CHAPTER-1
INTRODUCTION

India is a country where majority (68.84 percent) people still lives in villages although urbanization is growing tremendously. These people earn their livelihood through agricultural activities and also engaged in other related activities. All rural people are related by land with each other. The ownership, control, and use of land are major factors in rural India. In a village, the person who owns the land, who works on it, who controls its produce, assume importance because various classes emerge from the agrarian system. Some people own the land while others merely work on it. Social classes and social stratification are based on land. In a society, where land is not equitably distributed, where it is not self-cultivated, where the yield is not high due to lack of improved methods, and where the number of landless unemployed labours is high, the relationship between the various agrarian classes would show signs of strain. Thus, the prevailing agrarian relations provide an index to the system.

The rural area is not just agricultural land. Along with agriculture, there are various other works which helps rural people as source of means to the mankind of Indian villages e.g. artisans, barbers, launder men, goldsmiths and ironsmiths live in Indian villages. Previously these were the backbone of the village economy. From the British rule the figured have been fastly decreased.

Historically, agrarian system prevalent in ancient or medieval India was very different from the one which existed in Europe, unlike in the west, feudalism in India. Land as a transferable and marketable commodity is not an ancient concept but a very recent development in India.

In Indian villages, occupation diversity was revealed in the social order e.g. caste system. But with the passage of time caste based occupations have come to end and pattern of different occupation have emerged due to increasing
better communication between villages and cities. Many rural people also engaged in other works and doing jobs in various government departments like army, police, factory workers etc.

The largest portion of the natural resources of India consists of land and by far the largest number of its inhabitants is engaged in agriculture. Therefore, in any scheme of economic development of the country, agriculture holds a position of basic importance. Although Indian agriculture is way back compared to the levels in developed countries, some notable developments have occurred over the years since Independence in 1947. Large areas which suffered from repeated failures of rainfall have received irrigation; new crops have come to occupy a significant position in the country’s production and trade; the agricultural and the industrial economies in the country now exert a powerful influence on one another; problems of rural indebtedness and the exploitative practices of the village moneylender are much less, and finally there is already in the countryside an awakening and a desire for raising standards of living.

Indian Agrarian Context

The Indian agrarian context occupies special status, both in the social scientific literature on India and in the literature of agrarian societies in general. However, unlike studies on caste, kinship, the village community, or, more recently, gender, studies, agrarian relations did not occupy a central position in Indian sociology. Though some sociologists, particularly those working on developmental issues, were writing on agrarian issues, it was with the publication of Andre Beteille’s Studies in Agrarian Social Structure in 1974 that ‘agrarian sociology’ gained professional respectability within the two disciplines. ‘Peasant studies, in a way, arrived in India with ‘village studies’. The vastly influential collection of essays, Village India, edited by Marriot (1955) with its emphasis on ‘little communities’ and ‘great communities’ was brought out under the direct supervision of Robert Redfield. It is, therefore,
interesting to see Beteille’s (1974) critique of the assumption that the village in India could conceptually be equated to peasant communities in Europe. Beteille pointed out that the Indian village was characterized by a baffling variety of land relations and a complex hierarchy of ownership rights over land. By defining ‘little communities’ not in relation to land but through other social institutions, such as kinship, religion, and the social organization of caste, there was a shift away from looking at the rural population in relation to agriculture and land (Bailey, 1958).

Caste hierarchy came to be defined in terms of rituals or social interaction over institutions of commensality and marriage. Nearly universal acceptance of functionalism among the social anthropologists of the 1950s made them overemphasize the need to understand what produced social order. Even when they found evidence to show that neither the village nor the caste system was an unchanging reality, it was not reflected in the overall picture of the village that they presented (Jodhka, 1998). There was a perceived dualism in understanding on caste and class. Studies on land and agriculture came to be associated with the domain of economics while the sociologist/social anthropologist specialized in caste (Beteille, 1974a).

Much before village studies were initiated by anthropologists during the early 1950s, social life in the Indian village and its agrarian structures were extensively documented by colonial ethnographers, though, as with many other practices of colonial historiography, the accounts were written in a manner that justified the colonial subjugation of India (Cohn, 1987).

This construction emphasized the fact that these communities were harmonious, relatively isolated, and above all, unchanging, thus blocking from view the impoverishment caused by colonial policies. Perhaps the most critical element of this construct was the assumption about the absence of private ownership of land; land was thought to be owned by the village community collectively. Since there had been no private rights over land, the British
believed that there would have been no significant economic differentiation in the Indian village.

The historical research in different regions of pre-colonial India has convincingly shown that, since the land was in abundant supply, there was no sale or purchase of land in most parts of the Indian countryside. However, not everyone had equal rights of cultivation or claims over land produce: these were instead based upon custom or upon grants made by the king (Neal, 1962). Irfan Habib, writing in the Mughal period, points out that these rights could even be purchased and sold (Habib, 1963). ‘The village did not hold its land in common. Commons were its officials and servants’ (Neal, op. cit., 1962).

Historians have also gathered enough evidence to show that claims that Indian village was internally undifferentiated, self-sufficient, and stable were incorrect. According to Irfan Habib, “During the Mughal period of Indian history economic differentiation had progressed considerably among the peasantry. There were cultivators, using hired labour, and raising crops for the market, and there were small peasants, who could barely produce food grains for their own substance. Beyond this differentiation among the peasantry, there was still a sharper division between the caste peasantry and the ‘menial’ population” (Habib, 1982, pp. 235-247).

Dharma Kumar also argues that there was a sizeable population of those who primarily worked agricultural labourers in pre-colonial south India and generally belonged to some specific caste group (Kumar, 1992). The village was linked to the central authority through the revenue bureaucracy Land revenue worked as the dominant mode of surplus appropriation during ‘medieval’ times. Mughal authorities discriminated between the classes of landowners while fixing the revenue demands. The larger landholders, such as zamindars, headmen or a favoured community, were required to pay less per unit (ibid, pp.239-40).
Pre-colonial agrarian relations were also not free of conflicts and tensions. Whenever the revenue demands became unbearable, the typical response of the peasantry was to flee *en masse* to other territories where conditions were more conducive to land cultivation (Habib, 1963). There were also instances of the peasantry revolting against local rulers, however, were unorganized, inspired by some religious ideology or a millenarian dream (Dhanagare, 1983, p. 29). The notion of the ‘*jajmani*’ system’ was also popularized by the ethnography. It tended to conceptualize agrarian social structure in the framework of exchange relations. In its classical construct, different caste groups specialized in specific occupations and exchanged their services through an elaborate system of division of labour. Though asymmetry in the position of various caste groups was recognized, what it emphasized was not inequality in rights over land but the spirit of community. For instance, Wiser argued, ‘Each served the other. Each, in turn, was a master. Each, in turn, was a servant. This system of interrelatedness in service within Hindu community was called the Hindu *Jajmani* system’ (Wiser, 1969). Central to such a construction of exchange is the idea of ‘reciprocity’ with the implicit or explicit assumption that it was a non-exploitative system where mutual gratification was supposed to be the outcome of the reciprocal exchange (Gouldner, 1973). Agriculture being basic to our economy is a form of social heritage and a way of life to the Indian farm worker. Like the Indian Union, Haryana has also lived through a typically agrarian culture for centuries. The accumulated agricultural practices which are the heritage of the untutored farmer were considered until recently as the stable culture, slow of change, as changing a way of life would always be (Miller, 1975).

**Agrarian Changes during Colonial Empire**

It may, however, be relevant to stress that although British colonial rule had a significant impact on the village economy, the initial representation of the village as having been unchanging and static in earlier periods does not
stand up to historical scrutiny. After having established its political supremacy, the colonial regime initiated the task of reorganizing local society in a framework that would make governance easy and manageable. The process began with the introduction of new property rights in land.

The British Government carried out land settlement operations all over the province. The first, and historically the most, controversial, was the permanent settlement introduced in Bengal in 1793. Under this intermediary Zamindars (the tax collecting officials in the earlier regime) were granted ownership rights over lands from which they previously only had the rights to collect revenues. Zamindari system was greatly exploitative and asymmetrical in nature with the increasing number of landless agricultural labours. In between, in varying degrees of sub-infeudation (hierarchy), were numerous intermediaries- tenants, poor peasants, sharecroppers etc. Revenue was collected by the Zamindars who acquired the status of a landlord. This system is extensively found in Bihar, Rajasthan, parts of Tamil Nadu and Uttar Pradesh. Moore (1976) argues that apart from simplifying things, the colonial rulers saw in the local Zamindars a counterpart of the ‘enterprising English landlord’, who, they believed, had the capacity to ‘establish prosperous cultivation’ if provided with secure and permanent ownership rights over land (Moore, 1976). Others have argued that the permanent settlement also had political-strategic implications, for in the landlord the British rulers saw a possible support base in local society (Desai, 1976).

At least during the initial years, for the peasantry, the new system just meant an increase in revenue demands. The additional economic burden also weakened the ‘traditional’ structure of patron-client relations between the Zamindars and the local tenants, leading to a disintegration of what Scott calls the rulers. Permanent settlement accelerated and intensified the trend towards ‘parasitic landlordism’. Another variety of land settlement known as Mahalwari or malguzari was introduced in the United Provinces, Punjab
(Haryana), and the Central Provinces. Under this, the village was identified as the unit of assessment. As such the Mahalwari system was not very different from the Ryotwari. Effective ownership of the cultivated land was vested in the cultivator here as well, but the revenue was collectively paid by the village. A villager of ‘good social standing’ was generally given the responsibility of collecting the revenue from individual cultivators and paying the assessment on behalf of the village. Despite differences in arrangement, the patterns of exchange experienced in land relations were more or less similar in most parts of the empire. Though the new settlements changed the formal structures of authority, the colonial policies also reinforced and revitalized older, ‘quasi-feudal’ structures which for the peasant meant ‘not less but in many cases more intensive and systematic exploitation’. The new land revenue systems also forced the peasants to become increasingly involved with the market, even when they did not have the capacity to produce a surplus.

From 1863 to 1871, regular settlements had been carried out under supervision and direction of a princess who appointed settlement commissioners. Land Revenue Act had been passed in 1871 and subsequent settlements known as legal settlements had been carried out under this act. These policies were essentially one of buttressing the feudal agrarians in the rural sector with a view to having a social base in the countryside so that country could be retained by them as a colonial appendage of the British economy. India has faced many difficulties during 186 to 1905. Haryana region witnessed the increasing problems of the land settlements, revenue-system, famine, droughts resulting into heavy rural indebtedness of the poor peasantry (Imperial Gazetteer of India, Punjab). Very little help in cash or kind was given to the suffering poor people at the time of need by the British administration. The agricultural communities were being suppressed and exploited by the local officials also. The suffering people of Haryana regarded the British as no better than the plunders, which further enraged the administration. There were
increasing skirmishes of the agricultural communities with the local officials, who continued to adopt more and more oppressive methods to suppress them. During the British Rule in India, agricultural development in Haryana like many other parts of the country was affected by the agricultural and industrial revolutions of Europe. New agricultural implements, technology, seed varieties and some new crops were introduced. Agriculture was benefited, to some extent, with the expansion of trade and commerce, improved irrigation facilities, transport, and communication system. With the introduction of English as a medium of education, a vast treasure of European science and technology also came within the reach of the educated Indians. But it was the agricultural land policy of the Britishers which affected adversely. In spite of agricultural development during the British rule in India, agriculturists were economically exploited and socially downgraded.

Important changes occurred in the administrative system and agriculture land settlement policy in India during the 1st half of the 19th as well as of the 20th century. The commercialization, which had been promoted by the trading elements and encouraged by the greater need for a cash payment of the land revenue, was given further impetus by the spread of the railroad network. Industrialization grew appreciably. The first and the second world wars also brought changes in Indian agriculture. Land reforms made by the Government during British rule helped in increasing agricultural production and variety of crops (Lane Poole: 1951).

**Commercialization of Agriculture**

The expression ‘commercialization of agriculture’ is used to describe two related processes: first, a shift in the agrarian economy from home consumption to production for the market; and second, a process where land starts acquiring the features of a commodity and begins to be sold and purchased in the market, like other commodities. Though it grew both
quantitatively as well as qualitatively during British rule, production for the market was not an entirely new phenomenon for Indian agriculture. As Habib points out, the big peasants during the Mughal period produced cash crops such as cotton, tobacco, and sugar cane (Habib, 1982). However, these markets were generally local in nature and the demand for such things was limited. Establishment of colonial rule changed the entire scenario. The laying of the railways and the opening of the Suez Canal made the Indian village a part of the global market. The Industrial Revolution in England around the same time generated fresh demands for some specific agricultural products required as a raw material in the new industries. The manifold increase in the land revenue at the same time compelled the peasantry to shift to crops that had better market value, which effectively meant switching over from food crops to cash crops. According to one estimate, in Royalseema region of southern India, the area devoted to food crops declined from 78.2 percent in 1901-04, to 58.2 per cent in 1937-49, while at the end it increased from 17.0 percent to 30.1 percent for cash crops during the same period (Satyarayana, 1991).

Similarly, from the state of Punjab, a large proportion of food and non-food crops began to be exported. While there was a rapid increase in the agricultural production of the region from 1921 onwards, the per capita output of food crops experienced a decline. According to the estimates made by G. Blyn for the entire country, exportable commercial crops grew more than ten times faster at 1.31 percent annual, compared to only 0.11 per cent increase per annum for food grains from 1894 to 1947. He also estimated that per head availability of food grains declined by 25 percent during the inter-War period. This decline was highest in Bengal, Bihar, and Orissa at 38 per cent, while the relatively prosperous state of Punjab also saw a decline of 18 percent (Blyn, 1966).

One obvious consequence of this shift in cropping patterns and a growing involvement of the peasantry in the market was a significant increase
in the vulnerability of local populations to famines. Forced commercialization of agriculture disintegrated the traditional systems of food security. India experienced a number of serious famines, particularly during the second half of the 19th century and the 1st half of the 20th century. According to an estimate, 3.5 to 4 million people (one-tenth to one-eighth of the total population of the region) perished during the 1876-78 famine in parts of southern India (Kumar, 1982). Similarly, Bengal was transformed from a prosperous region to a region with frequent famines. In one of its worst famines during 1943-44, nearly 3.5 million people died. Though the official's reports and ‘inquiries’ by colonial rulers attributed these famines to the scarcity of food due to crop failures in 1942. According to Sen (1976), it was not the scarcity of food but the changes in the ‘exchange entitlements’ that caused the 1943 Bengal famine. The year 1942-43 saw unparalleled inflation, mainly resulting from War expenditure, and the absolute level of prices moved quickly upward. But the prices of different commodities did not move in the same way. While food prices went up, wage rates, particularly of rural unskilled labour, remained low.

**Land as a Commodity**

While the new land settlements conferred formal and transferable/alienable rights over land, the growing revenue demands and the increasing market orientation of agricultural production created conditions under which land began to acquire the features of a commodity. The new administrative and judicial system also introduced laws against defaults of legal dues that included a default of rent, revenue, and debts. The moneylender, who until then lent keeping a peasant’s crops in mind, began to see his land as a mortgageable asset against which he could lend money. Further, an increase in production during the nineteenth century made good-quality cultivable land scarce.

Apart from an absolute increase in population, the colonial rule also led to what has been called the ‘de-industrialization’ of the Indian economy. Displacement of the native rulers after the conquest of India by the East India
Company resulted in a sudden and almost complete collapse of old urban handicrafts in the absence of patronage. The influx of cheap machine-made goods from England after the Industrial Revolution hastened this process. The economic ruination of urban and village artisans increased the pressure on land considerably (Gadgil, 1933). The net result was an ever-growing burden of debt for a majority of peasants. Indebtedness as such was not an entirely new thing for the Indian peasant. In rural areas moneylenders are also an important social community. In most areas, they existed as a separate caste group. When the peasant’s stocks finished, he could go to sahukar (moneylender) for a loan of grain. The local sahukar was also the customary source for peasants who generally needed an occasional loan. He was more of a functional category, a ‘crude balance wheel to even out periods of scarcity and prosperity (Moore, 1966, p. 358). He evaluated the creditworthiness of a particular peasant on the basis of his ability to pay back and decided on how much could be advanced to a particular farmer. The prevailing structure of credit was perhaps close to what Weber conceptualized as ‘neighborhood help’ (Weber, 1978).

As land became both scarce and transferable, and the economic environment began to change, the moneylender started advancing much more than before, provided the peasant was willing to offer his land as a guarantee against a possible default. At this stage, rich landlords also entered the credit market, more with intention of usurping the lands of smaller peasants than to earn interest. Thus began the process of ‘land alienation’.

Land alienation was a pre-Indian development irrespective of the system of revenue settlement: Zamindari, Ryotwari, or Mahalwari (Dhanagare, 1983). This impoverished the small and, often also, the middle peasant, and strengthened the position of big landowners and moneylenders in rural society. In the case where any farmer not able to pay hid loan, the professional moneylender did not force the farmer to evict from the land. But the farmer
was asked to transfer the land rights and the farmer was allowed to continue cultivating on the same land, but as a tenant of the moneylender. Where moneylenders were also landlords, the indebted peasant could end up being a landless labourer. Thus tenancy, as well as landlessness, grew significantly in most parts of the British Empire. According to one estimate, out of the total population of male agricultural labourers in the state of Punjab, the proportion of those coming from peasant and landowning caste went up from 0.8 percent in 1911 to as 29.7 percent in 1931. Similarly, in the case of Orissa, Bailey argues that once a market in land developed, peasants began to sell their lands whenever they were faced with a ‘contingent need’ (Bailey, 1958).

Peasant indebtedness and land alienation acquired such gigantic proportions that even the colonial administrators began to see this as ‘a problem’ (Darling, 1947). Reports on growing discontent among the peasantry from different parts of the empire added to their worries. The Deccan riots of 1875 only confirmed these apprehensions. Colonial rulers responded to the growing unrest in the countryside by passing legislations such as the Deccan Relief Act of 1879 and the Punjab Alienation of Land Act of 1901. The main aim of these legislative measures was to stop the transfers of agricultural land to members of non-agricultural caste. However, in the absence of any significant change in the revenue structure or in the overall politico-ideological framework of colonial rule, theses legislative measures hardly brought any relief to the peasantry. For the poor peasants, the only difference these measures made was that they now had to depend more on the credit of the richer landowners from the cultivating castes. The discontent among the peasantry continued to grow and expressed itself in a series of revolts and protest movements, particularly during the first half of the twentieth century.

Several studies examined these movements from various perspectives (Desai 1979, Gough 1979, and Dhanagare 1983). The ‘Subaltern Studies’ pioneered by Guha (1982) raised the issue of the relationship between peasant
mobilizations and the nationalist movement. These studies questioned the dominant historiographies of the colonial period, which tended to subsume the politics of the peasantry within the broader framework of the nationalist struggle led by middle-class elite, thereby erasing the question of the agency of the subaltern classes. Guha argued for a perspective that gave autonomy to peasant consciousness and looked at the ‘politics of the people independently of the domain of elite politics.

The question, ‘What did the agrarian policies of the colonial rulers do to the Indian village?’ has most frequently been raised by Marxist scholars. Marx himself had almost celebrated the colonial conquest of India, which he thought would break the earlier stagnant system and help private property relations, and hence contradictions, to grow in Indian society. Though guided by its own ‘vilest’ self-interest, Marx argued that British rule was responsible for ‘causing a social revolution in Hindustan’ (Marx, 1959:18). Marxists have also argued that high indebtedness of the peasantry, forced commercialization of agricultural produce, land alienation, and increasing domination of rich landowners and moneylenders over tenants and peasants was a specific form of ‘the primitive accumulation of capital’ which in the ultimate analysis, led to ‘a formal group of labour under capital’ (Alavi, 1990).

More popular has been the thesis of ‘conservation-dissolution’, which is that while colonial rule destroyed some of the local pre-capitalist structures, it also preserved many. As Patnaik argues, colonial rule ’broke down’ the earlier structures without ‘reconstituting’ them, and ‘bourgeois property relations’ developed without a corresponding ‘development of capitalist relations of production’ in Indian agriculture (Patnaik, 1990). In certain cases, colonial rule, in fact, introduced semi-feudal relations to perpetuate itself, unlike its parent mode of production in the West, distinguished historically by its continuous expansion of the productive forces, the mode of immense super-exploitation of the variable capital (Banaji, 1990).
Alavi (1990) argued that colonial or ‘peripheral capitalism’ was not the same as ‘metropolitan capitalism’. While it was an integrated process of development in the west, ‘peripheral capitalism brought about a disarticulated form of generalized commodity production’ because the surplus generated in agriculture was reinvested not in the local economy but in the metropolitan centers. (Though with a different emphasis, Guha too argued that the fusing of landlordism and usury by colonial rule made a possible development of capitalism difficult both in agriculture and in industry. However, unlike Alavi, Guha emphasizes that the composite apparatus of dominance over peasantry and their subjection to the triumvirate- Sarkari (of the state), Sahu Kari (of the moneylender), and Zamindari (of the landlord) - was primarily a political fact (Guha, 1983).

**India after Independence**

At the time of independence, India had an increasingly unbalanced agricultural economy, marked by low, and at times declining, yield of crops, and low share of irrigated area, large extent of cultivable land left fallow, worsening of soil quality and the use of poor quality seeds and poorly yielding livestock (Nanavati and Anjaria, 1947). The reasons for the deteriorating state of agriculture under colonialism are many and complex. Though, the one main reason was the backward and oppressive relations of production in agriculture. Big landlordism was the dominant feature of agrarian relations. The land systems of British India, though diverse in their features, were however united in their outcomes: sub-division and extreme fragmentation of operated land, insecurity of tenures, rack-renting. There was an increase in landlessness among rural households alongside an increase in the share of agricultural labours in the population and the workforce.

In order to meet the growing demand for food, there have been substantial modifications in almost all the variables of agriculture in India.
Agriculture has been increased on the one hand and on the other, efforts have been made to bring more and more areas under cultivation. For the improvement in agriculture, the Indian government has introduced new land reforms, new agricultural agendas. As a result, the net sown area, the irrigated area, and the agricultural productions have increased in abundance. Generally, the monetary returns per hectare have also increased to a considerable extent. After independence, land reform methods were taken with the main objective of elimination of intermediate system between the state and the tiller; security of the occupancy, conformity of ownership to the cultivator of the land to the tiller, imposition of ceiling on agricultural land holdings and consolidation of landholdings for the application of modern techniques in agriculture. (Eashvarish, 1985). The Government of India directed its states to abolish intermediary tenures, regulate rent and tenancy rights, confer ownership rights on tenants, and impose ceilings on holdings, distribute the surplus land among the rural poor, and facilitate the consolidation of holdings. A large number of laws were passed by the state governments in a very short interval like Punjab Land Revenue Acts of 1954, 1956, 1958 and Punjab Commercial Crops Cess Act of 1963 were passed. The Haryana Ceiling on Land Holdings Act of 1972 has been enacted to consolidate the law relating to ceilings on land holdings.

The actual implementation of these legislations and their impact on the agrarian structure is, however, a completely different story. Almost all laws had intentionally provided escapes that allowed the ruling landowners to interfere with land records by rearranging land among relatives at least on papers-dislodging their tenants and using other means of escapes the legislations. In the dearth of a united ‘political will’, land reforms could succeed only in regions where the peasantry was politically summoned and could exert pressure from below (Radhakrishanan, 1989). Chiefly, land reforms in India were a great failure. In fact, a supply side placement was the pre-eminent feature of the plans. It has also been proclaimed that agriculture was contemplated as a
“bargain sector”, i.e. a sector where production can be increased with very little supplementary investment (Chakaravarty, 1973).

The new agricultural strategy was put into practice to tide over the chronic shortages of food grains in the country. The introduction of Borlaug seed-fertilizer technology was an important technological breakthrough in agriculture. This strategy was called High Yielding Varieties Programme (HYVP), popularly known as Green Revolution. The HYV program was initially launched in certain selected districts of the country as, for example, Ludhiana in Punjab, Aligarh in Uttar Pradesh, and West Godavari in Andhra Pradesh. Later, it was extended in many districts in different States. The HYV program concentrated mainly on wheat and paddy, the two important bowls of cereal of the food basket. The HYV programme consisted of a package which included regular and adequate irrigation facilities, use of fertilizers, better quality seeds, pesticides, and insecticides. While adopting the green revolution as a policy it was expected that with upgraded farm production, not only a permanent solution would be found for the endless problems of rural poverty and hunger but it also would generate a new resources base - a platform for rural industrialization that would produce new job opportunities and at grass-root level also helps to improve the quality of life in a considerable manner (Dhanagare, 1987).

In India, modern agricultural technologies were introduced through green revolution, it also increased the agricultural production in multiples but it also leads to destruction i.e. fertility of land was decreased, problem of pest was increased. Unlike traditional agriculture, the financial condition of the farmers was not so good, so they have to borrow money form the brokers for purchasing the modern agricultural equipment from the market. Later, if they were unable to pay the money, they have to sell their agricultural land to the dealers. They sold their crops instantly after harvesting when costs were comparatively low, and bought later for consumption when costs were higher.
Changing Indian Scenario: Post Globalization Phase and Land Acquisition in India

The agrarian economy of India has experienced notable changes following economic liberalization initiated in the 1990s. It marked a shift from the planned by slow growth processes to market-driven mushrooming accompanied by changes in the government policy for agricultural development. Indian economy had experienced major policy changes in the early 1990s. India moved from sovereignty that state take way land which led to projects of industrial and agricultural transformation (the production of commodities) to one that divests land for the commodification of land itself. Between 1947 and 1991, for the setting up of different projects to increase the agriculture and industrial productivity, many states acquired agricultural land for the private developers. Generally, the agricultural land was acquired for various public purposes like infrastructure, housing, dams, etc. Before the liberalization period, the private investors were allowed to acquire agricultural land for development projects through land acquisition act but its figures were very less.

On the name of public purpose, the government acquired agricultural land from the farmers and gives them very less compensation and mainly profited the public sector elites (Bardhan, 1984; Dwivedi, 2006; Nilsen, 2010). When the peasants resisted against the land acquisition, they were speedily suppressed for demanding more compensation (Brass, 2011; Struempell, 2014). In the early 1990s, however, economic liberalization initiated the genesis of a new regime of dispossession driven by increasingly privatized, decreasingly productive, and less labour-absorbing purpose. There were many other ways to change the India’s liberalization but for the land acquisition the period of 1990s was the key turning point (Kohli, 2012).
First, economic liberalization after 1991 allowed increasing private demand for land for industry, infrastructure, and other development projects. With the decision to liberalize private investment and to diminish the public sector’s role in the economy (Chandrasekhar and Ghosh, 2002), the share of private capital in the economy steadily increased and became dominant by the end of the decade (Kohli, 2012). While liberalization did not substantially boost the manufacturing sector, it allowed dramatic growth in India’s service sector, particularly information Technology and Business Process outsourcing (Bardhan, 2010; Kohli, 2010). The Central government introduced a series of policies to attract private investment in power (1992), roads (1997), and ports (1997) as Public-private Partnership (PPP) became the preferred method for building infrastructure. By 2000s, 37 percent of infrastructure investment was coming from the private sector (Gulati, 2011). Crucially, compensating private infrastructure investors with excess land and/or development rights became an increasingly popular method of cost recovery in this arrangement—whether for roads, airports or affordable housing (Ahluwalia, 1998; IDFC, 2008, 2009). With the beginning of liberal economy in 1990s has created “a greedy desire for space to meet the demands of industrialization, infrastructure, building, urban expansion and resource extraction” (Ghatak and Ghose, 2011). Land markets have not able to fulfill this demand in ordinary way. Majority of the agricultural land which is suitable for the projects owned by the marginal farmers and government has to face many problems while combining that agricultural land.

Second, legal problems are almost guaranteed for large projects given titling issues and ambiguity in ownership. Third, majority of the peasants were not willing to sell their agricultural land for various grounds; include the lack of specialization in non-agriculture work. The growing demand for land initiated by liberalization in India thus confronted the supply barrier of rural markets that do not provide ‘an open field’ for the circulation of capital.
In this series, there were many clashes seen between companies and the state governments because the ability of state governments to acquire land from the peasants has become a critical importance in the inter-state competition for investment. Shifting of Tata Motors from West Bengal to Gujarat after meeting the farmer’s opposition in Singur led to the rise of land war between two states.

The government of India introduced the policies of liberalization, privatization and globalization (LPG) in the early 1990s. As a part of Liberalization, Privatization and Globalization (LPG), the SEZ (Special Economic Zones) has been introduced in April 2000 to promote export-oriented growth through Foreign Direct Investment (FDI), for which lots of land is being acquired by both the state and central governments in India (SEZ, 2011a). The Foreign Trade Policy governed SEZs in India prior to the implementation of the SEZ Act, 2005 (Chandrasekhar & Gosh, 2007). The SEZ Act was passed on 23rd June 2005. It is targeted to generate additional economic activity, promote exports of goods and services, create employment opportunities, and develop infrastructure, all while maintaining the sovereignty and integrity of India. SEZs are an engine of exports expansion, economic growth, and employment generation (Sharma, 2009). In the post-liberalization period, there was a dire need of investment in infrastructure. Foreign investment in energy, power, road, and rail was welcomed through a single window clearance. SEZs created economic relationships between state governments and private foreign investors. For the promotion of SEZs, greater reliance had to be placed on the private sector. FDI (Foreign Direct Investment) is vital to SEZ (Special Economic Zones) creation and implementation. SEZs have created few regions of wealth in India. Indian labour is used within the country by foreign firms for commercial, administrative, clerical, and information technology support. For investment purpose, SEZs were
introduced and established in those states of India that could adapt to economic reform.

In 2010, 25843 hectares of land have been acquired for 195 (SEZs). The Indian government has approved 581 SEZs till 2011 which covers 67,980 hectares land (SEZ India, 2011c), out of these 283 SEZs are located in Andhra Pradesh, Maharashtra and Tamil Nadu (SEZ India, 2011d). Andhra Pradesh has received formal sanction for 109 SEZs. Maharashtra and Tamil Nadu ranks second and third with 104 and 70 SEZs respectively. In 2010, 25843 hectares of land have been acquired for 195 SEZs. For the promotion of Special Economic Zones (SEZ) various facilities provided by the Indian government like developers would be exempted from tax, Central Excise Act, 1944, exemption from Custom Tariff Act, 1975, Central Excise Tariff Act, 1985 and other similar laws, there is 100% Income tax exemption on export income for the first 5 years, and 50% for the next 5 years (SEZ India, 2011 a).

The Information Technology (IT) and IT-enabled services sector has 61% share of SEZs. The biotech, pharmacy, textile and multi-product SEZs have less than 10% share each. In the year 2008, SEZs at all India level provides 370,000 jobs to the people (Reddy et. al., 2010). The land is given to developers at low rates (Dutta, 2009). The Commerce Ministry of the Government of India considers SEZs as “engines of growth” (Pannu, 2011). However, there were various problem arise when agricultural land was acquired for the SEZs such as fall in the production of food grains and loss of traditional occupation of the farmers and landless labours (Mahanta, 2010) and the fall in agricultural employment is not offset by employment gain in the SEZs. It is estimated that nearly 150,000 hectares of land will be acquired in future and this land is mainly irrigated and typically multi-cropped and capable of producing nearly 1 million tons of food grains. If more irrigated land is acquired in future for the SEZs, then it will create a very problem for food
security of the country. Therefore, the large-scale land acquisition is the burning issue of the SEZ development in India.

The SEZ Act, 2005 is silent on this issue. Rather, outdated Land Acquisition Act, 1894 is applicable in the case of land acquisition for SEZs. The Land Acquisition (Amendment Bill, 1998 has also several shortcomings such as the land losers could have their land acquired even if a stated compensation is not paid (Asif, 1999). Land acquisition is highly contentious and problematic if it displacing huge population as has been experienced in Nandigram, West Bengal. The real estate developers can also grab land in the name of setting up SEZs (Chandrasekhar & Gosh, 2007). According to a report, a total of 95,000 hectares of land has been consumed by the SEZs in 2008, whereas, the land allocated to SEZs was 0.070 percent of the total land area nationally and 0.128% of the total agricultural area of the country (Reddy et. al., 2010).

According to the Commerce Ministry, Mundra SEZ has brought infrastructure to the hinterland of Gujarat and increased the wealth of the poor due to high land rates in the barren and unproductive land. In some cases, the wastelands mostly owned by the government have been used in the coastal regions of Gujarat. In Tamil Nadu, the rural population has welcomed the SEZs, which led to their improved livelihood (Murugesan & Bandgar, 2010). Despite apparent success, the SEZs have faced intense resistance due to forced land acquisition and the user's eviction under the Land Acquisition Act of 1894. The compensation is woefully inadequate compares to a loss of land and non-land assets including livelihood opportunities.

In India, the land question has become acute (World Bank, 2012). More, than 60 million people have been displaced due to development since independence and displacement rates have increased rapidly in a post-liberalized era (Fernandes, 2008) with big state role in acquiring land from
farmers (Government of India, 1994). In March 2007, the acquisition of 10,000 acres of land by foreign investors in the SEZ of West Bengal caused the massacre of farmers, rapes, and assaults in the village of Nandigram and subsequently outing the Left Front government from the state (Bag, 2011, Vinayak, 2011).

The government of India proclaimed to complete the development projects for the people, but the government has to organize the pattern of land acquisition (Economic Times, 2011). But a major problem is that there is no guiding principle in the SEZ Act as to how the land should be used by the developers? How the developers have to allot land to the industrialists is also not clearly specified; the land available to the Private industrialists in respect of rate of rent, mode of rent fixation and selection of criteria of industrialists. The time given to a developer is 3 years for the establishment of a SEZ, which is extended by 2 years i.e. totally 5 years. If the developer fails to do so, then the only government may take it back or allot it to a new developer.

As already, many people are evicted from their agricultural land by the SEZs in various states and affected the livelihoods of thousands of skill workers, artisans and rural workers and small agriculturalists. The village level institutions and the local communities are not involved in decision making. The land rights of the people should be recognized by the government (Sharma, 2007). The displaced and affected population has shown resistance against forceful takeover their lands and resorted to demonstration and protests. In Raigarh district of Maharashtra, people resisted acquisition of ten thousand hectares of land in eighty-three villages and compelled the government to cancel the SEZ. Most of the time, the state has been very brutal and resorted to force against the demonstrators and protestors. Therefore, the irony of the policy is that proper rehabilitation and resettlement (R&R) schemes for the displaced population have not been prepared.
For any public purpose, the government is authorized to acquire private land under the land acquisition act 1894 (GOI, the Land Acquisition Act, 1894). Land Acquisition actually involves acquisition of a physical area. There is not any change in the land acquisition policy after the end of British rule. After independence, Article 372 in the constitution of India, allowed colonial laws to remain in force unless they were explicitly repealed.

For the development of projects land acquisition process is the first step. It is a process of acquiring privately owned land and providing for the public purpose for the implementation of planned development for the welfare of human settlement (Henssen, 1988). For the construction of large highways, chemical plants, power plants etc. large size of land is required in suitable locations in various areas. But not only state owned land is sufficient but private developers need to acquire huge quantity of land. In addition, it is also possible that the land in that case may be not for sale. Government also authorized to force the land holders to sell their land, when there is a matter of public purpose (FAO, 2008). If the government decided to acquire the land and once issue the notification is issued, it is not possible to avoid it in any circumstances. Therefore, different countries have their own legal laws and procedures with regards to the land acquisition (Ding, 2007).

The central and state government exercised the eminent domain powers for acquiring land mainly through the Land Acquisition Act, 1894. The state, while acquiring the land for its own use or for any private investor, must go through the procedures as laid down in the act. The contents of the act determine by the central government but state governments can modify the policy, as per their needs.
**Meaning of Land Acquisition**

The Land Acquisition Act of 1894 is a law in India that permits the government to acquire private land within the country. “Land Acquisition” literally means acquiring of land for any public purpose by government/government agency, as authorized by the law, from the individual landowner(s) after paying a government fixed compensation in lieu of losses incurred by landowner(s) due to surrendering of his/their land to the administrative body.

**Land Acquisition Processes and Steps**

As per the 1894 Act, land can be acquired under either Part-II or Part VII of the Act—procedures laid out under these two parts are somewhat different as shown by the following discussion. While the former is used when the acquiring body is the Central or state government or companies that are either owned, partly owned or controlled by the State, the latter is used in case of non-government companies. It may also be noted that while land acquisition under Part II is entirely for ‘public purpose’, acquisition under Part II can be for both ‘public purpose’ and ‘non-public purpose’, although the scope for ‘non-public purpose’ is very limited. The details of processes under these two routes are given below:

1. **Publication of Preliminary Notification under Section (4):** When it appears to the appropriate government that land in any area (is needed or) likely to be needed for any public purpose (or for a company) a notification under section 4 shall be published in the official Gazette (and in two daily newspapers circulating in that locality of which at least one shall be in the regional language), and the collector shall cause public notice of the substance of such notification to be given at convenient places in the locality. The notification says that ‘land in one or more village(s) is (or may be) needed in the foreseeable future for a public purpose (or for a company)’. This notice clarifies that:
After the notification, without the permission of the land owner, the authorized officer is allowed to enter the land for the survey;

The owners of the land are not allowed to do any kind of investment in the concerned land without the permission of the collector; and

It is also notifying the local people not to take any interest in the land. Typically, after the notification, the owners of the land, can also use the land, but it forbids him to get any return out from the land.

**Process and Steps of Land Acquisition (LAND ACQUISITION ACT, 1894)**

Section 177

2. **Filing and Hearing of Objections under Section 5(A):** Land holders and local people who have certain interests in the land are then required
to file their objections against the notification under Section (5) A, within 30 days of publication. These objections have to be submitted to the collector and every ‘objector’ gets an opportunity of being heard by the Collector. After hearing all objections, the Collector submits a report to the appropriate government in respect of the notified land containing his recommendations on the objections and the records of the proceedings held by him. The government then takes a decision regarding the proposed acquisition based on the report submitted by the Collector.

3. **Final Declaration under Section 6(1):** Based on the decision of the government, a declaration is issued u/s 6(1), which becomes conclusive evidence that land is needed for a public purpose (or for a company) and that the government can go ahead with the acquisition process. The declaration must be given the same publicity as the preliminary notification. The Act requires that such declaration should be issued within a period of one year from the date of issuance of preliminary notification.

4. **Notice to Interested parties under Section 7 and 8:** After the declaration, the notified land is marked out, measured, and planned as per Sec. 7 and 8 of the Act. The Collector informs the landowners about the government’s intention to take possession of their land and invites claims from all interested parties to compensation by sending them a notice u/s 9(1). Interested parties can submit their objections regarding measurements and value of land to the Collector.

5. **Enquiry and Award under Section 11:** Under Sec. 11, an enquiry is conducted by the Collector regarding the objections submitted by the interested parties as per section 7 and 8. On completion of this enquiry, an award is made, stating (i) area of the land, (ii) compensation payable, and (iii) its apportionment among all the interested persons. No award
can be made by the Collector without prior approval by the appropriate
government. The award should be made within two years from the date
of publication of the declaration (under Sec. 6), else the acquisition
proceedings lapse.

A landowner can object to the award regarding the measurement of land,
amount of compensation, the persons to whom it is payable and its
apportionment by filing a written application to the Collector, who shall refer
the matter to the court. The landowner cannot file a suit in the ordinary civil
courts to establish his claim. The only course of option available to him is to
seek a reference to the District Court from the Collector. To retain their rights
to challenge the quantum of compensation in court, the landowners must
receive the compensation money ‘under protest’.

6. Taking Possession under Sector 16: After passing the award, the
competent authority may take possession of the land immediately upon
paying or offering to pay the compensation. The land then vests
absolutely with the government, free from all encumbrances,
whatsoever. The transfer of title is delayed till possession is taken by the
government.

7. Compensation: The Act provides that the compensation should be
based on the market value of the land on the date of the preliminary
notification. The payment of compensation can be delayed beyond the
date on which possession of land is taken. As a protection against the
delay in compensation, an interest of 15 per cent per annum is also
given. Additionally, in view of the compulsory nature of the acquisition,
a solatium equivalent to 30 percent of the market value is also provided
for.

8. Reference to Court under Section 18: Any person interested who has
not accepted the award may, by written application to the Collector,
require that the matter be referred by the Collector for the determination
of the Authority for the Centre, or as the case may be, the Authority, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable, or the apportionment of the compensation among the persons interested.

➢ Provided that the Collector shall, within a period of fifteen days from the date of receipt of the application, make a reference to the Authority for the Centre, or as the case may be, the Authority:

➢ Provided further that where the Collector fails to make such reference within the period so specified, the applicant may apply to the Authority for the Centre, or as the case may be, the Authority, requesting it to direct the Collector to make the reference to it within a period of thirty days.

Provided that every such application shall be made-

(a) if the person making it was present or represented before the Collector at the time when he made his award, within six weeks from the date of the Collector's award;

(a) In other cases, within six weeks of the receipt of the notice from the Collector under section 12, sub-section (2), or within six months from the date of the Collector's award, whichever period shall first expire.

9. Acquisition in the case of Emergency under Section 17: Section 17 of the Act confers special powers to the acquiring authority when the land has to be acquired in cases of urgency, by virtue of which the Collector can take possession of the land without even giving away the award. The government has complete authority to define a situation as ‘urgent’ and invoke the urgency clause to acquire land. The process for such a scenario is same as the process described above, with the following exceptions:

• The government can dispense with Sec. 5 (A) which requires the Collector to hear objections of landowners against the notification
published u/s 4(1). In other words, the declaration u/s 6(1) can technically be passed immediately after the preliminary notification u/s 4(1);

- Upon expiry of 15 days from the notice u/s 9(1), the Collector can take possession of the land. It may be noted that the Collector can take possession of land even before giving away the award; and

- Before taking possession of the land, the collector has to pay 80 per cent of the compensation for the land as estimated by him (This provision was added when the Act was amended in 1984.).

**LAND ACQUISITION UNDER PART VII**

As stated earlier, under Part VII, land can be acquired for non-government companies. To access this route, a company has to pay the entire amount of compensation for the land it seeks to acquire (The Supreme Court judgment in the Devinder Singh vs. State of Punjab case, dated 12 October 2007 in C.A No. 4843 and 4844 of 2007.). In contrast; Part II of the Act can be invoked if the compensation is funded wholly or partly from public revenues or some fund controlled or managed by a local authority.

For Part VII purposes, the term ‘Company’ includes companies (as defined by the Companies Act, 1956), societies (registered under the Societies Registration Act, 1860), cooperative societies and industrial concerns owned individually or as a partnership.

Acquisition under Part VII can be for the following purposes:

- for erecting dwelling houses for workmen or for providing amenities connected with such dwelling houses (This is the only ‘non-public’ purpose for which land can be acquired in the entire Act.), and

- construction of some building or work for a company, which is engaged or is taking steps for engaging itself in any industry or work, which is for a public purpose or is likely to prove useful to the public.
Although the steps involved in the acquisition of land under Part VII are similar to that in Part II, there are two major exceptions which make the former part significantly more cumbersome than the latter. These exceptions relate to the company (i) getting appropriate government’s consent and (ii) entering into an agreement with the same government before issuing the declaration u/s 6(1). To give its consent, the government must be satisfied on a number of counts, including that (Vaswani et al., 1997):

- the company has made reasonable efforts to buy land through negotiations with the owners offering to pay a reasonable price and that such efforts have failed;
- the land which is required is suitable for the purpose for which it is sought and the area to be acquired is not excessive; and
- The company is in a position to utilize the land efficiently and quickly.

**The agreement between a company and the government must include:**

- terms regarding the payment of the cost of the acquisition of land to the appropriate government;
- terms regarding the transfer of land to the company on such payment; and
- Terms on which the land shall be held by the company.

It may be noted that private sector companies can also acquire land under the urgency provision. Of course, such acquisitions can only be made for a ‘Public Purpose.’

**PUBLIC PURPOSE**

In India, the law requires that the eminent domain powers can be used only if the aim of the project is to serve a public purpose. The definition of ‘public purpose’ adopted in law is sometimes activity-specific (for example, provision of land for town or rural planning) and other times entity specific (for example, provision of land for a corporation owned or controlled by the state).
Entity-specific definitions can potentially create problems. For example, including the ‘provision of land for a corporation owned or controlled by the state’ in the definition of ‘public purpose’ implies that all activities of a Public Sector Unit (PSU) serve ‘public purpose’. This may not always be true.

Section 2(f) defines public purpose. As is clear from the definition acquisition of land for companies cannot be constructed as being for a public purpose. Land can be acquired for corporations under Chapter VII but only to provide housing for their workers or for construction that is likely to prove useful to the public. Even then, Chapter VII lays down additional and slightly more acquiring lands for companies.

The courts ought to have given a simple answer. If the land is being acquired for a company it should be done under Chapter VII and only if both the procedural and substantive conditions provided in that chapter are met. Otherwise, the company would be free to privately negotiate with the landowners are willing and if it is otherwise permissible for instance, under the Land Ceiling Acts, Agricultural Lands Acts and if permitted under the laws providing for transferred lands belonging to scheduled tribes (STS). The court has however allowed all kinds of land acquisitions for private companies as we will note below. This has been both a liberal meaning attributed to the term “public purpose” and also by whittling down the requirements of Chapter VII.

The definition of “public purpose” under the act is totally unclear and the section is much litigated. But the Supreme Court has consistently held that whether a public purpose will be met by a given acquisition is entirely for the State to decide and that the courts are not competent to go into the issue of whether a particular purpose is a public purpose or not unless colourable exercise of power is proved which becomes a virtual impossibility. Secondly, the courts have also held that if a land is acquired for a particular public purpose and is subsequently used for another public purpose there is nothing
wrong with it. The Supreme Court observed, *once the original acquisition is valid and the title has vested in the municipality, how it uses the excess land is no concern of the original owner and cannot be the basis for invalidating the acquisition.*

Thirdly, the courts have held that even if a portion of the land is not put to public use but becomes surplus for the use it cannot revert back to the owner because the land has already been vested in the government. Fourth, while the landowner can challenge the acquisition order such a challenge can only be on the limited ground of quantum of compensation or its apportionment and not on the issue of public purpose unless of course malafides are proved. For instance, whether in a given area an airport or a power company is needed or not is not an aspect the courts will go into nor will they look at how much land is required for a project or whether an alternate or better site can be selected for the project or barren lands can be acquired instead of fertile lands. Primarily, the courts will only look into procedural fairness and malafides or that of the adequacy of compensation.

In Bajirao Kote’s vs State of Maharashtra case, December 1994 the Supreme Court observed:

*It is primarily for the state government to decide whether there exists public purpose or not, and it is not for the Supreme Court or the High courts to evaluate the evidence and come to its own conclusion whether or not there is a public purpose.*

In this case, the issue was whether acquiring land for the purpose of building an access path for a Saibaba temple was a public purpose or not. The Court held that if the government says it is public purpose it has to be treated as such. This becomes all the more important because the Land Acquisition Act does not require any public hearings or reasoned orders on issues of public purpose or selection of land for acquisition. On the one hand, the complete
undemocratic power to acquire any land for any public purpose is given to the
government and on the other; the courts have virtually adopted a hands-off
attitude. From the beginning, it has been held by the courts that “public
purpose” involves an element of general interest of the community and
whatever furthers the general interest must be regarded as a public purpose.

EMINENT DOMAIN

One of the absolute powers of the state has always been to decide how
land should be used. This defined as eminent domain. By this doctrine, the state
may take private property for public use, but only upon the payment of just
compensation. ‘Eminent Domain’ is premised on the proposition that the state
always, by definition, acts in the public interest and that it can, therefore,
claims eminent domain over all other social entities.

The model of development followed in the last two centuries demanded
land use to be shifted from agrarian and forest –based use to modern use by
industries, mines, infrastructure, and other modern establishments including
defense. Conversion of land use- particularly the conversion of agricultural
land for non-agricultural purposes- is the biggest barrier to a fair land market.
With demand for land for industrial and infrastructural purposes increasing, it
is only a few powerful interests in collusion with public officials who manage
to subvert the restrictive land use conversion laws at the cost of the wider
public. As a result, ordinary peoples may have to lose their land for such
interests to set their projects. While this model of development has increasingly
come into question, the absolute power of the state to decide land use and
acquire land accordingly has, until recently, been upheld without question.

This is now changing. The power of eminent domain is closely linked to
the public purpose. Public purpose is not clearly defined in Indian law, except
by examples of what are to be treated as a public purpose. So acquiring land for
the public purpose, as much as acquiring land for setting up a school or college.
Considerable debate has been generated by the very idea of the public purpose. Thus there are two fundamental questions being asked: First, why should the state have this absolute power? Second, what is public about a stated purpose, or what purpose can be called public? (Preeti, 2013). The third question is under what circumstances these absolute powers need to be exercised, and what are its limits? (Ghatak, 2011).

In case of land resources, the Indian Constitution underwrites the power of eminent domain through Article 31A, which protects the power of state to acquire any estate or any rights in such estate, or the extinguishment or modifications of any rights therein from challenge that such legislative actions are inconsistent with, or take away, or abridge any of the rights conferred by Article 14 and Article 19. The types of ‘land’ covered by this Article include not only that held under any type of tenure or grant, but also land used for agriculture and ancillary purposes, including waste land, forest land, pastures, building sites, etc. this provision, in effect, protects the residual powers of the state over all land resources, which are critical in terms of water management as well. Private and community rights to and in land resources are not absolute, but subject to the state’s rights as the ‘supreme landlord’, with private property rights exercised subject to the payment of revenue or taxes (Vani, 2002).

The only limits to the power of eminent domain are the Constitutional prescription of due process of law in the restriction of private’s Constitutional prescription of due process of law in the restriction of private property for public purpose (Article 300A), and also the payment of private ‘just compensation’ (Article 31A)(A provision of Article 31 A states that land held by any person within the ceiling limit applicable under any law in force could not be acquired by the State without payment of compensation.). The colonial Land Acquisition Act 1894, still in force in India, provides for the operation of the principle of eminent domain. The rights of citizens and local absolute, but subject to state power to control them in ’public interest’.
The other controversy concerning land acquisition laws revolves around the issue of compensation. The widespread anxieties by the farmers across the country reveal their dissatisfaction with the package being offered to them. But does that mean that the farmers are not willing to sell the land at all, ever in the future? Or does it mean that they will be willing to sell the land at the right price? How will this right price consist of? Are agitations one way of increasing the right price? Like any other economic agent, the farmers too would be within their rights to negotiate and get the best possible price/compensation. The clear unwillingness of the farmers to part with their land needs to be understood in the context of the revelation that 40% of the farmers, in any case, do not want to engage in farming. So, the farmers need to be adequately compensated before they give up their land in a peaceful manner.

To begin with, the Act speaks only about compensation and it is assumed that monetary compensation will be sufficient. No rehabilitation. No shares. No jobs. No land for land. This is one of the major controversies concerning the law. But even assuming that only money is given in exchange for expropriation the question arises as to who should this money be paid to and how much? The land is a source of livelihood and employment to the farmer. In reality, in most cases, the land does not give him a very high quality of life, but it helps to eke out a living and be somewhat “food assured”. This is the income function of land. Further, the land is also “something” he can fall back on, even though it may not be anything much. This is the insurance function of land. Ownership of land does not make him “jobless”, the way a person can be jobless in the urban areas in the industrial system (under the dominant capitalist system). Not only is he not “jobless” but he also has some assured capital. Thus, shifting from his land means shifting to an entirely new kind of survival, with new kinds of risks and uncertainties.
We observe two kinds of reactions to the loss of land. Farmers from the more developed states of Haryana, Gujarat, and Maharashtra are found to be more willing to sell their land while asking for substantial compensation and ready to agitate to get what they think is their due. This is a consequence of their better integration with the economic system and they increased/increasing bargaining power. On the other hand, in backward areas such as Orissa, farmers have been found to be more unwilling to give up their land (as they suffer from “aspiration deficit”); but it has been easier to bulldoze them into giving up their land at much lower compensation packages given their weaker mobilization. Second, the manner in which farmers negotiate to get a better package is also different in the relatively less violent manner (though the recent agitations in Bhatta and Parsaul villages in Greater Noida showed increased violence) and even while agitating they will nevertheless stay within the system and look for a solution with the available systemic parameters.

In backward areas, farmers resort to more violent outbursts and instead of staying within the framework they hope for a revolutionary solution to their problems. Up till now, such outbursts were less severe and the state could successfully crush them. Only in recent periods (as the Maoist movements show) have they become a real threat to the establishment. However, it can be expected that as “progress” occurs, the farmers from backward areas would also be willing to negotiate. To begin with, only those persons are entitled to compensation that has an “interest in the land”. This has been detained by the courts to include “lawful owners” and “lawful tenants”. Landless labours who may have worked on the lands for decades are not to be given any compensation. If a substantial part of a village is acquired, the artisans on whom the landowners or tenants may be dependent do not have to be provided any compensation. If common village grazing land is taken over, no compensation will payable to anybody and if an entire village is acquired the fisher folk who may be dependent on the river for their livelihood will not get
any compensation for loss of livelihood. The next question is that of the quantum of compensation. This has to be paid as per the prevailing market rate of the land. The market rate can be determined by looking at amounts received in respect of similar lands in the neighborhood in the recent past. This can be highly misleading. In virtually every sale deal a cash component is involved (sometimes very large) which would not be reflected in the sale of lands in the nearby area in the recent past which would not be reflected in the sale deed. Moreover, there may not be any sale of lands in the nearby area in the recent past which gives a completely arbitrary power to the authorities to decide the market value. And, at no stage is the future price of the property to be considered. An agricultural property would be worth less than commercial property. In the same way the land acquired for construction a Special Economic Zone (SEZ) would subsequently be valued much higher. But the Act itself provides that the use to which the property will be put to in the future is not to be considered. The value is also not being decided on the basis as to how much it will cost to buy a similar plot of land elsewhere. Besides, the history of such displacement has shown that poor people often do not know how to invest money, can be easily misled or misguided and ultimately be left with nothing. In addition, 30% of market value is to be awarded as a solatium for the compulsory nature of the transaction.

**TYPES OF COMPENSATION**

As of now, the compensation paid to the farmers is dependents on many factors and there is a certain amount of vagueness associated with it. States across the country have developed different modes through which land can be acquired. For example, there can be the Special Economic Zones (SEZ), mode; the government acquiring the land and handling it over to the private developer; a partnership between the government and the private industry, etc. further, based on the recent transaction in the area, the government offers the
price. But a high stamp duty may result in the true value of the land being understated. Broadly speaking, the attributes of land which are considered in fixing the price are:

1. Fertility,
2. Proximity of the land to developed/urban areas or its location,
3. The use to which the land is going to be put and the profitability of that industry,
4. The nature of the buyers.

Under the current law, the Supreme Court has upheld the right to acquire land for the public purpose by the government, (Mehta, 2010) asserted that lesser amounts can be paid for such land, however, fairness demands that the compensation to the farmers should be the same irrespective of whether the buyers is public or a private sector entity.

Ghatak and Mookherjee (2011) make an argument for over-compensation of displaced farmers (in the sense that they ought to be better off after acquisition). On grounds of economic efficiency, this is justified by the argument that reducing under-compensation induces higher investments by both farmers and governments in raising agricultural productivity, and reduces the tendency for governments to over-industrialize at the expense of farmers. These efficiency improvements go hand in hand with more equitable sharing of the gains from industrialization, resulting in greater political sustainability.

Even then, ultimately, what the farmers can be given would most likely be dependents on what is going to come upon the acquired land, the profitability of the industries/ mines on that land, and the accessibility of the land to urban centers. All acquired land may not be equally profitable; there would be differences between two private acquisitions also. Thus, though fairness demands that all land-losers be paid an equal compensation, it may not happen in the real world. A parallel can be drawn to other sectors, e.g., the payments to a security guard in an IT company, a chemical factory and in a
textile factory is quite disparate; though the work done is quite similar. Further, other complex issues might arise; for intense, the package may consist of giving a job to one person from the displaced family. If this family had not been displaced, all the sons would have got an equal share in the land and would have had some source of livelihood. If only one son gets the job, what happens to the others? This son who has now shifted into the non-agricultural sector, which puts its own demands on him, may not be able to look after all his siblings.

There are some cases where the farmers seem to have been given a fair deal, e.g., the now famous model developed in Haryana by the Chief Minister Mr. B. S. Hooda wherein the farmers are paid a compensation for land, given residential plots and annuity for 33 years. Phase 1 of the Bharat Forge MIDC SEZ in Pune is taken to be a success, as the farmers were paid a lump sum amount, employment was offered to one person from every project-affected family, there was a buyback option of up to 15% of the developed land at a particular rate, and every landless labourers was paid Rs. 65 for 600 days. However, both the Hooda model and the SEZ are facing problems now as the farmers in this area want higher compensation in Phase II (the Yamuna Expressway), where the farmers reneged on the earlier contract and demanded more. It seems that as a project gets into the Phase II, the farmers start asking for more. This makes us ask the Question: Can the farmers be unreasonable?

**Limitations and Proposed Amendments in the Land Acquisition Act (LAA), 1894 on Compensation and Rehabilitation and Resettlement (R&R)**

**COMPENSATION FOR LAND**

The LAA, 1894 provides that the compensation for land is to be based on its market value. However, the Act does not specify any guidelines for the assessing officer (viz. the Collector) to assess this market value. It is often
alleged that the assessing officer undervalues the land and the poor landowner ends up subsidizing the acquirer. In this regard, the Amendment Bill proposes more clarity on how the Collector should determine and assess the market value of land for providing compensation. The Bill provides that the highest of the following three values should be used by the Collector:

- The minimum land value specified in the Indian Stamp Act, 1899 for the registration of sale transactions in the area where the land is situated;
- The average sale price for similar land in the surrounding area, calculated using at least 50 percent of the transactions registered during the last three years where higher prices were paid; or
- The average sale price as calculated from the prices paid for at least 50 percent of the land already purchased for a project, where higher prices were paid by the acquiring company.

The Bill also provides for the State Government to specify a floor price based on at least 50 per cent of the land sale transactions in the last three years in the surrounding area where higher prices were paid. Further, the Bill specifies that before calculating the market value, the Collector should also take into consideration the future use category of land and the value of such category of land in the surrounding area. He is also required to consult specialists and experienced persons in various fields such as agriculture, forestry, horticulture, architecture, etc. to determine the market value of various assets on the land.

(i) **Income on Transfer of Acquired Land:** With the intent that the original landowner should be able to capture the increase in the value of his land following subsequent acquisition, the Bill provides that the land acquirer has to share his unearned income with the original landowner if he sells the land which was acquired for a public purpose. It specifies that 80 percent of such
net unearned income has to be shared with the original landowner.

(ii) **Part Payment of Compensation by Shares and Debentures:**
Taking a progressive step in the direction of involving affected families in the project development, the Bill allows the landowner to receive a part of his compensation in the form of debentures and shares of the acquiring company if it is eligible to issue such instruments. A minimum of 20 percent of compensation has to be paid via this route, subject to a maximum of 50 per cent, although the landowner can reject this offer and claim whole compensation in cash. There are no such provisions in the current act.

(iii) **Compensation before Possession:**
The Act in its current form allows the collector to take possession of land even without compensating the landowner. To overcome this limitation, the Amendment Bill specifies that compensation has to be paid to the landowner before possession can be taken.

(iv) **Solatium:**
The Bill proposes that the solatium amount should be increased from 30 percent of the market value of land to 60 per cent (75 per cent for acquisition in cases of urgency).

(v) **Rehabilitation and Resettlement:**
The Land Acquisition Act (LAA), 1894 does not mandate any (R&R) Rehabilitation and Resettlement for the people displaced, but the Amendment Bill provides for mandatory Rehabilitation and Resettlement for every involuntary displacement caused by the acquisition of land.

**National Policy on Resettlement and Rehabilitation -2003: Amendments Revised**

A National Policy on Resettlement and Rehabilitation for project affected families was formulated in 2003, which came to force with effect from
February 2004. Experience gained in the implementation of this policy indicates that there are many issues addressed by the policy which needs to be reviewed. There should be a clear perception through a careful quantification of the costs and benefits that will accrue to society at large, of the desirability and justifiability of each project. The adverse impact on affected families-economic, environmental, social and cultural- must be assured in participatory and transparent manner. A national rehabilitation and resettlement framework thus to apply to all projects where involuntary displacement takes place.

There were several deficiencies in the (NPRR) National Policy on Resettlement and Rehabilitation -2003, some of these deficiencies were:

- The applicability of the policy was very limited as it set out a high threshold of 500 families or more en masse in plain areas and 250 families en masse in hilly areas, areas mentioned in Schedule V and Schedule VI of the Constitution of India and Desert Development Programme (DDP) blocks.
- The policy unsuccessful to emphasize a non-displacing or a least-displacing option for project implementation;
- it did not allow for prior consent of the affected people before involuntary displacement arising from the land acquisition;
- there was no provision for assessing the social, economic, cultural or demographic impacts of projects that involved involuntary land acquisition;
- provisions ensuring livelihood security for the affected families were very limited and the process itself was not transparent and participative at all stages;
- the policy did not emphasize bettering the standard of living for the affected families upon resettlement;
• the scope of the policy was limited to land acquisition cases and there was a felt need to cover cases of involuntary displacement of a permanent nature arising out of other legitimate causes;
• it did not provide for appraisal of the desirability and justifiability of projects and assessment of the optimal area of land to be acquired;
• it did not prescribe any time limits for completion of R&R activities, utilization of acquired lands, and disposal of excess land acquired;
• there were no specific provisions addressing the concerns of the vulnerable sections of society such as the Scheduled Castes (SCs), Scheduled Tribes (STs), women, destitute, etc.; and
• There were no effective mechanisms for speedy redressal of grievances.

The National Rehabilitation and Resettlement Policy-2007

The National Rehabilitation and Resettlement Policy, 2007 has been formulated of these lines to replace the National Policy on resettlement and Rehabilitation for project Affected Families, 2003. The new policy was notified in the official Gazette and has become operative with effect from the 31st October, 2007.

Highlights of the Bill

(i) The Land Acquisition (Amendment) Bill, 2007 amends The Land Acquisition Act, 1894.
(ii) The Bill redefines ‘public purpose’ as land acquired for defense purposes, infrastructure projects, or for any project useful to the general public where 70% of the land has already been purchased.
(iii) The Bill bars acquisition for companies except under the 70% condition.
(iv) For acquisition resulting in large-scale displacement, a social impact assessment study must be conducted. Tribals, forest
dwellers, and those with tenancy rights are also eligible for compensation.

(v) Acquisition costs will include payment for loss or damages to land, and costs related to resettlement of displaced residents.

(vi) While determining compensation, the intended use of land and value of such land in the current market is to be considered.

(vii) The Bill establishes the Land Acquisition Compensation Disputes Settlement Authority at the state and central levels to adjudicate disputes resulting from land acquisition proceedings.

Key Issues and Analysis

(i) The Bill bars the jurisdiction of civil courts on all matters related to land acquisition. It is unclear whether there is a mechanism by which a person may challenge the qualification of a project as ‘public purpose.’

(ii) The Settlement Authority is a judicial body but could be entirely staffed by members without judicial qualifications or experience.

(iii) When acquired land is resold, the original acquirer is to distribute 80% of the capital gains to the original owners or their heirs. This implies that every acquirer must track the original owners and their heirs in perpetuity. Also, the resale price of land may be difficult to compute when it is part of a larger deal in which a company is taken over.

(iv) Companies have to offer part of compensation as shares or debentures. Unlike shares, debentures do not provide the land owner with a share of the profits of the project.

(v) The Bill makes special provisions for compensation if the land is acquired under ‘urgency’. The term ‘urgency’ is not defined.
The Land Acquisition (Amendment) Bill, 2007 was passed by the Lok Sabha on 25th February 2009 (the last day of the session) but the bill lapsed with the dissolution of the 14th Lok Sabha. The Amendment attempts to expand the rights of those whose land is being acquired while restricting the types of projects for which governments can acquire land. It also provides for a separate authority to settle disputes over land acquisition. A companion piece of legislation (the Rehabilitation and Resettlement Bill, 2007) attempts to specify the benefits that displaced people will receive.

**The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act-2013**

The RFCTLARR was passed by the Parliament on September 5, 2013, and after the assent of President of India, it came into force on January 1, 2014. The Act overrode the colonial Land Acquisition Act (LAA), 1894 which had been criticized for giving both the Government of India (GOI) and the State Governments absolute power to acquire private land in the name of public purpose ‘and for promoting an unfair compensation policy. The 2013 Act, for the first time, integrated land acquisition with rehabilitation and resettlement (R&R) and Social Impact Assessment (SIA). The historic legislation would provide just and fair compensation to farmers while ensuring that no land could be acquired forcibly (Raghuram et al., 2015).

**Highlights of the Act, 2013**

- **Compensation:** Given the inaccurate nature of circle rates, the Bill proposes the payment of compensations that is up to 4 times the market value in rural areas and 2 times the market value in urban areas.

- **Resettlement & Rehabilitation:** This is the very first law that links land acquisition and the accompanying obligations for resettlement and rehabilitation. Over five chapters and two entire Schedules have been
dedicated to outlining elaborate processes (and entitlements) for resettlement and rehabilitation. The Second Schedule in particular outlines the benefits (such as land for land, housing, employment, and annuities) that shall accrue in addition to the one-time cash payments.

- **Retrospective Operation:** To address historical injustice the Bill applies retrospectively to cases where no land acquisition award has been made. Also in cases where the land was acquired five years ago but no compensation has been paid or no possession has taken place then the land acquisition process will be started afresh in accordance with the provisions of this act.

- **Multiple Checks and Balances:** A comprehensive, participative and meaningful process (involving the participation of local Panchayati Raj Institutions) has been put in place prior to the start of any acquisition proceedings. Monitoring Committees at the National and State Level to ensure that R&R obligations are met have also been established.

- **Special Safeguards for Tribal Communities and other disadvantaged groups:** No law can be acquired in Scheduled Areas without the consent of the Gram Sabhas. The Law also ensures that all rights guaranteed under such legislations as the Panchayat (Extension to Scheduled Areas) Act 1996 and the Forest Rights Act 2006 are taken care of. It has special enhanced benefits (outlined in a dedicated chapter) for those belonging to the Scheduled Castes and Scheduled Tribes.

- **Safeguards against displacement:** The law provides that no one shall be dispossessed until and unless all payments are made and alternative sites for the resettlement and rehabilitation have been prepared. The Third Schedule even lists the infrastructural amenities that have to be provided to those that have been displaced.
- **Compensation for livelihood losers:** In addition to those losing land, the Act provides compensation to those who are dependent on the land being acquired for their livelihood.

  Consent: In cases where PPP projects are involved or acquisition is taking place for private companies, the Bill requires the consent of no less than 70% and 80% respectively (in both cases) of those whose land is sought to be acquired. This ensures that no forcible acquisition can take place.

- **Caps on Acquisition of Multi-Crop and Agricultural Land:** To safeguard food security and to prevent arbitrary acquisition, The Bill directs States to impose limits on the area under agricultural cultivation that can be acquired.

- **Return of Unutilised Land:** In case land remains unutilised after the acquisition, the new Bill empowers states to return the land either to the owner or to the State Land Bank.

- **Exemption from Income Tax and Stamp Duty:** No income tax shall be levied and no stamp duty shall be charged on any amount that accrues to an individual as a result of the provisions of the new law.

- **Share in appreciated land value:** Where acquired land is sold to a third party for a higher price than 40 per cent of the appreciated land value (or profit) will be shared with the original owners.

### Rehabilitation and Resettlement provisions for farmers, landless and livelihood losers

Rehabilitation and Resettlement provisions for farmers, landless and livelihood losers. For various benefits in this Act, the time period has been reduced to 3 years of dependence (on the acquired land) instead of 5 years. In the present act, there is a change in the definition of affected families i.e. now tenants including and form of tenancy, agricultural labourers, sharecroppers or
artisans are included who are working in the affected area for 3 years prior to the acquisition and whose primary source of livelihood stand affected by the land acquisition.

**Main benefits for Affected families:**

- Those families who are residing in the affected area for 5 years or more and have been displaced are entitled to a house and if they not accept the house offer to them against it a one-time financial grant in lieu of the same.

- Annuity or employment also is given to affected families. If a provision of employment is not possible then a onetime grant of Rs. 5 lakhs per family will be given and in alternative way Rs. 2000/-per month per family will be given for twenty years.

- Provision of Rs. 3000/- per month as a Subsistence allowance for a period of one year to the affected families along with training and skill development will be offered.

- As per government notification minimum Rs. 2500/- will be given to each affected family of a small trader, artisan, and self-employed person as one-time financial assistance.

- In the case of acquisition of land for irrigation or hydel project, the rehabilitation and resettlement shall be completed six months prior to submergence of the lands proposed to be so acquired.

- The Collector shall take possession of land only ensuring that full payment of compensation, as well as rehabilitation and resettlement entitlements, are paid or tendered to the entitled persons within a period of three months for the compensation and a period of six months for the monetary part of rehabilitation and resettlement entitlements.
commencing from the date of the award. However, families will not be displaced from this land till their alternative R&R sites are ready for occupation.

- The components of the Rehabilitation and Resettlement Package in the Second and Third Schedules that relate to infrastructural entitlements shall be provided within a period of eighteen months from the date of the award.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Amendment) Bill, 2015 was introduced in the Lok Sabha by the Minister for Rural Development, Mr. Birender Singh on February 24, 2015. The Bill amends the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR Act, 2013). The Bill replaces the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement (Amendment) Ordinance, 2014. The LARR Act, 2013 outlines the process to be followed when land is acquired for a public purpose. Key changes made by the Bill are:

Provisions of other laws in consonance with the LARR 2013: The LARR Act, 2013 exempted 13 laws (such as the National Highways Act, 1956 and the Railways Act, 1989) from its purview. However, the LARR Act, 2013 required that the compensation, rehabilitation, and resettlement provisions of these 13 laws be brought in consonance with the LARR Act, 2013, within a year of its enactment (that is, by January 1, 2015), through a notification. The Bill brings the compensation, rehabilitation, and resettlement provisions of these 13 laws in consonance with the LARR Act, 2013.
Exemption of five categories of land use from certain provisions: The Bill creates five special categories of land use: (i) defence, (ii) rural infrastructure, (iii) affordable housing, (iv) industrial corridors, and (v) infrastructure projects including Public Private Partnership (PPP) projects where the central government owns the land.

The LARR Act, 2013 requires that the consent of 80% of landowners is obtained for private projects and that the consent of 70% of landowners is obtained for PPP projects. The Bill exempts the five categories mentioned above from this provision of the Act.

In addition, the Bill permits the government to exempt projects in these five categories from the following provisions, through a notification:

- The LARR Act, 2013 requires that a Social Impact Assessment be conducted to identify affected families and calculate the social impact when land is acquired.

- The LARR Act, 2013 imposes certain restrictions on the acquisition of irrigated multi-cropped land and another agricultural land. For example, irrigated multi-cropped land cannot be acquired beyond the limit specified by the appropriate government.

Return of unutilized land: The LARR Act, 2013 required land acquired under it which remained unutilised for five years, to be returned to the original owners or the land bank. The Bill states that the period after which unutilized land will need to be returned will be: (i) five years, or (ii) any period specified at the time of setting up the project, whichever is later.

The time period for retrospective application: The LARR Act, 2013 states that the Land Acquisition Act, 1894 will continue to apply in certain cases, where an award has been made under the 1894 Act. However, if such an award was made five years or more before the enactment of the LARR Act, 2013, and
the physical possession of land has not been taken or compensation has not been paid, the LARR Act, 2013 will apply.

**Other changes:** The LARR Act, 2013 excluded the acquisition of land for private hospitals and private educational institutions from its purview. The Bill removes this restriction.

- While the LARR Act, 2013 was applicable to the acquisition of land for private companies, the Bill changes this to acquisition for ‘private entities’. A private entity is an entity other than a government entity and could include a proprietorship, partnership, company, corporation, non-profit organization, or other entity under any other law.

- The LARR Act, 2013 stated that if an offense is committed by the government, the head of the department would be deemed guilty unless he could show that the offense was committed without his knowledge, or that he had exercised due diligence to prevent the commission of the offense. The Bill replaces this provision and states that if an offense is committed by a government official, he cannot be prosecuted without the prior sanction of the government.

**Land Acquisition in Haryana**

Haryana state is predominantly an agrarian state with nearly 80% of the state’s total geographical area under cultivation. It is one of the prosperous states of India which is blessed with rich natural and agricultural resources. Haryana is one of the key contributors to the national food basket. It is one of the wealthiest states of India. Per capita income of Haryana stands at 1, 33,427 crores (FY2015), which is significantly higher than all India per capita NNI (Net National Income) of 88533 crores. As per the latest comparable data during FY2015, Haryana is ranked at 4th in terms of per capita income among all the Indian states. The economy of Haryana has witnessed a significant
growth path during the recent years. The real GSDP of the state has increased from about Rs. 104608 crores in FY2006 to about Rs.199657 crores in FY2014. The average real GSDP of the state has grown by around 8.5% during the period FY2006-FY2014.

The state has emerged as one of the preferred investment distinctions. The state has been progressive in industrial and services sector, while agriculture sector continuous to play a major role in the state’s economy. Haryana has witnessed fast pace of industrial development over the years. On the industrial front, Haryana is an emerging manufacturing hub for Indian economy having immense scope for the development of the micro, small and medium enterprises (MSMEs) sector. The state has laid emphasis on strengthening the state’s manufacturing sector and enlarging the scope for future investments. It is an investor friendly state and attracts various Multinational Companies, Corporate houses, and foreign investor, small-scale entrepreneurs etc. Presently, in Haryana, there is a big demand for land for setting up various projects like industrial parks, Industrial Model Townships, Residential Houses and so on.

The state provides a favorable environment to sectors like automobile & auto components, light engineering goods, IT & IT enabled Services (ITeS), textile & apparels and electrical & electronic goods. In order to facilitate industrial investors in the state, Haryana has enacted Industrial Promotion Act 2005, introduced self-certification schemes and made provision for outsourcing of the authority to provide enabling an environment for investors. The State Government emphasizes on tapping the potential of Special Economic Zones (SEZ) in driving industrial/ economic growth and facilitating exports. The State has come out with Haryana Special Economic Zones Act, 2006 for facilitating the development of SEZs in the state.
The State Government acquired land for setting up all the projects for the public. Main department who acquire land on the behalf of Government of Haryana for development in the state are Haryana State infrastructure and Industrial Development Corporation (HSIIDC) for industrial development, Haryana Urban Development Authority (HUDA) for development of residential sectors in urban areas, and Haryana State Agricultural Marketing Board (HSAMB) for development of agribusiness infrastructure in the State. Department of Public Works (PWD B&R) is responsible for the construction and maintenance of Government Buildings, bridges, roads etc. in the state.

Land acquisition in Haryana is one of the controversial issues these days. Let’s see the figures released by the congress government during their tenure regarding the land acquisition by the various departments in the state from March 2005 until June 2010.

**Table- 1.1**

Department Wise Total Land Acquired By Haryana Government from March 2005 to June 2010

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Department</th>
<th>Total Land Acquired (in acres)</th>
<th>Total Payment (crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>HUDA</td>
<td>16,362</td>
<td>Rs. 4,173</td>
</tr>
<tr>
<td>2</td>
<td>HSIIDC</td>
<td>19,868</td>
<td>Rs.4,780.38</td>
</tr>
<tr>
<td>3</td>
<td>Department of Irrigation</td>
<td>6617.87</td>
<td>Rs. 803.99</td>
</tr>
<tr>
<td>4</td>
<td>Department of Public Works(B&amp;R)</td>
<td>385.82</td>
<td>Rs. 77.36</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>43,233.69</td>
<td>9834.73</td>
</tr>
</tbody>
</table>

(Sources:-Indian Express, Chandigarh, 23rd February 2011)

During the congress government under the leadership of Mr. B.S. Hooda from March 2005 till June 2010 major departments like HUDA, HSIIDC, PWD
(B&R) and irrigation department alone acquired total 43,233.69 acres land in Haryana and paid compensation of ₹9,834.73 crores to farmers or land owners under the new acquisition policy. As per the official's record of the HUDA, up to June 2013 the department has acquired 61,678.89 acres land in Haryana. During the last 23 years, successive Chief Ministers granted licenses for a total of just 8,550.32 acres (The Hindu, 2012). Mr. B.S. Hooda as Chief Minister in the first seven-and-a-half year he has granted a license for the development of a staggering 20,549.63 acres of land with an increase of nearly 150 percent. Out of the total 20,549.63 acres that were licensed, 7,733.68 acres in Gurgaon, 2,266.91 acres in Faridabad and 10,569.37 acres in the rest of Haryana.

Commercial land use accounted for 984.83 acres, group housing 5,867.99 acres, and plots 13,303.51 acres. Surprisingly, information technology projects accounted for a mere 409.21 acres.

The land acquired by the private companies with the help of government during the 9 years of congress tenure are mainly Countrywide Promoters (BPTP) with roughly 1,635 acres was the single largest beneficiary, followed by Ansals (1,540 acres), Intime Promoters (1055.84 acres), Omaxe (903 acres), Unitech (830 acres), Parsvnath (716.56 acres), Ireo (651 acres), Vatika (631 acres), DLF (568 acres), Emaar-MGF(514 acres), Vipul (214 acres), Sonika Properties (Rohtak) (381 acres), Ambience (318 acres), Ramprastha (298 acres), Bestech (208 acres), Uddar Gagan Properties (Rohtak) (229 acres) and Baderwals (105 acres). Sonika and Uddar Gagan are subsidiaries of the Suncity Group owned by Zee. From 2005 to 2013 37 licensed was granted to various firms for setting up the SEZs (for which land was acquired after the notifications under section 4 and selection 6 of the Land Acquisition Act) only 6 are functional. A total of 78,695-acre land were acquired in the ten-year regime of Mr. B.S. Hooda Government and out of this 19; 309 acres was released to third parties denying farmers their fair share. The ownerships
changed hands so many times that 175 CLUs were given for the release of the land acquired. Reliance Industries acquired about 3,500 acres of land on its own for the SEZ that was not surrendered. In four districts (Gurgaon, Faridabad, Rohtak and Sonepat), 4,636 acres, that were acquired by the government itself.

**LAND ACQUISITION POLICY OF HARYANA STATE**

**Land Acquisition and Rehabilitation & Resettlement Policy 2007**

The government of Haryana vides notification no. 5451-R-V-2007/13258, dated 7th December 2007, introduced a new Rehabilitation and Resettlement Policy for outsees which has been adopted by the Haryana Urban Development Authority. This policy is applicable to all those lands where the award of compensation was announced on or after 5th March 2005. The major features of the policy are as such: -

1. **Minimum Floor Rates:**

   Under the new policy, the State is divided into three zones, and state government has fixed minimum floor rates on the basis of these zones. Minimum floor rate fixed in these zones are Rs. 20 lakh per acre, Rs.16 lakh per acre and 8 lakh per acre.

2. **Annuity:**

   (i) The landowners will be paid annuity for 33 years over and above the usual land compensation. The amount of annuity will be Rs. 15000/- per acre per annum.

   (ii) Annuity of Rs.15000/- will be increased by a fixed sum of Rs.500/- every year.

   (iii) In respect of land acquired in terms of land acquisition policy for setting up of Special Economic Zone/Technology Cities, Technology parks, in addition to rehabilitation and resettlement...
package notified by industries and Commerce Department vide No. 49, 48, 2006-41BI, dated 4\textsuperscript{th} May-2006, a sum of Rs. 30,000/- per acre per annum will be paid for a period of 33 years by private developers and this annuity will be increased by Rs. 1000- every year.

(iv) The policy of paying annuity will be applicable to all cases of land acquisition by Government except land acquired for Defense purposes.

3. **Provision of Plots:**

The Rehabilitation and Resettlement policy also provides the provision of plots whose land is acquired by the Haryana Urban Development Authority and Haryana State industrial infrastructure Development Corporation Limited. Allotment will be made to each co-share depending upon his share in the land acquired by the HUDA and HSIIDC.

Plots under this policy would be offered if the 75\% or more of the total land owned by the owner in that Urban State is acquired. As per the terms and condition of the policy, the minimum size of the plot will be 50 square yards and maximum 350 square yards.

4. **Social Infrastructure:**

Under the new R&R policy Haryana State Industrial Infrastructure Development Corporation and Haryana Urban Development Authority would take steps for creation of social infrastructure and/or employment in the villages falling with the acquired land under their policy.
Revision of Floor Rates of Land for determining the Compensation
LAA, 2007

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Floor Rates per acre of land(pre-revision)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Land situated within the notified limits of Gurgaon Municipal Corporation</td>
<td>Rs. 20.00 Lakh</td>
</tr>
<tr>
<td>2</td>
<td>Land situated within (i) the notified limits of Faridabad Municipal Corporation, (ii) the notified limits of Panchkula Municipal Corporation as on 07.09.2010, (iii) Development Plans of (a) Gurgaon-Manesar Urban Complex (excluding the areas falling within the limits of Municipal Corporation Gurgaon) (b) Sohna, and (c) Sonepat-Kundli Urban Complex</td>
<td>`Rs. 16.00 Lakh</td>
</tr>
<tr>
<td>3</td>
<td>Areas situated within the Development Plans of Bahadurgarh, Rohtak, Rewari, Dharuhera, Bawal and Panipat towns</td>
<td>Rs. 16.00 Lakh</td>
</tr>
<tr>
<td>4</td>
<td>Rest of the National Capital Region, areas situated outside the limits of Panchkula Municipal Corporation (as on 07.09.2010) in Panchkula District, and the land situated within the Development Plans of all other district headquarters outside the NCR</td>
<td>Rs. 16.00 Lakh</td>
</tr>
<tr>
<td>5</td>
<td>Remaining Parts of the State</td>
<td>Rs. 8.00 Lakh</td>
</tr>
</tbody>
</table>

**Note**
1. The floor rates mentioned above represent the basic rate of land and do not include the amount payable under Section 23 (1A) and 30% Solatium [U/s 23(2)], payable in addition.
2. Please see Appendix-1 for an indicative total amount payable to a landowner based on these floor rates.

**Haryana Land Acquisition Policy-2010**

The Government of Haryana has revised its Land Acquisition policy on 9th November 2010 which replaced the old policy. It is known as Rehabilitation and Resettlement Policy-2010. There are some significant changes made by the
government in the new land acquisition policy. All the major initiatives and provisions taken under it are effective from 7th September 2010. The main features of the new land acquisition are mention below:

1. **Minimum Floor Rates:**

   For the first time Government of Haryana has revised the minimum floor rates for the acquisition of land in the year 2005. These rates were further revised in 2007 and now in the new policy 2010. Under the new policy, Haryana State is divided into five zones, with Rs. 12 lakhs per acre as minimum and Rs.40 lakhs per acre as the maximum amount.

2. **Annuity:**

   Government shall also pay ‘annuity; to farmers for a period of 33 years from the date of acquisition @ Rs.21, 000/- per acre per annum. Same shall be increased by a fixed sum of Rs.750/- per acre every year. In case of land acquired for SEZ/technology Parks, this annuity shall be Rs. 42,000/- per acre per annum and increase shall be Rs. 1500/- per acre per year.

3. **Provision of Alternative Residential Plot:**

   In case a self-acquired residential house is acquired for unavoidable reasons, an alternative residential plot shall be allotted besides the compensation.

4. **Compulsory Residential Plots:**

   For land acquired by HUDA, HSIIDC or HSAMB for planned urban infrastructure, ‘compulsory residential plots’ shall be allotted as follows:
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Land/area acquired</th>
<th>Size of Residential Plot to be allotted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>100-500 Square yards</td>
<td>90 Square Metres</td>
</tr>
<tr>
<td>2</td>
<td>501-1000 Square Yards</td>
<td>150 Square Metres</td>
</tr>
<tr>
<td>3</td>
<td>1001, half Acre</td>
<td>200 Square Metres</td>
</tr>
<tr>
<td>4</td>
<td>Above Half Acre to ¾ Acre</td>
<td>300 Square Metres</td>
</tr>
<tr>
<td>5</td>
<td>Above ¾ Acre to one Acre</td>
<td>350 Square Metres</td>
</tr>
<tr>
<td>6</td>
<td>Above one Acre</td>
<td>450 Square Metres</td>
</tr>
</tbody>
</table>

5. **Provision of Industrial and Commercial Plots:**

Where 75% of landholding of a landowner measuring one Acre or above is acquired by HUDA, HSIIDC or HSAMB, a commercial site measuring 3M×4M or an industrial plot measuring 450 Square Metres shall be allotted at price 20% less than the general allotment price.

6. **Provision of Government Job:**

Where 75% or more of the total land of the landowner is acquired by HUDA, HSIISC or HSAMB, one dependent person of the landowner family would be provided a job in the government or it’s Boards/Corporation/State PSU in Group ‘O’ or Group ‘D’ category.

7. **Alternative Tubewell Connection:**

Where an agriculture tube well is acquired farmer shall be given an ‘alternative tube well connection’ anywhere else in the state on the
agricultural land purchased by him. Alternative purchase of agricultural land shall remain exempted from stamp duty and registration charges.

5. **Social Infrastructure:**

HUDA, HSIIDC or HSAMB are obliged to spend 2% of the project cost on the creation of infrastructure and 1% of the project cost on skilled development.

**Relevance of the Study**

As we know that agricultural land is the most important production resource in Haryana. The land is also considered an important form of property and symbol of prestige, especially in rural areas. Along with agriculture, there are various other activities that support agriculture in villages as a source of livelihood. Land as a transferable and marketable commodity is not is an ancient concept but it is the development of recent times. Commercialization of land was started during British Period when a shift in the agrarian economy has taken place as land started acquiring the features of a commodity and began to be sold and purchased in the market. Undoubtedly, states mainly acquire land for public sector projects to expand the industrial and housing in and around cities. Secondly, private sector purchased land directly from the farmers to set up their housing and other projects. Thirdly, State government acquired land from the farmers on a very small amount on the name of ‘public purpose’ or ‘development’ and gave benefits to the industrial bourgeoisie, dominant agrarian class, and public sector elites. In modern times with the increase in population, there is a desire for space to meet the demands of industrialization, infrastructure building, and urban expansion etc. This study focuses on the changes that take place after the land acquisition, like agrarian changes, compensation pattern, utilization of compensation money by the family, changing mode of occupation, women rights and shares in the compensation,
changing family relations, changing the life of landless labours etc. in the studied villages.

**Objectives of the Study**

Keeping in view the researchable questions, following objectives have been formulated:

i. To examine the pattern of occupation change in both landed and landless across caste lines in the rural settings?

ii. How the new occupations have changed the agrarian setting among various sections of the village community?

iii. To what extent people have adapted to the new situation in the emerging occupations.

iv. What is the role of State in dealing with land acquisition among the people?