

Social Impacts of Land Acquisition, Resettlement and Rehabilitation in Odisha

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ABSTRACT

Land acquisition for industrialization, mining, dams, infrastructure, and urban expansion has significantly transformed the socio-economic landscape of Odisha. While development projects have contributed to economic growth and infrastructural advancement, they have simultaneously generated serious social consequences for displaced communities, particularly tribal populations, marginal farmers, and rural households. This research article examines the social impacts of land acquisition, resettlement, and rehabilitation (R&R) in Odisha by analyzing major development-induced displacement cases. The study highlights issues related to livelihood loss, cultural disintegration, social marginalization, gender inequality, psychological stress, and inadequate rehabilitation measures. The paper also evaluates the effectiveness of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act) and Odisha's R&R policies. The article concludes that participatory governance, transparent compensation systems, livelihood restoration, and culturally sensitive rehabilitation are essential for sustainable development and social justice in Odisha.

Keywords: Land acquisition, displacement, rehabilitation, resettlement, tribal communities, Odisha, mining, development, social impact.

1. Introduction

Development projects such as dams, mining operations, industrial corridors, thermal power plants, and infrastructure expansion require extensive land acquisition. In India, Odisha has emerged as one of the most affected states due to its abundant mineral resources and industrialization initiatives. Large-scale projects involving coal mining, aluminum industries, irrigation dams, and steel plants have displaced thousands of families across districts such as Angul, Jharsuguda, Sundargarh, Rayagada, Koraput, Keonjhar, and Mayurbhanj.

Land acquisition has historically created tensions between economic growth and social justice. Development-induced displacement often affects vulnerable communities who possess limited bargaining power. Studies conducted in Odisha demonstrate that displaced populations frequently experience impoverishment, social fragmentation, and loss of traditional livelihoods. The issue became more prominent after the introduction of liberalization policies and industrial expansion during the 1990s and 2000s. Mining and industrial projects intensified land conflicts and resistance movements across the state.

2.1 Literature Review

Recent literature on land acquisition, displacement, resettlement, and rehabilitation (R&R) in Odisha highlights increasing concern regarding the socio-economic, cultural, environmental, and psychological consequences of development-induced displacement. Most contemporary studies focus on tribal vulnerability, livelihood insecurity, governance failures, gendered impacts, ecological degradation, and policy implementation gaps under the RFCTLARR Act, 2013. Recent studies indicate that Odisha continues to experience significant displacement due to Mining expansion, Industrial corridors, Thermal power projects, Steel plants, Urban expansion and Forest conservation initiatives. Researchers increasingly emphasize that

development projects generate unequal social burdens on marginalized populations, particularly Scheduled Tribes (STs), forest dwellers, small farmers, and landless laborers.

The study examines land acquisition, displacement, and rehabilitation in India under the framework of the RFCTLARR Act, 2013. Large-scale development projects continue to create displacement and livelihood insecurity. Weak implementation of rehabilitation policies increases social vulnerability. Administrative inefficiency remains a major obstacle in effective rehabilitation. Compensation mechanisms often fail to restore long-term socio-economic stability.

Although the study covers India broadly, its findings strongly apply to Odisha because of the state's extensive mining and industrial projects. The authors recommend stronger participatory governance and more effective livelihood restoration mechanisms. Manoj Kumar Sial (2025) in his study at Similipal region of Odisha describes in *Economic Perspectives on Resettlement and Rehabilitation of Displaced in Odisha*. Tribal communities face severe socio-cultural disruption after displacement. Rehabilitation policies focus more on relocation than social integration. Spatial displacement weakens traditional community relations and indigenous identity. Economic rehabilitation remains inadequate due to limited skill development and employment support. In *Social Impacts Identified* that marginalization of tribal populations, Cultural alienation, Loss of forest-based livelihoods, Increased vulnerability after resettlement. His study is important because it connects economic rehabilitation with social and cultural sustainability.

Singh & Muhuri (2024), in their title *Assessment of Livelihood Sustainability during Urban Development-Induced Rural Displacement and Resettlement* published in Taylor & Francis Online. Development-induced displacement significantly affects livelihood sustainability. Resettlement colonies often fail to provide adequate economic opportunities. Social networks and community cohesion weaken after relocation. Long-term livelihood restoration is more important than short-term compensation. The study is especially relevant for rapidly urbanizing and industrializing regions in Odisha such as Bhubaneswar, Angul, and Jharsuguda. The authors propose livelihood sustainability as a major indicator of rehabilitation success.

Land Use Policy Study (2024) in their title *Reviewing the Reportage of Land Acquisition, Rehabilitation and Resettlement Issues in Mainstream Indian Media* published in ScienceDirect. Media coverage often overlooks long-term social consequences of displacement. Gendered impacts and livelihood losses receive insufficient attention. Rehabilitation sites frequently experience degraded living conditions.

Power imbalance between affected communities and state agencies remains strong. The findings align with land conflicts witnessed in Odisha's mining and industrial belts, including POSCO, Vedanta, and coal mining regions. This study expands literature by analyzing media narratives and public discourse on displacement.

Recent Governance and Policy Studies (2024–2025) in their title *Recent policy-oriented studies and reports suggest that Odisha's government is reconsidering its R&R framework because of increasing land conflicts and industrial expansion pressures*. The major issues were Delays in compensation, Inadequate livelihood restoration, Poor monitoring of acquired land, Weak transparency in implementation and Environmental concerns among local populations. The proposed policy reforms indicate growing recognition that earlier rehabilitation models were insufficient.

Research consistently shows that tribal communities suffer disproportionately because, their identity is linked to land and forests, Customary rights are weakly protected and Rehabilitation ignores indigenous cultural systems. Published by Granthaalayah Publication on *Gendered Social Impacts, Women experience, Loss of access to common resources, Increased unpaid labor. Exclusion from compensation decisions, Economic dependency after displacement. Governance and Policy Failure includes, Weak institutional accountability, Administrative corruption, Delayed compensation, Lack of community participation and Inadequate Social Impact Assessment (SIA)*. Policy implementation remains a central challenge despite legal reforms. The *Ecological and Cultural Loss* includes, Forest destruction, Water scarcity, Loss of sacred landscapes, Erosion of traditional knowledge systems.

The recent body of literature demonstrates a shift from purely economic analysis toward multidimensional social analysis of displacement and rehabilitation. Contemporary scholars increasingly recognize that, Development projects produce social inequalities, Rehabilitation should involve dignity restoration, not only physical relocation, Participatory governance is essential for sustainable development and Tribal rights and

environmental justice must be integrated into development planning. However, many studies remain localized and case-specific. There is still a need for, State-wide empirical research, Quantitative impact assessment, Mixed-methods studies, Policy evaluation research and Comparative tribal and non-tribal rehabilitation studies.

3.1 Research Gaps Identified in Recent Literature

Recent literature reveals several important research gaps, which includes Limited long-term studies on post-rehabilitation outcomes, Mental Health Impacts with psychological trauma remains under-researched, Gender Analysis on insufficient focus on women and vulnerable groups, Urban Displacement of More research needed on urban land acquisition, Comparative District Studies, Lack of comparative analysis across Odisha districts, Youth and Migration with limited studies on youth employment and migration after displacement, Digital Governance on few studies assess digital transparency in compensation systems.

4.1. Objectives of the Study

The major objectives of this research article are:

1. To analyze the social impacts of land acquisition in Odisha.
2. To examine the effectiveness of resettlement and rehabilitation policies.
3. To study the socio-economic conditions of displaced communities.
4. To evaluate the role of government and corporate agencies in rehabilitation.
5. To suggest policy measures for inclusive and sustainable rehabilitation.

5.1 Research Methodology

This study is primarily based on secondary data collected from journal articles, government reports, policy documents, academic studies, and case studies relating to displacement and rehabilitation in Odisha. Analytical and descriptive methods have been used to interpret the social consequences of land acquisition. The study particularly reviews cases involving the Rengali Dam Project, Lower Suktel Irrigation Project, Mahanadi Coalfields Limited (MCL), Utkal Alumina Project, Mining and industrial projects in mineral-rich districts.

5.2 Conceptual Framework

Land acquisition refers to the process through which the government acquires private land for public purposes such as infrastructure, industrial development, mining, and public utilities. Resettlement involves the physical relocation of displaced families from acquired land to alternative residential sites. Rehabilitation extends beyond relocation and includes restoration of livelihoods, social integration, employment opportunities, infrastructure support, and psychological well-being.

Land Acquisition and Development Projects in Odisha has witnessed extensive displacement due to the Coal mining projects, Steel and Aluminum industries, Irrigation and Dam projects, Thermal power plants, Industrial corridors and Urban expansion. Mining districts such as Angul, Jharsuguda, Keonjhar, and Sundargarh have experienced repeated displacement cycles. Tribal populations are disproportionately affected because many projects are located in forest and mineral-rich regions. The state government has attempted to address these issues through the Odisha Resettlement and Rehabilitation Policy, 2006 and the RFCTLARR Act, 2013. However, implementation challenges remain significant.

6.1 Findings on Social Impacts of Land Acquisition

The most immediate impact of displacement is the loss of agricultural land, forests, water resources, and traditional occupations. Most displaced families in Odisha depend on agriculture, forest products, fishing, or wage labor. Displacement often destroys the farming systems, Grazing lands, Forest-based livelihoods, Local

markets and Informal rural economies. Research on displaced communities in Odisha shows that compensation money alone rarely ensures sustainable livelihood restoration.

Displacement disrupts traditional community networks and kinship structures. Villages in tribal and rural Odisha function as socio-cultural units where social support systems are deeply interconnected. After relocation the community cohesion weakens, traditional governance structures collapse, Collective identity declines and Inter generational relationships become fragile. Studies on the Rengali Dam displacement found that rehabilitation programs focused more on physical relocation than social reconstruction.

Tribal communities are among the most vulnerable groups affected by land acquisition in Odisha. Their identity, culture, and livelihood are strongly linked with forests and ancestral lands. Displacement causes are cultural alienation, Loss of sacred spaces, Breakdown of customary rights and Erosion of indigenous knowledge systems. Research from Similipal and Rayagada districts indicates that tribal populations struggle to adapt to resettlement colonies that fail to accommodate their socio-cultural needs.

Women often suffer disproportionately during displacement and rehabilitation processes. Major gender-related impacts include the Loss of access to common property resources, Increased domestic burden, Decline in informal economic activities, Limited participation in compensation decisions and Vulnerability to exploitation. Studies in Rayagada district reported caste and gender discrimination in rehabilitation benefits and employment allocation.

Psychological and Emotional Stress shows forced displacement generates severe psychological trauma among affected families. Anxiety regarding livelihood insecurity, uncertain futures, social exclusion, and cultural loss often leads to mental stress and depression. Elderly persons and tribal populations experience particularly high emotional distress due to attachment to ancestral land.

Increase in Poverty and Marginalization through Development-induced displacement frequently pushes already vulnerable communities into deeper poverty. Common post-displacement problems include, Unemployment, Food insecurity, Debt dependency, Informal labor migration and Urban slum settlement. Studies reveal that many displaced families become economically worse off after relocation despite receiving compensation.

Odisha introduced a Resettlement and Rehabilitation Policy in 2006 to address displacement issues. However, critics argue that Implementation remains inconsistent, Compensation mechanisms lack transparency, Livelihood restoration is inadequate and Participation of local communities is weak. The Odisha government is currently considering policy reforms to strengthen rehabilitation mechanisms.

7.1 Case Studies: Rengali Dam Project

The Rengali Dam project displaced numerous families in Odisha. Research indicates that rehabilitation measures were inadequate and focused mainly on relocation rather than long-term livelihood restoration. Major findings include Poor infrastructural facilities in resettlement colonies, Loss of agricultural productivity, Increased vulnerability among Dalits and tribal groups and Weak institutional support systems.

7.1.2 Lower Suktel Irrigation Project

The Lower Suktel project in Bolangir district generated strong local resistance due to fears of displacement and inadequate compensation. The project affected thousands of families, including large tribal populations. Major concerns included delayed compensation, Lack of proper rehabilitation, Fear of impoverishment and Distrust toward government authorities.

7.1.3 Mining Projects and MCL

Coal mining activities under Mahanadi Coalfields Limited have caused extensive displacement in Angul and Jharsuguda regions. Recent studies show that Income reduction remains significant after displacement, Transparent rehabilitation processes improve social well-being and Participation of affected communities improves rehabilitation outcomes.

Legal and Policy Framework including RFCTLARR Act, 2013, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 introduced several reforms, Mandatory Social Impact Assessment (SIA), Consent provisions, Improved compensation mechanisms

* Rehabilitation entitlements and Protection for vulnerable groups. Despite progressive provisions, implementation challenges persist in Odisha.

8.1 Major challenges

Inadequate Compensation includes Compensation often fails to reflect long-term livelihood losses, Delayed Rehabilitation & Resettlement colonies are frequently incomplete, Lack of Participation in affected communities are rarely involved in decision-making, Weak Livelihood Restoration by Employment opportunities remain insufficient, Cultural Insensitivity includes tribal customs and traditions are ignored, administrative Corruption in Delays and irregularities reduce trust and environmental Degradation in Mining and industrial projects damage ecology.

9.1 Suggestions and Policy Recommendations

Affected communities should actively participate in planning, compensation, and rehabilitation processes. There may be proper livelihood restoration in the project affected areas. R&R programs must prioritize the Skill development, Sustainable employment, Land-for-land compensation and Access to markets and credit. Tribal-Centric Rehabilitation based Policies should protect include Forest rights, Cultural identity, Community governance systems and Traditional occupations. Gender-Sensitive Rehabilitation with Joint land titles, Employment opportunities, Participation in decision-making and Social security measures. Digital monitoring, social audits, and independent grievance mechanisms can improve accountability. Social Impact Assessment (SIA) should become more participatory, transparent, and evidence-based.

10.1 Conclusion

Land acquisition, resettlement, and rehabilitation remain among the most critical development challenges in Odisha. While industrialization and infrastructure development contribute to economic growth, their social costs are disproportionately borne by marginalized communities, particularly tribal populations, farmers, and rural laborers. The evidence from Odisha demonstrates that displacement without effective rehabilitation leads to livelihood insecurity, social fragmentation, cultural loss, and increased poverty. Rehabilitation should not merely involve relocation but must ensure restoration of dignity, livelihoods, and social well-being. A balanced approach integrating economic development with social justice, environmental sustainability, and human rights is essential for inclusive development in Odisha.

Recent literature on land acquisition, resettlement, and rehabilitation in Odisha highlights the persistent tension between development and social justice. While industrialization and infrastructure projects contribute to economic growth, they continue to create severe social consequences for vulnerable communities. Future research should focus on long-term rehabilitation outcomes, mental health impacts, and inclusive governance mechanisms to ensure equitable development in Odisha.

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