

## INSTRUCTOR VERSION

### Development & Displacement: The East-West Metro Project (Kolkata, India)

#### Learning Objectives

- 1) Understand the frequent tensions between urban development and informality.
- 2) Consider the rights of long-term “illegal residents” to their homes and community.
- 3) Consider the common tradeoffs in large-scale infrastructure projects between individual and collective good.
- 4) Describe some of the main actors involved in infrastructure development projects, both internal and external.
- 5) Understand the influence that donor agencies and organizations have in development projects.

#### What Actually Happened

The Kolkata Metro Rail Corporation Limited, with the help of the West Bengal state government, chose to negotiate with households in Dattabad. Eventually, they reached an agreement where the hundreds of households in the way of the proposed train line would permanently resettle in government-constructed apartments to be built within 1 kilometer of their current homes. The land conflict and negotiations took a toll on the project, however, extending its construction timeline by at least 3 years and leading to significant cost overruns. The Japanese International Cooperation Agency has continued to support the rail project, though the relationship has been repeatedly strained by cost and time overruns, because of Dattabad and other conflicts along the proposed rail-line.

#### Summary

Kolkata, the capital of the Indian state of West Bengal, is building a new train line, the East-West (EW) Metro line, which will connect the center of the city to the suburbs and newly renovated international airport on the eastern edge of the city. The EW Metro project is important for Kolkata’s long-term growth and economic development and is expected to reduce some of the major traffic issues that plague the city. Several major international donors, who are eager to see the train line completed, are backing the project.

The planning process for the EW Metro project has run into trouble near the eastern suburb of Bidhannagar (popularly called Salt Lake). In order for the train line to be constructed, the city needs to use several acres of government-owned land to build supporting piers, but the land is currently home to an informal settlement housing over 30,000 people. The residents of the settlement are refusing to relocate. As a project planner, you face a dilemma. Should the city



evict the families living in the informal settlement, even though they have been living there for generations? Or should the city attempt to work with residents and risk losing project funding?

### **Background**

Kolkata (formerly called Calcutta) is the capital of West Bengal and the third-largest city in India. The city is home to 15 million people and is the economic capital of a region with more than 350 million people. Kolkata was the capital of the British Empire in India until 1912 and is still a major center for industry, shipping, and education. Compared to India's other "mega" cities (Delhi and Mumbai), Kolkata's economy over the past several decades has been largely stagnant. One major limitation is the quality of transportation infrastructure in the city-region. Kolkata currently has only a single subway line that runs from north to south along the western edge of the city, far away from the newer suburbs and information technology zones in the east. Transportation to and from the airport and IT suburbs can take several hours per day.

The government of West Bengal and the city of Kolkata are proposing a new subway line that will run from the international airport in the northeast to its twin city of Howrah in the southwest, connecting the city's rapidly growing suburbs to the urban core. This EW Metro project is intended to improve transportation access, ease traffic congestion, and accommodate future growth. The project will cost more than 5,000 crores rupees (~\$1 billion) and is being partly financed by the Asian Development Bank (ADB) and the Japanese International Cooperation Agency (JICA). These external donors are vital to the project; without their support, the government of West Bengal cannot afford to finance the train line.

The project has hit a snag near the eastern suburb of Salt Lake. To the west of Salt Lake is an informal settlement called Dattabad. The rail line requires several acres of land to hold the pillars for the elevated track. The planned route goes directly through Dattabad, where 30,000 low-income people currently live.

The residents of Dattabad do not have title to the land underneath their houses; they are illegally "squatting" there. The land is owned by the state government and is considered public land. The settlement is more than 40 years old, however, and many Dattabad residents are the third generation in their family to live there. Most residents make their living in the nearby suburb of Salt Lake, as domestic servants, laborers, taxi drivers, rickshaw pullers, hawkers, etc. Dattabad has improved dramatically over the decades. Most homes now have access to piped water and electricity, and many residents have improved their structures with *pucca* (permanent) materials. The city and state government made many of the infrastructural improvements. As a result, Dattabad residents enjoy higher standards of living than many other low-income families living in other informal settlements in Kolkata.



Dattabad residents fiercely oppose leaving their community for the sake of the rail project and have organized to oppose the project. They argue that their livelihoods depend on their proximity to the Salt Lake suburb, where most households work, and that being displaced farther away would cause significant harm. They also argue that they have been living on the land for decades and have a right to remain there, even if the land is state-owned. In fact, they argue, the state's investment in piped water, electrical lines, and other infrastructural improvements is evidence that they are not illegally occupying the land and that the state has de facto recognized and encouraged their presence.

The E-W rail project is already behind schedule and over budget. The outside funders, who are providing more than 40 percent of the total project budget, are threatening to pull out if the project is delayed any further. If the project loses outside funding, it will very likely need to be canceled, and the millions of dollars already spent will be wasted.

### **Actors & Institutions**

The Asian Development Bank (ADB): The ADB is a multi-lateral financial organization that provides low-interest loans and loan guarantees to promote development in the Asia-Pacific region. The ADB is one of the two external aid agencies financially supporting the EW Metro project.

The Communist Party of India Marxist (CPI-M): The CPI-M is one of the two dominant political parties in Kolkata and West Bengal. From 1977-2011, the Left Front (headed by the CPI-M) controlled the West Bengal state government, the longest serving democratically elected communist government in the world. The CPI-M suffered an electoral defeat in 2011 to the Trinamool Congress, but it remains a major political force in the city and region. Unlike the policies of cities like Delhi or Mumbai, the CPI-M's politics are oriented towards the working class; historically, the party has been reluctant to evict households living in informal settlements.

The Japanese International Cooperation Agency (JICA): JICA is Japan's government agency responsible for delivering overseas development aid. Along with the ADB, JICA is the major external donor for the EW Metro project.

The Kolkata Metropolitan Development Agency (KMDA): The Kolkata Metropolitan Development Agency is tasked with planning and urban development in Kolkata. The KMDA drafts the Kolkata master plan and is the agency responsible for negotiating with Dattabad residents over any potential relocation.

The Kolkata Metro Rail Corporation Limited: The Kolkata Metro Rail Corporation Limited is an organization formed by the state of West Bengal to manage the EW Metro project. While the Rail Corporation is tasked with the design, engineering, and construction of the EW Metro line, it does not have authority over other government agencies, which reside primarily in the Chief Minister's office.

The Trinamool Congress: The Trinamool Congress (TC) is the ruling party in the West Bengal state government. Its leader, Mamata Banerjee, is the Chief Minister of the State of West Bengal and one of the most powerful women in Indian politics. The TC won the state elections in 2011, unseating the long-ruling Left Front coalition headed by the CPI-M. One of the key issues that spurred Banerjee's rise to power was the Singur controversy, where the State of West Bengal had proposed to evict several hundred farmers to clear way for the construction of a Tata automobile plant. Mamata Banerjee sided with the "unwilling farmers," which made her a champion of the rural poor in West Bengal. Tata canceled the project and moved the factory to Gujarat, which was a major economic blow to West Bengal. For this reason, any evictions within Kolkata carry a potential political cost for the Trinamool Congress. At the same time, the party has pledged to spur economic development in the city, and the EW Metro project is a major part of the promised economic development.

### **The Decision**

As a project planner advising the Kolkata Metro Rail Corporation Limited, you need to make a decision regarding the Dattabad settlement. Your options are as follows:

- 1) Evict the residents of Dattabad and demolish the settlement as quickly as possible to avoid any delays in the EW Metro project and any possible conflicts with the external donors.
- 2) Negotiate with Dattabad residents to offer them compensation for moving and evict any who choose not to leave. This process will take time, however, especially if negotiations continue long enough to approach the elections. You may risk losing external funding for the project and thus project cancellation (there is a 40 percent chance of losing funding).
- 3) Re-route the rail project to avoid the Dattabad slum. The project will be delayed and have a significantly higher (75 percent) chance of losing external funding and being canceled. If the project does continue, costs will rise substantially because that entire section of the project will need to be redesigned and re-engineered, and land will need to be acquired.