



4DInternational Journal of IT And Commerce( ISSN:2319-194X )

VOL.4, ISSUE-1, JULY-2015

[www.4dinternationaljournal.com](http://www.4dinternationaljournal.com)

---

## LAND ACQUISITION POLICY IN INDIA; AN INTROSPECTION

**Dr. Satyabrata Mishra\***

### **Introduction:**

The Land Acquisition, Rehabilitation and Resettlement bill, 2011 has been introduced in Lok Sabha and referred to the standing committee on Rural Development on 13<sup>th</sup> September, 2011. The committee after extensive consultation with various stake holders such as general public, central and state govt., farmers associations, social organizations, legal experts and the industry submitted its Report on the 16<sup>th</sup> May, 2012. The LARR Bill intends to replace the much criticized Land Acquisition Act, 1894. The new Bill embarks upon ensuring humane, participatory, informed consultative and transparent process, for land acquisition, for industrialization, development of essential infrastructural facilities and urbanization. The Bill envisages acquisition of land for public purposes and earmarks various kinds of compensation to be paid to the displaced landowners and the people dependent on the acquired land. The Bill proposes that consent from 80% of the affected families has to be obtained and social impact assessment of proposals leading to displacement of people has to be conducted before the acquisition. The Bill makes the provision for private companies to purchase land directly through private negotiations on a willing seller – willing buyer basis for their private use.

The present paper exerts an ingenious endeavor at examining the economic backdrop of policy formulation, salient features of bill, issues pertaining to the bill or recommendations of the standing committee on rural development, rehabilitations of displaced tribal people, monetizing compensation and suggestions for better inclusive growth. The study is based on information collected from Newspapers, Current Magazines, Economic and Political Weekly and Yojana.

**\*M.P.C.Autonomous College,Takatpur,Baripada,Odissa,India.**

---

### **Economic Backdrop:**

The strategy of rapid industrialization, infrastructural development and urban agglomeration have led to displacement of tribal people. Hirakund dam in Orissa, Steel Plant at Rourkela, Bokaro, Bhilai, Durgapur, NALCO etc led to displacement of tribal people. Rapid expansion of service sector such as Railways, National Laboratories, Schools, Hospitals and SEZs have aggravated displacement of people being evicted from the concerned areas. People displaced by a number of projects lost their livelihoods, their skills and knowledge along with access to resources such as land, hills, forests and rivers. The nature of industrial establishment and service sector is such that they can't provide alternate employment to these people and integrate them into the modern system. Majority of them displaced from their ancestral system are also marginalized in the evolving system.

Forced land acquisition on the basis of Land Acquisition Act 1894 and the consequent agitations against the land acquisitions followed by the violence unleashed by the state provided momentum to the agitations. There were agitations against Hirakund and Rengalli Dams in Orissa. Recently, in Singur and Nandigram there were agitations against the Tatas and the Salem group in West Bengal, Tata Steel Plant in Kalinganagar, Vedanta Aluminum refinery project in Jagatsingpur, Sompeta Thermal Power Plant (Nagarjuna Company) in Andhra Pradesh and Greater Noida in UP which required police intervention against the agitators. The major thrust of all these agitations is that the victims are greedy and determined to bargain for more compensation and other benefits.

### **Salient Features of the LAAR Bill:**

LAAR Bill 2011 is applicable throughout India except Jammu and Kashmir. It has two fold objects. Firstly it relates to free flow of capital without any hurdles and secondly it relates to welfare of the project affected people. The first objective is fulfilled by facilitating land acquisitions for industrialization, development of essential infrastructure facilities and urbanisation. The salient features of the bill are enumerated below:

## 4DIJITC

- (a) Land can be acquired at a place where at least 80% of the affected families give their consent. Multi-crop irrigated land shall be acquired only as a last resort measures.
- (b) Compensation for land owners includes market value of land (to be multiplied by three in rural areas), value of other assets attached to land such as buildings, trees, wells, crops etc. and in addition a solatium amount of 100% on total compensation.
- (c) Comprehensive rehabilitation and resettlement package for land owners including subsistence allowance, job, house and an acre of land in case of irrigation projects, transportation and resettlement allowances are proposed. In case of industry, employment for one member of the family and in cases where it is not possible, Rs.5 lakhs is proposed to be given.
- (d) The special package for ST and SC under the Bill envisages additional benefits of 2.5 Acres of land and one time financial assistance of Rs.50000/-
- (e) Infrastructural amenities are proposed to be provided in the rehabilitation colonies.
- (f) A social impact assessment is also to be prepared.

A noteworthy aspect is the special proposals for scheduled tribe families affected by the projects who lack well defined land rights and hence could lose out on the compensation systems.

### **Recommendations of the standing committee on Rural Development:**

- (a) The committee recommended that the state should not acquire land for public private partnership and for private companies. Further it expressed apprehension regarding the open ended definition of public purpose and infrastructure projects and recommended the deletion of clauses 2 (1) (b) and c, 2 (2) (b), 3 (o) (v), 3 (z a), vi (B) and (vii)
- (b) On the question of mandatory R and R provisions for all private purchases the committee while noting that sale, purchases of land is a state subject recommended that the state Govt. should be given the discretion to fix R and R provisions keeping in view the overall objectives of the Act.
- (c) The committee recommended for a much larger role of Gram Sabhas. Their role should not be limited to only consultation and their centrality should be ensured.

## 4DIJITC

Their consent should be obtained for all the matters with regard to acquisition and R and R benefits.

- (d) On the question of applicability of LAAR provisions on the scheduled areas, the committee recommended that the bill should not allow for acquisition of land falling under the scheduled areas.
- (e) The committee rejected the exemptions being granted under the LAAR to 16 central acquisition acts and proposed that necessary amendments should be brought in the acts to make them at par with LAAR bill.
- (f) The committee recommended the constitution of a multi members land pricing commission to finalise the cost of the land acquired state wise or area wise.

### **Rehabilitation of displaced tribals:**

The strategy for rehabilitation of the displaced people embarks upon

- (a) Cash in lieu of land and other facilities.
- (b) Monetising compensation.
- (c) Identification of SEZs in Non-agricultural areas.
- (d) Direct purchase of land from the people by the companies by negotiations.
- (e) Priority of employment to local people.
- (f) Careful selection of the resettlement site,
- (g) Periphery development measures.
- (h) Extensive plantations.
- (i) Promotional and Developmental roles by the NGOs.
- (j) Inclusion of Social Cost and Benefits.

**Lessons from Singur Episode:** The survey conducted by M. Ghatak, S. Mitra, D. Mookherjee and A. Nath in 12 Singur villages embark upon four important questions viz. (a) whose land were acquired: poor cultivators or wealthier land owners/ non-cultivators ? How much land was acquired: was it large relative to land owned previously for the majority of affected land owners? (b) Did the Govt. offer compensation at the market value of lands acquired, as required by 1894 Land Acquisition Act. If not, why not ? (c) Could the decisions of land owners to refuse the Govt's offer be explained by under-compensation and/or the extent to which their livelihoods were affected ? (d) What was the impact of

## 4DIJITC

acquisition and compensation offered on income, consumption and assets of those whose lands were acquired, as well as tenants and workers that had previously been employed on acquired lands ?

Main findings relating to these questions are epitomized below :

- a) The majority of plots acquired were non-negligible in size, compared to the average in Singur. Most of the land was acquired from marginal landowners and from those engaged in cultivation on the acquired plots. For most affected owners more than half the land they owned in 2005 was acquired.
- b) While this was true on average, a significant fraction of landowners were under-compensated due to misclassification of their plots as Sali rather than Sona in the official land records, besides inability of the latter to incorporate other sources of plots heterogeneity. In Nandigram area of WB which earlier saw violence relating to forcible land acquisition under the Left Front Govt., farmers have protested land acquisition by the current Govt. for building roads.
- c) Owners with under compensated types of plot were significantly more likely to reject the compensation officer. Those whose livelihoods were more tied up with cultivation and those with possible speculative motives were more inclined to reject.
- d) Acquisition of land resulted in 40% lower income growth for owners and half that for tenants. Consumer durables grew more slowly for under compensated affected owners, compared to others in the same village. Agricultural workers that were directly affected experienced significant reductions in employment earnings compared with unaffected agricultural workers, who experienced smaller earnings growth compared with non-agricultural workers.

Land acquisition in Singur imposed significant economic hardship on a large fraction of affected owners, tenants and workers. A large fraction of owners were under compensated relative to market values. Tenants were under compensated at all.

## 4DIJITC

An obvious implication for future land acquisition policy is the need to base compensation on better measures of land values than what is permitted by official land records. Getting the soil grade right will reduce the incidence of under compensation, chances of rejection and subsequent protest significantly. Displaced tenants and workers who constitute the vulnerable sections of rural communities also need to be compensated to avoid adverse impact on their livelihoods.

Another intricated issue concerns the principle of compensation on market values. Many owners value their land more than their market values on account of other attributes of land such as financial security, complementary with farming skills, locational factors, or considerations of identity or social prestige. That is why long standing owners have not exercised the option to sell their land at market prices. To ensure that such owners are adequately compensated would require raising compensations above market values.

### **Suggestions:**

- (b) The bill should not restrict itself to the quantitative rural urban division but take into account the different organizations of production to formulate a land acquisition policy to suit them accordingly.
- (c) Policies for tribal areas need to be distinctly different from those in non-tribal areas. While cash for land may work in monetized systems for tribal regions providing land for cultivation and cash is not important.
- (d) For rehabilitation and resettlement providing cash once again would be unsuitable there must be mechanism within the bill for actual resettlement.
- (e) Since the cohesion and sustainability of a family can be heterogeneous in different economic systems, the bill should work with individuals rather than families when determining compensation for loss of livelihood.
- (f) All the individuals of the affected families both male and female who are willing and capable to perform productive activities must be treated as surplus generating people who must be given employment. In the case of providing rehabilitation and resettlement benefits, women must be recognized and accepted as the head of the

## 4DIJITC

household to receive various benefits since they bear all the responsibility for survival of the family.

- (g) Provision of monthly pension of Rs.500/- to each old and physically handicapped displaced person.
- (h) Displaced persons are allowed to have shares and debentures of new industries causing displacement.
- (i) The institutions acquiring land will bear the cost of transforming agriculture to non-agriculture purpose.
- (j) If land is acquired by the Govt. for irrigation projects, another land may be arranged for the affected family in the same irrigated area.
- (k) Amount of compensation should be determined as per the current price index.
- (l) Total amount of compensation should be paid before displacement.
- (m) Temporary dwelling, transportation facilities, sanitation and health facilities may be provided to the displaced persons in case of emergency.
- (n) Performance will be given to local people in outsourcing and minimum profit of the new institutions will be spent for peripheral development.

### References:

1. **Dutta Lahiri Kuntala, Krishnan Radhika and Ahmad Nesar, (2012) Land Acquisition and Dispossession, EPW, P 39-45.**
2. **Bharati Mudunuri (2012) Tribal Women's prespective on the Land Acquisitoin Bill, 19<sup>th</sup> May, 2012, EPW, P 73-77.**
3. **Ghatak Maitreesh, Mitra Sandip, Mookherjee Dilip and Nath Anusha (2013), Land Acquisition and Compensation, What really happened in Singur, 25<sup>th</sup> May 2013, EPW, P 32-44.**
4. **Gonsalves Colin, (2010) Judicial failure on Land Acquisition for Corporations, 7<sup>th</sup> August, 2010, EPW, P 37-42.**
5. **Ramanathan Usha (2011) Land Acquisition, Eminent Domain and 2011 Bill, 5<sup>th</sup> Nov. 2011, EPW, P10-14**