

From Doro to Dock: Transformation of Haldia Port Complex

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Abstract:

In West Bengal an example of post-1947 industrialization is Haldia industrial zone that flourished in the verge of liberalisation and privatisation and this region was anticipated as one of the important centres of industrial resurgence in West Bengal. However, it was first developed as a river-port in late 1960s to reduce the burden of century old Calcutta port. This article is an attempt to investigate the genesis of Haldia port complex. It examines whether this port based urban industrial space was developed aiming at national requirement or to supplement the foreign interest and how far it changed the livelihood of local population.

Keywords: *Haldia port, Foreign aid, Underdevelopment*

Introduction

In West Bengal apart from Durgapur another example of post-independent industrialization is Haldia industrial zone and in the verge of liberalisation and privatisation, this area was anticipated as one of the important centres of industrial resurgence in West Bengal. Like steel in the case of Durgapur, the Haldia industrial zone was based on chemical and petrochemical based industry which was hugely publicised as 'sunrise' industry by the then State Government. Even in recent years, during the last Left Front regime, a chemical hub was proposed at Nayachar-Nandigram of Pruba (East) Midnapore, just opposite to Haldia region. The multibillionaire Salem Group, an ally of Junta Government of Indonesia, was invited for this project by the then communist government of West Bengal. The Chatterjee International, one of the major partners of the Haldia Petrochemicals Ltd., was acted as the middleman between the State Government and the Salem Group. This initiative generated much resentment among the civil society who pointed out the devastating impact on environment due to the proposed chemical hub.¹ On the contrary, the State Government promoted this project as essential for the industrial resurgent of the state and claimed that it would create thousands of new jobs for the unemployed youth of the state. To build confidence in favour of this Chemical Hub project Buddhadeb Bhattacharya, the then Chief Minister of West Bengal, is reported to have asserted the success story of the Haldia and estimated that nearly 7000

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units of plastic product manufacturing, have come up in the state, ancillary to Haldia Petrochemicals.ⁱⁱ

However, the Haldia region was first developed as a river-port in late 1960s to reduce the burden of century old Calcutta port. Due to silting and sandbars the Calcutta port faced navigational problems for a long time and it needed an alternative way to carry on its shipping activities. Because of its proximity to Bay of Bengal, Haldia has been designed to transport larger ships by early 1960s. Later, several large and medium scale domestic and foreign private companies initiated their factories in this zone. It was first in its kind of a petrochemical hub developed in West Bengal and in entire Eastern India. Like Durgapur, public sector investment first started the development process in the Haldia industrial zone on which both the domestic and multinational companies build their empire. Here, the basic infrastructure was developed by the Government and capital was invested in many forms, like – Public Private Partnership (PPP), domestic private investment and Foreign Direct Investment (FDI). Thus, much before the adoption of the New Economic Policy (NEP) by the Central Government by early 1990s, Haldia was projected as an oasis for the private entrepreneurs and foreign capital.

In this background of self-proclaimed success story, this article tried to investigate the genesis of Haldia port. It examines whether this port based urban space was developed aiming at national requirement or to supplement the foreign interest and how far it changed the livelihood of local population.

Genesis of Haldia Dock Complex

The history of port in Bengal dated back to 14th Century and Tamralipta (modern Tamluk) was one of the most prominent among several ports of this region. Later in the initial stage of the advent of the European merchants, especially Portuguese, Saptagram or Satgaon (literary seven villages) began to flourish. In the first half of 16th Century due to some navigational difficulties to reach Saptagram the Portuguese anchored their ships near to Calcutta and founded the port of Hooghly. Later the merchants again shifted to Gabindapur and Sutanati village due to silting issue of Hooghly port and in 1690 the British East India Company established their trading headquarter there. At that time Calcutta offered by far the best anchorage among the all upriver locations for oceangoing vessels. Later In 1790, the first dry-dock was constructed at Banshall Ghat and almost a century later in 1870, the Calcutta Port Commissioner came into existence. Thus, the Calcutta port was developed by the British East India Company to promote British imperial interest throughout the colonial rule.ⁱⁱⁱ

Therefore, it became an important port of India and even immediate after the independence, the Calcutta port accounted near about 45 per cent of the total export trade of India.^{iv} But from mid-1950s the Calcutta port faced navigational problems due to siltation of water and several sandbars on the waterways of the river Hooghly. This

siltation issue causes many difficulties for the shipping companies that hampered overseas trade. As an effect repeated demands for dredging and construction of alternative port were raised from a section of both the Government and the shipping companies. In April 1955, eight representatives of the foreign companies publicly urged the Government for required measures otherwise the port would be lost within few years.^v The State Government also repeatedly appeal to the Centre for intensive dredging on river Hooghly and early implementation of the Ganga Barrage Scheme since 1954-55 for inflow of fresh water. Dr. B.C. Roy also personally urged to the then Prime Minister Pandit Nehru for immediate completion of this scheme to save the Calcutta port in various letters.^{vi}

In the meantime, the State Government also considered the possibility of setting up a subsidiary port of Calcutta. In the initial period, the then Chief Minister Dr. B.C. Roy selected Geonkhali as a suitable place for setting up a satellite port of Calcutta and also planned for linking it with Kolaghat by rail connectivity for better transportation.^{vii} Despite various efforts of the State Government, the Geonkhali scheme did not materialise but alternatively Haldia was selected as the subsidiary port of Calcutta. It was located on the deep water navigable channel and more nearer to sea than the proposed Geonkhali area; fairly straight navigational approach and only three sandbars on the way to Haldia.^{viii} It was situated on the right bank of the river Haldi and 104 K.M. downriver from Kolkata. These favourable conditions became decisive for the selection of the Haldia as a satellite port of Calcutta. In 1959, the project report for the new port was prepared but delayed due to some technical problems.^{ix} In the mean time, as an immediate necessity of an oil jetty was felt for transporting crude oil and petroleum products required for the Barauni Refinery, in 1965 construction of an oil jetty was commenced which was completed in 1968 along with a connecting pipeline with the refinery.^x The master plan envisaged a trident type dock system with two entrance locks, 47 berths, two river side jetties and two large size dry docks. Yet, in the first phase, only 7 berths and a single oil jetty were taken under construction and civil construction was started for the dock in 1967.^{xi} Ultimately in 1977, the Haldia Dock Complex got the momentum with the commissioning of the Haldia Port.

Thus, a new deep-water modern dock system was initiated at Haldia with an aim to promote trade and industry by handling large cargos and oil tankers. It was the first all-inclusive port project in India, operating composite cargo handling facilities and lending support to the growth of port based industry. It was anticipated Apart from crude oil and petroleum products, the Haldia port handled various other products like rock phosphate and sulphur, food grains, iron ore, coal, salt, and other general cargos. However, from the very beginning, the Haldia Port faced various problems related to navigational issue. To understand the problems we have to closely look into the matter of foreign interest in selection of Haldia.

Role of the Foreign Interest: *Capitalist Intervention through 'Aid'*

Like other public sector units developed in India after independence, Haldia Port was also an instance of India's dependence on foreign collaborators. From the very beginning, the port consultant Rendell Palmer Triton (hereafter RPT) of UK and Port of London Authority were closely associated with the Calcutta Port Commission regarding the formation of the Haldia Port.^{xii} The RPT, consultant of the Calcutta Port, prepared the project report of Haldia Dock Complex in 1959.^{xiii} It was anticipated that in coming future Haldia would transform into an industrial urban centre which would engage migrant rural population of eastern India. The outline of this initial project report was approved by some international experts including Posthuma DG of Rotterdam Port who was associated with the Government of India as advisor of the port development. The river navigational capacity was examined by a Dutch Hydraulic expert Jansen and the harbour engineering section was reviewed by a French expert named Larras.^{xiv}

Initially, for financial assistance the port authority approached the International Bank of Reconstruction and Development (IBRD), Washington. After initial conversation, IBRD asked for a complete master plan of the proposed dock complex. Accordingly, after consulting with the Port of London Authority, the master plan was published in 1962.^{xv} In 1963, to cover the foreign exchange component, the Haldia project report was placed before the World Bank which showed interest in this project and recommended for a detail techno-economic report. Contextually, according to some media reports at that time Japan was dependent for iron-ore export from India for its own steel projects in which World Bank invested heavily. Thus, World Bank's interest in Haldia project was reinforced by Japan's need for a port in eastern India which could effectively operate iron-ore export. Apart from this, the British lobby of tea and jute exporters was also in favour of Haldia.^{xvi} So, from the very beginning of the Haldia project, international capitalist interest was closely associated with it which further strengthened under the policy transition of 1990s.

However, according to the recommendation of the World Bank, the Haldia Survey Commission was formed under the chairmanship of V.G. Bhatia, Director of Transport Research in the Ministry of Transport. After examining the traffic potential and financial viability of the project the Commission submitted its report in 1965.^{xvii} The report recommended construction of 8 berths with a cost estimation of Rs. 40 crores at Haldia and expected that the port would handle 21 MT goods by 1975-76.^{xviii} It also projected that industrial complex, fishing harbour, free trade zone would be developed at Haldia in near future and it would convert to a prosperous urban centre of eastern India. After receiving the report of the Commission, the World Bank sanctioned its financial aid to the Haldia project which again absorbed by the foreign companies involved in construction of the port.

Stages of Development

Finally, the Commissioner of Calcutta Port approved the proposal of Haldia Dock Complex on 26th September 1966.^{xxix} It proposed that the construction of the Haldia Dock would be conducted in two stages. The first stage was estimated with Rs. 40 crores including foreign exchange of Rs. 7 crores. Under this first phase of construction the following components were estimated: land acquisition (Rs. 2 crores); lock entrance and approach jetty with pumps and other machinery (Rs. 5.5 crores); coal, ore and phosphate berths (Rs. 1.6 crores); two general cargo berths, one heavy lift berth and one grain berth (Rs. 2.95 crores); an oil jetty (Rs. 2.66 crores); coal and ore loading equipments, wagon tippers, trimmers and conveyors (Rs. 3.5 crores); cranes, forklifts and other cargo handling equipment (Rs. 1.3 crores); locomotives (Rs. 1 crore); phosphate handling equipment (Rs. 0.42 crore); tugs and other vessels (Rs. 3.23 crores); office and workshops (Rs. 2 crores); roads and drainage (Rs. 2 crores); residential quarters (Rs. 1.1 crores); and electricity, schools and markets (Rs. 1 crore). These were added with supervision, contingency and other miscellaneous charges along with devaluation under the total estimation of Rs. 40 crores. The second phase of construction was estimated with a total expenditure of Rs. 15 crores which included — a dry-dock, various kinds of dredging equipments and construction of a floating crane.^{xx}

To resolve the dredging issue, the Calcutta Port Commissioner assigned the dredging work to a Yugoslav firm Ivan Milutinovic – PIM who previously successfully dredged for the Paradip Port project. They started the dredging work in 1966 with a contract of Rs. 2.86 crores. Later a Dutch dredging company was entrusted the job in 1973. This company dredged 50 million cubic meters (hereafter mcm) till 1977 with a total cost of Rs. 26 crores. By 1978, both these companies dredged 82 mcm in Auckland, Jellingham and Middleton.^{xxi} However, despite this huge expenditure on dredging work, the navigability did not improve as it was expected. The Haldia project was planned for a draft of 12.2m, but it did not increase above 9.67m by the end of 1970s.^{xxii} Yet, only to maintain the channel, dredging was continued later on. As a result, big ships were faced difficulties to entre Haldia. Hence, question arose in the air on the viability of the project. It seems that “the planning for Haldia at its present site was wrong right from beginning.”^{xxiii}

However, the much esteemed Haldia port was commissioned in the 1977, though the shipping activity started since 1968 with functioning of oil jetty to feed the Haldia Oil Refinery of the Indian Oil Corporation Limited (IOCL).^{xxiv} Haldia Dock Complex was developed as an all-inclusive project with heavy cargo handling facility like crude oil, iron ore, coal, petroleum products, fertilizer raw materials, fertilizer phosphoric acid, edible oil etc., and within short period it flourished as an industrial township.

Land Acquisition

In developing countries development is commonly viewed as an inevitable step towards economic progress and modernization that led to loss of livelihood and impoverishment of displaced peoples.^{xxv} For every infrastructural development project, the ‘temple of modern India’ once recalled by Jawaharlal Nehru, local inhabitants suffered the most due to land acquisition and displacement that generally considered as social cost of nation building. In this regard Haldia was not an exception. To develop this Haldia port based industrial urban space for both the public and private capital, land was acquired in a feudal manner. Throughout the 1960s and 1970s, in the name of national interest near about 18,000 acres of land was acquired by the Calcutta Port Trust (hereafter CPT) and in this process they forcibly displaced near about 30,000 local inhabitants from their ancestral homeland. These peoples were displaced with assurance of rehabilitation package, but no alternative land and job was offered by the state managers. Gradually, Haldia port was emerged on this *doro* land which once belongs to peaceful fishing and farming community.^{xxvi} Apart from Haldia Dock complex, the port authority later sold part of this acquired land to various public industrial projects and private capitalist including the Indian Oil Corporation and Hindusthan Fertilizer Corporation at a minimal rate. Thus, local landholders lost the opportunity to bargain for market price for their land. Some of these displaced peoples, losing their previous independent profession, later became the *mati kata sharamik* (land tiller), security guards, and labourers of the newly formed port based urban industrial venture. So, this development-induced displacement created various social problems by affecting human livelihood. Nonetheless, to understand this displacement related social transformation of Haldia region we have to undergo a separate and extensive research.

Conclusion

However, starting with the Haldia port complex the area became transformed into a most promising industrial zone of the entire eastern India from a *doro* land of cluster of remote villages of fishermen. In Haldia, initially most of the industries were mainly based on chemical products. With construction of an oil jetty in the late 1960s, plans were taken to develop Haldia as a hub of chemical and petrochemical based industries. Though, various other sectors such as electronic, machinery, alloy steel and other metals, fertilizer, battery, software and tourism industries were also developed in later period. Thus, we can see from the above discussion that within three decades after the development of the Haldia port, the region rapidly transformed to one of the most promising industrial zones of West Bengal. Following the line of the ‘socialistic pattern of development’ Haldia was also developed by the State assistance. Throughout the first phase of development from 1960s to 1970s, transport, communication, township, and other basic amenities were constructed by both Central and State government assistance. Based on this ready infrastructure, the private capital, both local and multinationals, invested here. Like Durgapur, in Haldia also foreign technology and capital played a vital part in making of

every State project like the Haldia port, oil refinery, Haldia fertilizer plant and thus, imperialist plunder was continued. In 1990s after the introduction of the economic policy of privatisation and liberalisation, Haldia industrial zone received new kind of capital investment in the form of Foreign Direct Investment (FDI) and Public-Private project (PPP).

But, how far this industrial development transformed the livelihood of the local inhabitants is a big question. Most of the labour intensive public sector units were gradually became either closed or sick due to lack of modernisation and capital investment from the government. Besides, the private sector investments created only little job which was occupied mostly by the highly educated personnel migrated from outside the region. Thus, we can see a job-less growth at this much hyped Haldia region that only led to the underdevelopment of this zone.

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