and regulatory independence.”