

VIEW

"Millions of Rural Migrants will Benefit"

The amended Land Bill will help fast-track the land acquisition process for larger public good

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The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 can arguably be termed as one of the most deliberated and awaited legislations in the country over the last two decades. Its importance was enhanced by the fact that in the period preceding its passage, all the major stakeholders in land acquisition – industry, land owners and landless agrarian class went through a very tense phase, often leading to violent upsurges across the country. Not only did this new Act replace the archaic Land Acquisition Act of 1894 but it also installed rehabilitation & resettlement as an integral component of land acquisition. This was important as equitable participation by industry and the farm community is a prerequisite for economic development.

It was expected that this Act will create millions of jobs, meet the aspirations of farmers, thereby bridging the economic divide and propelling inclusive growth in the country. However, euphoria over this landmark Act was soon replaced by disillusionment as it was realised that the stipulated provisions have made the entire land acquisition process cumbersome beyond reason and costly. Blanket provisions like consent requirements and Social Impact Assessment (SIA) for all sorts of projects meant that projects worth thousands of crores of rupees would continue to be stranded on account of hurdles in land acquisition; and that millions of landless people would be deprived of job opportunities and forced to migrate to urban slums to look for livelihood.

Against this backdrop, this government has come out with certain amendments to this Act in the form of an ordinance which exempts certain key areas like affordable housing, rural infrastructure including electrification and social infrastructure projects from the mandatory consent of 70-80% of land owners and SIA. This would help fast-track the land acquisition process in areas of larger public good.

Such exemptions are also applicable for public private partnerships (PPPs) in social infrastructure projects such as educational institutions and hospitals. In a bid to restrict misuse, it is proposed that the ownership of land in such cases would continue to vest with the government. Another major provision in this ordinance is inclusion of all 13 existing central legislations so that landowners are eligible for same increased compensation and rehabilitation & resettlement entitlements. It also grants the right to landowners to move district authorities first for grievance redressal against land acquisition before moving to the respective high courts, thereby empowering them against possible exploitation and offering multiple windows for seeking justice.

This ordinance has also upheld the compensation package at four times the market value in rural areas and two times in urban areas; this will go a long way to ensure that landowners and farmers are adequately compensated. CII supports this provision as such landowners and farmers are important stakeholders in the developmental process.

It is crucial to quote the National Sample Survey Organisation report of 2014 which found that 56% of small farmers – those with less than 100 square metres of farmland – earned the majority of their income in the form of wages from an external job and agricultural income was marginal to their household expenses.

Hence, as farmers with small land holdings are compelled to look for other means for livelihood in addition to farming, land

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acquisition at above-market rates as well as adequate provisions for resettlement and rehabilitation will provide new opportunities to farmers as well as the rural poor who are seeking new jobs and entrepreneurship opportunities. There is a growing aspiration within the farm community to move upwards, both in terms of jobs in factories and better livelihood. At the same time, numerous studies have forecasted India's urban population to reach 600 million by 2030; they will require adequate housing, jobs and manufacturing facilities. The amended Land Acquisition Act is expected to benefit millions of rural migrants and help the country urbanise in a planned manner.

Another major provision of the amended Act aims at strengthening the industrial corridors in the country as projects in such corridors too have been granted exemption from mandatory consent and SIA. It has been proposed that the industrial corridors should be built in such a way that they run within a narrow distance with various highways, thereby giving a fillip to the development of the entire rural area in its vicinity – through employment opportunities and enhanced land value.

One may argue that this Act is only in cases where government is approached for land acquisition (in the stated exemptions), either by the private sector or for a PPP project. However, when we take into consideration that the land market in the country is highly distorted and opaque with poor land records and fragmented land holdings, it would be extremely challenging for industry to directly acquire the entire land parcel required for a project. There are numerous examples from across the country where land acquisition for industrial purposes has resulted in positive economic spillovers and enhanced quality of life in its vicinity.

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