

POVERTY AND INEQUALITY: OTHER SIDES OF DEVELOPMENTAL PROJECTS

Ramesh S. Mangalekar, Ph. D.

Associate Professor of Sociology & Dean Karnataka State Higher Education Academy,
Dharwad, rameshugcmrp2008@gmail.com

Abstract

Indian Nation State has completed more than six decades of independence. After independence our planners have focused on building large infrastructural projects to accelerate the economic development to fulfill the larger objective of inclusive growth by removing poverty, unemployment and inequality. However in India development and displacement are considered as correlates process. The infrastructure development projects have the unintended consequences of impoverishment. M. M. Cernea, a sociologist, who has researched development-induced displacement and resettlement for the world bank, points out that being forcibly ousted from one's land and habitat carries with it the risk of becoming poorer than before displacement, since a significant portion of people displaced do not receive compensation for their lost assets, and effective assistance to reestablish themselves productively. He has identified eight interlinked potential risks related to development-induced displacement. The major impoverishment risks such as: landlessness, joblessness, homelessness, marginalization, morbidity, food insecurity, restricted access to common property resources (CPR) and social disarticulation. The present paper attempts to understand the socio-economic impact of the population displaced by the construction of such large projects. More particularly this paper is focused on how development-induced displacement leads poverty and inequality in the society. This present paper has been prepared mainly by using the secondary sources of data like unpublished thesis, published books and reports on the development, displacement and rehabilitation. Development-induced displacement and rehabilitation has not seen as a "development opportunity" (Mathur and Marsden 1998), and this in itself is questionable, it will need radical change. This includes the need to avoid displacement and ensure that it is minimized. The entire process must have the provisions to include the full participation of displaced people in decision-making processes of developmental project, resettlement and rehabilitation.



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Introduction:

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Officially, Indian policymakers have always been concerned with the reduction of poverty and inequality. However, between the first five year plan after independence in 1947 and the turn of the century, Indian economic policy making went through a sea of change. After independence and for a period of about forty years, India followed a development strategy based on central planning. Thus poverty entails living in a state of deprivation that is multidimensional in nature. It includes:

- i. Material deprivation - lack of income, resources and assets.
- ii. Physical weakness - malnutrition, sickness, disability, lack of strength.
- iii. Isolation - illiteracy, lack of access to education and resources, peripheral locations, marginalization and discrimination.
- iv. Vulnerability - to contingencies which increase poverty (e.g. war, climatic changes, seasonal fluctuations, disability).
- v. Powerlessness - the inability to avoid poverty or change the situation.

Poverty and Inequality:

Inequality is different from poverty but related to it. Inequality concerns variations in living standards across a whole population. By contrast poverty focuses only on those whose standard of living falls below an appropriate threshold level (such as a poverty line). This threshold may be set in absolute terms (based on an externally determined norm, such as calorie requirements) or in relative terms (for example a fraction of the overall average standard of living). Intuitively relative poverty is more closely related to inequality in that what it means to be poor reflects prevailing living conditions in the whole population. But the degree of inequality will have implications for both conceptions of poverty. Inequality is a broader concept than poverty in that it is defined over the entire population, and does not only focus on the poor.

Poverty arises when people lack key capabilities, and so have inadequate incomes or education, or poor health, or insecurity, or low self-confidence, or a sense of powerlessness, or the absence of rights such as freedom of speech. Viewed in this way, poverty is a multidimensional phenomenon and less amenable to simple solutions. For instance, while higher average incomes will certainly help reduce poverty, these may need to be accompanied by measures to empower the poor, or insure them against risks, or to address specific weaknesses such as inadequate availability of schools or a corrupt health service.

Planned Developmental Projects:

The governments in the different parts of the world initiate the planned development programmes. This is because, today, development of any country is judged by its infrastructure development such as the number of dams, industries, mining, transportation and communication network, defense bases, and other large projects. Such mega projects are considered as symbols of 'national progresses'. These projects require large tract of land to achieve the national progress. However, due to heavy population pressure, the inhabited areas where projects could be set up without causing displacement are becoming increasingly scarce. Mathur (1995:16) rightly observes: the only option to development agencies is to acquire private lands in populated areas. Millions who, thus, lose their lands for development purposes are simply ending up as 'development refugees'.

Since independence in 1947, India has been undertaking development projects to improve the quality of life of its people through planned development. Under the successive Five-Year Plans. Such projects include dams, power, mining, industrial and allied infrastructures, transport network, urban development, commercial forestry and other projects. Some of these projects have brought adverse effects in the form of displacement of people from their original place of habitation due to large-scale land acquisition. Development-induced displacement in the country has brought severe economic, social and environmental problems to the displaced people. Magnitude of people displaced and severity of the problems due to multipurpose dam projects is too high as compared to other projects in the country. They also lead to submergence of high quality of land, destruction of the watershed, disturb the delicate ecological balance and distort the surrounding environment, loss of wildlife and precious irreplaceable flora, etc. and most notorious problems of flooding, water-logging and salinity. The experience of post-Independence period from projects across the country suggests that the long drawn out process of displacement has caused widespread traumatic psychological and socio-cultural consequences. These include the dismantling of traditional production systems, desecration of ancestral sacred zones, graves and places of worship, scattering of kinship groups, disruptions of family system and informal social network (Kothari, 1996). Cernea (1997) has developed the risk and reconstruction model, which has already been tested to be applicable to the development induced displacement situation in the country. The model is built around a core concept: the risks of impoverishment. The eight-impoverishment risks are landlessness, joblessness, homelessness, marginalization, food insecurity, increased morbidity and mortality, loss of access to common property and social disarticulation.

According to Cernea (2000:2) displacement can start before people are physically evicted from the residence by legally stopping construction, entrepreneurial investment, and public infrastructure investments. This makes households suffer economically before actual removal from their land/houses and eventually leads them into impoverishment. Displacement can be experienced in many forms including the people who realize less benefit as a result of development process and those who face severe consequences and for those individuals and communities who involuntarily move leaving behind homes, networks, jobs, social capital and emotional ties to place.

The number of people displaced by development projects annually is big and it is projected to increase over time, particularly in developing countries. For example, in early 1990s, the construction of 300 high dams (above 15 meters) each year had displaced 4 million people, urban and transportation infrastructure projects accounted for 6 million more displaced each year (Robinson, 2002:10). According to Cernea (2000:20) the number of people displaced keeps on increasing but development-induced displaces represent the single largest sub category within the global totality of Internally Displaced Persons (IDPs). During the 1990s period globally 10 million people were estimated to be forcibly displaced and relocated each year in the sectors of dams' construction, urban and transportation development. In recent decades it is estimated that 15 million people are estimated to be annually displaced by development projects worldwide, and it is projected that over twenty year's period between 280 – 300 million people will be displaced. The Majority of those displaced are poor people living in informal settlements/slums and the large part of those displaced is not resettled (Cernea: 1997).

Effects of Developmental Projects:

The primary objectives of the projects involving population displacement is to contribute to poverty reduction but many development projects have been blamed to cause impoverishment by forcibly displacing people and lead them to stubborn poverty (Cernea 2000:4). There are varieties of effects which displaced household's experience, but the major effects include reduction of income, loss of assets and means of livelihoods and reduction of production. Others include stress to the vulnerable people including women, children and elderly, disruption of social networks, loss of economic status, psychological and social stress and effects on human rights (Downing 2002:11). Robinson (2002:3) points out that displacement is associated with increased vulnerability including impoverishment, elevated

morbidity and mortality, loss of social and economic rights and in many cases abuse of human rights. According to Cernea (1997:1) the major effect of involuntary displacement is the impoverishment of large number of people. The loss of economic power with the breakdown of complex livelihood systems results in temporary or permanent, often irreversible decline in living standards and leads to marginalization.

According to Cernea (1997) in order to mitigate and minimize the risks of impoverishment an integrated approach should be used to deal with the problem. Application of single means-for instance just cash compensation do not respond to all risks” He further argues that compensation alone is not a substitute for the absence of strategy and full-fledged resettlement programs. In order to help displaced people lift their livelihood to pre project level investment financing is recommended. The risk reversal model also recommends greater involvement of the affected population and other stakeholders in the resettlement process including the displaced population, local leaders, nongovernmental organizations and host population. Cernea (2000:34) emphasizes on need of involving the affected population and other stakeholders as of great significance, he argues that it would be unrealistic to conceive of reconstruction only as a top down, paternalistic, effort, without the participation and initiative of the displaced people themselves. Displacement is a profound socioeconomic and cultural disruption for those affected. Dislocation breaks up living patterns and social continuity. It dismantles existing modes of production, disrupts social networks, causes the impoverishment of many of those uprooted, threatens their cultural identity, and increases the risks of epidemics and health problems (Cernea, 1990).

Michael Cernea, a sociologist based at the World Bank who has researched development induced displacement and resettlement for two decades, points out that being forcibly ousted from one’s land and habitat carries with it the risk of becoming poorer than before displacement. Those displaced ‘are supposed to receive compensation of their lost assets, and effective assistance to re-establish themselves productively; yet this does not happen for a large portion of oustees.’ Cernea’s impoverishment risk and reconstruction model proposes that ‘the onset of impoverishment can be represented through a model of eight interlinked potential risks intrinsic to displacement’ (Robinson, 2002). These are:

- 1. Landlessness:** Expropriation of land removes the main foundation upon which people’s productive systems, commercial activities and livelihoods are constructed. This is the

principle form of de-capitalization and pauperization of displaced people, as they lose both natural and human-made capital.

2. Joblessness: The risk of losing wage employment is very high both in urban and rural displacements for those employed in enterprises, services or agriculture. Unemployment or underemployment among resettlers often endures long after physical relocation has been completed.

3. Homelessness: Loss of shelter tends to be only temporary for many resettlers; but, for some, homelessness or a worsening in their housing standards remains a lingering condition. In a broader cultural sense, loss of a family's individual home and the loss of a group's cultural space tend to result in alienation and status deprivation.

4. Marginalization: Marginalization occurs when families lose economic power and spiral on a 'downward mobility' path. Many individuals cannot use their earlier acquired skills at the new location; human capital is lost or rendered inactive or obsolete. Economic marginalization is often accompanied by social and psychological marginalization, expressed in a drop in social status, in resettlers' loss of confidence in society and in themselves, a feeling of injustice, and deepened vulnerability.

5. Food Insecurity: Forced uprooting increases the risk that people will fall into temporary or chronic undernourishment, defined as calorie-protein intake levels below the minimum necessary for normal growth and work.

6. Increased Morbidity and Mortality: Massive population displacement threatens to cause serious decline in health levels. Displacement-induced social stress and psychological trauma are sometimes accompanied by the outbreak of relocation related illnesses, particularly parasitic and vector-borne diseases such as malaria. Unsafe water supply and improvised sewage systems increase vulnerability to epidemics and chronic diarrhea, dysentery, and so on. The weakest segments of the demographic spectrum infants, children, and the elderly are affected most strongly.

7. Loss of Access to Common Property: For poor people, loss of access to the common property assets that belonged to relocated communities (pastures, forest lands, water bodies, burial grounds, quarries, and so on) result in significant deterioration in income and livelihood levels.

8. Social Disintegration: The fundamental feature of forced displacement is that it causes a profound unraveling of existing patterns of social organization. This unraveling occurs at

many levels. When people are forcibly moved, production systems are dismantled. Long-established residential communities and settlements are disorganized, while kinship groups and family systems are often scattered. Life-sustaining informal social networks that provide mutual help are rendered non-functional. Trade linkages between producers and their customer base are interrupted and local labor markets are disrupted. Formal and informal associations and self-organized services are wiped out by the sudden scattering of their membership. Traditional management systems tend to lose their leaders.

Resettlement and Rehabilitation:

Pearce (1999:57) also focused on the role of money in the displaced people's life. He said: 'the one-rupee loss may be far more important in social terms than one rupee gain; even where the gains and losses accrue to people with the same income or wealth.' He further stated that the concerned government and R & R authorities must need to recognize that a one-rupee loss for displaced have a higher social value than the one-rupee gain to project beneficiaries.

This indicates that, as a result of development project the displaced should not only in the losers' side (category). It is difficult for them to overcome from this socio-economic 'trauma', 'pain' or 'losses. This is due to they lost their socio-economic basis of life and livelihood network to the development activity. Unless government provide sufficient base or opportunity to regain livelihood sources it is difficult for them to overcome from social value/significance of economic 'losses. Otherwise the displaced looks this entire issue of development-induced displacement from humanitarian perspective. Those who make a way for development in turn gets only loss where as non-displaced get benefit from the project. In other words it is rights of displaced people to enjoy the fruits of development first. If this is happened then the civil society can justify the process of development-induced displacement on humanitarian grounds unless it is difficult. Particularly, it is more difficult to the democratic country (civilized society) like India, whose main goal is to welfare the downtrodden people belongs to rural, tribal, and vulnerable groups. When the planers of country fail to do this the entire well planned development project tended to be less successful. Thus at first stage what is required is to maintain well balance between the losers 'losses' and 'gains'. The next more probably it is essential to provide them 'gains' more than the 'losses' or 'pains'. So that they should feel happy and proud about the project and nation.

Thus, the people displaced from their hearths and sources of livelihood due to infrastructure development must be the prime beneficiaries of it.

CONCLUSION

The paper is an attempt of a brief appraisal based on available literatures of the impact of development projects on the internally displaced populations in India. It cannot be denied that development induced displacement has been an ancient phenomenon. Development projects are mostly targeted towards river systems, mines, forests etc. Moreover, the segment of population which is widely affected is the tribal population which is already a deprived segment in the Indian society. However, displacement became plight of the people and came under notice in post-independence era especially after first dam was constructed under Narmada Valley Development Project. The consequences of displacement are wide and varied. The displacement causes profound economic hardships. Compensation which is assured for the internally displaced population is meager and hardly suffices to the need of those displaced. There is no infrastructure so to say; there is hardly any opportunity towards income generation. By their high frequency, cumulative magnitude, and destructive socioeconomic and cultural effects, forced displacements have come to be recognized as a severe pathology of development, of growing concern and visibility on international and national agendas.

In India, development projects will continue in the years to come. Hence, Indian government should frame a strategy so as to reduce if not eradicate the hardships of those displaced as a result of development projects. There is hardly any nation-wide framework on the issue of internal displacement. The government's response to internally displaced populations (IDP) due to development projects is largely vague, and the displaced are therefore often left unnoticed. Hence there is an urgent need for the government undertakes surveys in affected areas in order to document the magnitude of the problem and to develop a policy for a consistent nation-wide approach for assistance and protection of internally displaced populations. The Government should also strengthen its institutional capacity to assist internally displaced populations. Affected populations should benefit directly and sustainably from the project forcing them off their land. The displaced population should be actively involved while framing the rehabilitation packages. Provision of new land should be the cornerstone of the rehabilitation policy.

Development-induced displacement and rehabilitation has not seen as a “development opportunity” (Mathur and Marsden 1998), and this in itself is questionable, it will need radical change. This includes the need to avoid displacement and ensure that it is minimized. The entire process must have the provisions to include the full participation of displaced people in decision-making processes of developmental projects resettlement and rehabilitation.

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