

## Resettlement and Rehabilitation in India: Issues, Methodologies, and Lessons Learned

Mr Subash Chandra Ray<sup>1</sup>, Dr S Tarakeswar Rao<sup>2</sup>, Dr Prasanta Ku Parida<sup>3</sup>

<sup>1</sup>PhD Research Scholar, School of Management Studies, GIET University, Gunpur, Odisha,  
Mail Id: [subashray@gmail.com](mailto:subashray@gmail.com), ORCID Id:0009-0000-5172-9879.Mob: +919937736195

<sup>2</sup>Asst. Prof., School of Management Studies, GIET University, Gunpur, Odisha,  
Mail Id: [taraksivvala@gmail.com](mailto:taraksivvala@gmail.com),

<sup>3</sup>Assoc. Prof, School of Rural Management, KIIT University, Bhubaneswar, Odisha,  
Mail id: [prasanta.parida@ksrm.ac.in](mailto:prasanta.parida@ksrm.ac.in), Mob: 9439197381, ORCID ID:0000-0001-9699-8319

### Abstract

*Resettlement and Rehabilitation (R&R) in India remains a critical development concern due to large-scale displacement induced by infrastructure expansion, mining, industrialisation, urbanisation, and conservation projects. Despite the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (RFCTLARR Act), rehabilitation outcomes continue to exhibit persistent gaps in livelihood restoration, social integration, and long-term well-being. This study undertakes a structured review of recent literature (primarily 2015–2025, with emphasis on 2020–2025 publications) to synthesize major issues, methodological approaches, and lessons learned in R&R research in India. Using a qualitative thematic synthesis approach, the paper identifies key challenges including livelihood displacement, social disarticulation, governance deficits, gendered vulnerabilities, and inadequate post-resettlement support systems. The review also highlights methodological diversification in R&R studies, including the Sustainable Livelihood Framework (SLF), Impoverishment Risks and Reconstruction (IRR) model, mixed-method approaches, participatory rural appraisal (PRA), and longitudinal assessments. The findings indicate a gradual shift from compensation centric to rights-based and livelihood-centred rehabilitation approaches; however, implementation gaps persist due to weak institutional capacity, limited community participation, and absence of long-term monitoring frameworks. The study concludes by proposing an integrated R&R framework emphasizing livelihood restoration, participatory governance, and psychosocial rehabilitation, and identifies key research gaps for future empirical investigation in the Indian context.*

**Keywords:** Resettlement, Rehabilitation, Displacement, Livelihood, India, RFCTLARR Act, Sustainable Livelihood Framework, Development-Induced Displacement

### INTRODUCTION

Development-induced displacement has emerged as one of the most significant socio-economic consequences of rapid economic growth in India. Large-scale infrastructure projects such as dams, highways, mining operations, special economic zones (SEZs), and urban development initiatives have led to the involuntary displacement of millions of households over the past several decades. While development projects aim to enhance national economic growth, they often generate adverse social outcomes for affected populations, particularly in rural, tribal, and resource-dependent communities. Resettlement and Rehabilitation (R&R) policies in India have evolved considerably, particularly after

the introduction of the RFCTLARR Act, 2013, which marked a shift toward rights-based compensation and rehabilitation mechanisms. However, empirical studies consistently reveal that displacement outcomes remain uneven, with many affected households experiencing long-term livelihood insecurity, loss of social capital, and weakened access to basic services.

Recent payment system emphasizes that compensation alone is insufficient to restore pre-displacement living standards, and that rehabilitation must incorporate multidimensional recovery strategies including livelihood reconstruction, social integration, and psychological well-being. The growing body of literature also reflects a methodological shift toward mixed-method

approaches, participatory frameworks, and sustainability-oriented evaluation models. Despite these advances, there remains a lack of comprehensive synthesis of recent literature focusing on issues, methodologies, and lessons learned in R&R in India. This study addresses this gap by systematically reviewing contemporary research to provide an integrated understanding of R&R dynamics in the Indian context.

## BACKGROUND AND CONTEXT OF R&R IN INDIA

India's development trajectory has historically involved large-scale land acquisition and displacement, particularly through dam construction (e.g., Narmada Valley projects), mining expansion (Jharkhand, Odisha, Chhattisgarh), and industrial corridors. Estimates suggest that millions have been displaced since independence, with a significant proportion lacking adequate rehabilitation support. The RFCTLARR Act, 2013 introduced several progressive provisions, including Higher compensation rates for land acquisition, Mandatory Social Impact Assessment (SIA), Provisions for rehabilitation and resettlement benefits, Special protections for Scheduled Tribes and forest dwellers and Emphasis on consent and participation.

However, implementation remains inconsistent across states and sectors. Empirical studies indicate that while policy frameworks have improved, ground-level rehabilitation often suffers from administrative delays, weak coordination, and inadequate post-resettlement support systems.

## LITERATURE REVIEW

**Development-Induced Displacement:** This theory seeks to comprehend the causes and effects of displacement caused by development initiatives. It examines the power relations between project developers, governments, and impacted communities, stressing the social, economic, and environmental repercussions of displacement, as well as the problems affected people confront during the relocation and rehabilitation process (Tewari, D. D., & Sahu, A. K., 2017). Social Impact Assessment (SIA) is a framework that highlights the need to examine and resolve the social effects of development initiatives, such as

relocation and rehabilitation. It stresses the significance of undertaking extensive impact assessments, involving impacted communities, and guaranteeing their involvement in decision-making processes in order to reduce negative social consequences and advance sustainable development objectives (Ramanathan, U., & Kandlikar, M., 2016).

**Approach to Livelihoods:** The approach to livelihoods explores how displacement and resettlement influence the livelihood strategies of affected populations. This viewpoint highlights the significance of restoring and increasing the economic capacity of displaced populations through the provision of alternative livelihood initiatives, skill development, and income-generating activities to ensure their long-term well-being and sustainability.

**Governance and Policy Analysis:** This theoretical framework investigates the influence of governance structures, institutional arrangements, and policy frameworks on resettlement and rehabilitation results (Ahuja, R., 2015). It assesses the efficacy of existing policies and finds implementation gaps and obstacles. In addition, it emphasises the significance of stakeholder involvement, community participation, and responsibility in achieving fair and sustainable outcomes.

**Rights-based Perspective:** The rights-based approach to resettlement and rehabilitation prioritises the protection and promotion of human rights, such as the right to land, shelter, a means of subsistence, and participation. This viewpoint focuses on ensuring that the rights of displaced people are respected, safeguarded, and fulfilled throughout the resettlement and rehabilitation process and provides a framework for lobbying for policy reforms and accountability (Parikh, J., & Mehta, P., 2018). By utilising these theoretical approaches, scholars are able to examine the consequences, obstacles, and policy suggestions associated with resettlement and rehabilitation in India, giving useful insights for policymakers, practitioners, and researchers in this field.

Resettlement and rehabilitation (R&R) in India have become crucial components of several



community-displacing development initiatives. Relocation can result in the fracturing of communities, the loss of social networks, and cultural disturbances. Displacement frequently affects economic life, resulting in income loss, unemployment, and difficulty gaining access to other sources of income. Moreover, R&R projects can have environmental impacts such as deforestation, biodiversity loss, and ecosystem disturbance (Singh, D., & Pal, B. K. 2020).

Land purchase and title concerns further

complicate the procedure, leading to disagreements and conflicts. In addition, insufficient community engagement and consultation in decision-making heighten social tensions and impede the development of lasting relocation alternatives. In order to address these issues, India has developed a regulatory framework for R&R that includes land acquisition regulations, rehabilitation rules, and environmental and social impact assessment procedures (Nandi, P., 2017).

**Thematic Summary Table (Recent Studies)**

Author (Year)	Focus Area	Methodology	Key Findings
Tribal displacement studies (2021–2024)	Forest-dependent communities	Case study	Cultural loss and livelihood breakdown are irreversible
Urban R&R studies (2020–2023)	Urban displacement	Mixed methods	Peripheral relocation increases livelihood vulnerability
RFCTLARR policy evaluations (2018–2023)	Policy effectiveness	Policy analysis	Implementation gaps persist despite legal reforms
Livelihood studies (2020–2025)	Income restoration	Household surveys	Compensation does not ensure livelihood recovery
Gender studies (2021–2024)	Women and displacement	Qualitative interviews	Women face exclusion from property and decision-making

**RESEARCH GAPS**

Despite substantial literature, several critical gaps remain the lack of Longitudinal Evidence, where most studies are cross-sectional and fail to capture long-term livelihood trajectories. There are limited quantitative panel data. There is a scarcity of panel datasets tracking the same households over time. Under representation of Tribal and Indigenous Perspectives. Indigenous knowledge systems and cultural loss remain under-theorized. Weak Gender-Disaggregated Analysis. Few studies systematically measure gender-specific rehabilitation outcomes. GIS-based displacement mapping with causal inference models remain underutilized. Insufficient Comparative Inter-State Studies with Comparative research across Indian states (e.g., Odisha, Jharkhand, Chhattisgarh, Maharashtra) is limited.

**STUDY OBJECTIVES**

1. To analyse major issues in Resettlement and Rehabilitation in India.
2. To examine methodological approaches used in R&R research.

3. To synthesize key lessons learned from empirical studies.
4. To identify research gaps and propose future directions.

**RESEARCH QUESTIONS**

1. What are the major socio-economic and institutional issues in R&R in India?
2. What methodological frameworks are predominantly used in R&R studies?
3. What lessons can be derived from recent empirical and conceptual literature?
4. What are the existing research gaps in R&R payment system in India?

**Theoretical Framework\*\***

This study draws on three major theoretical perspectives: Impoverishment Risks and Reconstruction (IRR) Model, the IRR model identifies displacement-related risks such as landlessness, joblessness, homelessness, marginalisation, food insecurity, increased morbidity, loss of access to common property

resources, and social disarticulation. It provides a structured lens for analysing post-displacement vulnerabilities.

Sustainable Livelihood Framework (SLF), the SLF focuses on five key capitals-human, social, natural, financial, and physical-highlighting how displacement disrupts livelihood systems. It is widely used to assess rehabilitation outcomes in rural and tribal contexts. And Rights-Based and Participatory Framework, this approach emphasizes legal entitlements, community participation, and procedural justice in rehabilitation processes. It aligns with the RFCTLARR Act's emphasis on consent, transparency, and social impact assessment.

## RESEARCH DESIGN

This study adopts a **qualitative systematic-cum-narrative review design** to synthesize contemporary literature on Resettlement and Rehabilitation (R&R) in India. The objective is not to generate primary empirical data but to integrate findings from peer-reviewed journal articles, policy reports, and scholarly books to identify dominant themes, methodological approaches, and policy implications. The review is structured to ensure analytical rigor comparable to Scopus indexed review studies, combining thematic synthesis with structured literature mapping.

## Data from secondary data

Scopus-indexed journals (where accessible via secondary citations), Web of Science-listed publications, ScienceDirect, SpringerLink, Taylor & Francis Online, Sage Journals and Government reports (RFCTLARR Act-related evaluations, SIA reports)

## Analytical Approach

The thematic synthesis method was used in Coding of recurring themes, Grouping into conceptual clusters, Identification of patterns across studies and Integration into analytical categories

## KEY FINDINGS

Institutional and Policy Evolution of R&R in India, include the evolution of R&R policy in India shows a gradual transition from compensation centric

frameworks to rights-based rehabilitation systems. The RFCTLARR Act, 2013 is widely considered a landmark reform, as it introduced mandatory Social Impact Assessment (SIA), consent requirements, and structured rehabilitation benefits. However, recent studies highlight that institutional implementation remains uneven across states, with significant variation in compliance levels, administrative efficiency, and beneficiary outcomes.

Livelihood Reconstruction and Economic Rehabilitation which shows livelihood restoration remains the most critical challenge in R&R outcomes, Agriculture-dependent households experience irreversible livelihood shifts, Compensation is often invested in non-productive assets. Informal sector workers face long-term employment instability and Urban resettlement increases commuting and transaction costs. A consistent finding across studies is that **income replacement does not equal livelihood reconstruction**, as livelihood systems depend on social networks, ecological access, and local markets.

Urban Resettlement and Peri-Urban Vulnerabilities, Urban development projects (metros, smart cities, industrial corridors) increasingly relocate populations to peripheral zones, Increased spatial exclusion, Weak access to public services, Poor transport connectivity and Emergence of informal slum-like resettlement clusters. Urban R&R studies emphasize that relocation often produces **secondary poverty zones**, where displaced populations experience renewed deprivation. Tribal and Forest-Based Displacement includes tribal populations are disproportionately affected due to dependence on forest ecosystems, Collective land ownership systems and Cultural attachment to territory, which shows rehabilitation often fails to account for **non-market values of land**, including cultural identity, spiritual significance, and ecological dependence.

Gender and Social Inequality in Displacement includes women's exclusion from land titles reduces compensation benefits, Increased unpaid domestic burden post-relocation, Loss of informal

economic roles (agriculture, forest produce collection) and reduced mobility and safety in resettlement sites with Gender-neutral policies often result in **gender-biased outcomes in practice**. Governance, Transparency, and Participation, a major criticism in literature is the **weak implementation of participatory governance** includes tokenistic participation in SIA processes, Lack of informed consent, Poor grievance redress mechanisms and limited transparency in compensation calculation.

## Major Issues in Resettlement and Rehabilitation in India

Inadequacy of Compensation and Economic Displacement, a dominant and consistent finding across studies is that **monetary compensation fails to ensure livelihood reconstruction**. While compensation is often calculated based on land value and assets, it does not adequately capture, loss of informal income streams, dependency on common property resources, long-term occupational displacement and inflation-adjusted livelihood replacement costs. Households frequently experience **“compensation-led impoverishment”**, where lump-sum payments are rapidly exhausted due to lack of financial literacy, investment opportunities, or market access.

Livelihood Disruption and Structural Unemployment includes Displacement results in structural livelihood changes, particularly for, small and marginal farmers, landless labourers, forest-dependent communities and informal urban workers. Even when resettlement sites provide housing, **employment ecosystems are rarely reconstructed**, leading to long-term underemployment or informal precarious work. Social Disarticulation and Loss of Community Networks include one of the most under-addressed impacts of displacement is **social fragmentation**, breakdown of kinship-based mutual support systems, weakening of collective institutions (self-help groups, community councils), loss of informal risk-sharing mechanisms and reduced social trust and cohesion. Social disarticulation is particularly severe in **tribal and rural agrarian societies**, where community structures are central to survival.

Urban Resettlement Challenges and Spatial Marginalisation includes Urban R&R programmes in India often relocate displaced populations to peri-urban fringes, leading to, long commuting distances to workplaces, lack of access to quality education and healthcare, poor public transport connectivity and emergence of new informal settlements. This results in **“relocation-induced spatial poverty traps”**, where displacement reproduces rather than resolves poverty. Governance Failures and Institutional Fragmentation includes Despite the RFCTLARR Act, 2013, governance challenges persist, weak inter-departmental coordination, delayed implementation of rehabilitation packages, lack of accountability mechanisms and bureaucratic inefficiencies in SIA implementation. Studies consistently highlight that implementation capacity, rather than policy design, is the major bottleneck in effective R&R.

Gendered Inequities in Rehabilitation includes Gender disparities remain structurally embedded in R&R outcomes, Women often lack formal land ownership rights, Compensation is frequently paid to male household heads, Women’s informal livelihoods (farming, forest collection, livestock care) are undervalued and Increased domestic workload after relocation. Thus, R&R processes often **reinforce existing gender hierarchies** rather than correcting them. Psychological Stress and Loss of Place Identity include Recent literature increasingly recognizes **psychosocial impacts**, including, **stress and anxiety due to relocation**, loss of “place attachment”, cultural dislocation and identity crises among indigenous groups.

## DISCUSSION

The findings of this review demonstrate that R&R in India is characterized by a persistent gap between **policy intent and implementation reality**. While the RFCTLARR Act, 2013 represents a progressive legal framework, its operational effectiveness is constrained by administrative inefficiencies, weak monitoring systems, and inadequate integration of livelihood restoration mechanisms.

A key insight from the literature is the **multi-**

dimensional nature of displacement impacts\*\*, extending beyond economic loss to include social, cultural, psychological, and spatial dimensions. However, policy implementation continues to prioritize tangible compensation over intangible losses such as social capital and identity. Methodologically, the field has evolved significantly, with increasing adoption of mixed methods, SLF, and IRR models. Yet, there remains a need for stronger longitudinal and comparative research designs to assess sustainability of rehabilitation outcomes.

## CONCLUSION

Resettlement and Rehabilitation in India remains a complex and evolving policy challenge. Despite significant legal and institutional reforms, empirical evidence suggests that displacement continues to produce long-term livelihood insecurity, social fragmentation, and unequal recovery outcomes. This study synthesizes recent literature to highlight three key conclusions the Compensation alone is insufficient\*\* to ensure sustainable rehabilitation. Livelihood-centered and participatory approaches\*\* are essential for effective R&R. Long-term monitoring and multi-dimensional evaluation frameworks are critical for assessing rehabilitation success. Future R&R policy must adopt an integrated framework combining economic, social, cultural, and psychological rehabilitation dimensions to ensure inclusive and sustainable development outcomes.

## REFERENCES

1. Cernea, M. M. (1997). The risks and reconstruction model for resettling displaced populations. *World Development*, 25\*(10), 1569–1587.
2. Cernea, M. M. (2000). Risks, safeguards, and reconstruction: A model for population displacement and resettlement. In M. M. Cernea & C. McDowell (Eds.), *Risks and reconstruction: Experiences of resettlers and refugees\** (pp. 11–55). World Bank.
3. Kabra, A. (2016). Assessing economic impacts of forced land acquisition and displacement: A qualitative rapid research framework. *Impact Assessment and Project Appraisal*, 34\*(1), 24–32. [<https://doi.org/10.1080/14615517.2015.1096037>](<https://doi.org/10.1080/14615517.2015.1096037>)
4. Singh, I., & Muhuri, S. (2024). Assessment of livelihood sustainability during development-induced displacement and resettlement in India: A literature review. *Canadian Journal of Development Studies*, 45\*(1), 136–160. [<https://doi.org/10.1080/02255189.2023.2212894>](<https://doi.org/10.1080/02255189.2023.2212894>)
5. Tiwari, P., Shukla, J., & Purkayastha, A. (2023). Post-disaster reconstruction and well-being of affected persons in India. *Journal of Human Values*, 29\*(1), 104–130. [<https://doi.org/10.1177/09754253231161014>](<https://doi.org/10.1177/09754253231161014>)
6. van Eerd, M., & Schelkshorn, D. (2024). Longitudinal insights on resettlement projects in India: Evidence from urban rehabilitation. *International Journal of Housing Policy*, 24\*(4), 645–669. [<https://doi.org/10.1080/19491247.2024.2308721>] (<https://doi.org/10.1080/19491247.2024.2308721>)
7. World Bank. (2018). *Environmental and social framework: Land acquisition and involuntary resettlement\**. World Bank Group.
8. Cernea, M. M. (2003). For a new economics of resettlement: A sociological critique of the compensation principle. *International Social Science Journal*, 55\*(1), 37–45.
9. Ahuja, R. (2015). Resettlement and rehabilitation of displaced people in India: Issues and challenges. *Journal of Business Management & Social Sciences Research*, 4(9), 74-78.
10. Nandi, P. (2017). Socio-cultural impact of displacement: A case study of people affected by the Bargi Dam in India. *Journal of Developing Societies*, 33(2), 168-191.
11. Tewari, D. D., & Sahu, A. K. (2017). Rehabilitation of project-affected people in India: An evaluation. *International Journal of Research in Economics and Social Sciences*, 7(12), 93-105.
12. Parikh, J., & Mehta, P. (2018). Rehabilitation and resettlement of displaced people: An analysis of land acquisition in India. *Economic and Political Weekly*, 53(44), 71-79.
13. Prasad, R. N. (2015). Environmental impacts of rehabilitation and resettlement due to development projects: A review. *Environmental Monitoring and Assessment*, 187(6), 368.
14. [6]. Raju, E., & Prakash, S. (2020). Environmental impacts of large dams: A case study of Sardar Sarovar Dam in India. *International Journal of Water Resources*



- Development, 36(4), 651-674.
16. Ramanathan, U., & Kandlikar, M. (2016). Equity in resettlement and rehabilitation: Challenges and policy directions. *Land Use Policy*, 50, 535-547.
17. Singh, D., & Pal, B. K. (2020). Challenges of resettlement and rehabilitation in India: A review of policies, practices, and outcomes. *Habitat International*, 95, 102078.