

Calcutta Notebook

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THE COUNTRY IS BURNING due to acquisition of farmers' lands for development projects. People are agitated in UP over the acquisition for Yamuna Expressway after Singur in Bengal, Posco in Odisha and Polavaram in Andhra. The fundamental principle of land acquisition looks quite sound. It says that private interest must be sacrificed to secure the interest of larger people. On this issue Chanakya had suggested to the king to 'give up one for the family, family for the village and village for the country.' The farmers of UP are being displaced for making of the Expressway on the basis of this principle. But the farmers say that they are being displaced not for the country but for providing undue commercial benefits to the concerned company. Much more land is being acquired than required for making the highway. The extra land is to be used for developing commercial property and this cannot be treated as 'larger interest,' they say. The problem, therefore, lies not in the principle of land acquisition but in its faulty implementation.

Fifty years ago land of the Zamindars was acquired for distribution to the farmers and the landless. Few large landowners were dispossessed for providing relief to thousands. This was in accordance with Chanakya's principle. In the present case, however, large numbers of landowners are being displaced to provide benefits to the few companies. Chanakya has been turned on his head. Land acquisition for making Special Economic Zones and for hydropower projects similarly dispossesses many for providing benefits to few. Lacs of poor farmers have been displaced in the Tehri project but the water that is stored is being supplied to the rich of Delhi to wash their cars and the electricity to run air-conditioners in the malls.

The present land acquisition law allows the government to forcibly acquire land of any person for any 'public purpose.' The public purpose in question is to be wholly defined by the government. If 10,000 farmers are dispossessed to provide land for a software company that provides jobs to 1,000 white-collar workers, the Government can yet say this is a public purpose. The courts have refused to adjudicate whether the purpose is 'public' or 'private.' This is not justified. Underlying assumption made by the courts is that if a government misuses this provision and dispossesses many for few then a public outcry will take place and the party will be thrown out in the next election. The Left parties have been thrown out of power in precisely such sequence of events. This route of determining public purpose is very costly, however. Hitler had similarly made a wrong definition of public purpose. He faced the consequences. But millions were killed and whole countries destroyed in the process. It is the solemn responsibility of the courts to intervene where land acquisition is being made for private gain.

Alternative is to restrict land acquisition only for 'public use' instead of 'public purpose.' Land that is required for making the Yamuna Expressway may be acquired but no more. Land should not be acquired around the Expressway for making commercial estates even though making of such estates may also benefit the society in some ways. Likewise, land should not be acquired for Tata's car factory at Singur. The factory is not 'public use' even though it may have a public purpose. Such definition will settle most disputes regarding land acquisition.

The Land Acquisition Act should also be made more stringent. Following compensations have to be paid for land acquired in Japan: (1) Money sufficient to buy similar land elsewhere; (2) Expenses incurred in shifting and resettling at the new location including loss of profit in the shifting; (3) Share of the future increases in price of acquired land; (4) Increase in the price of land due to making of the project; (5) Expenses incurred in finding the new location. It is difficult and expensive to acquire land in Japan due to these provisions. Most land is purchased by mutual negotiation. Often the project is redesigned to reduce the need for land. For example, land was acquired for making of the Narita Airport in the seventies. The airport was to commence operations in 1971. It could begin only in 1978 due to problems of land acquisition. Later need arose to expand the airport. At that time the government found it better to make a new Kansai Airport on the Osaka Bay instead of expanding the Narita Airport.

Such redesigning of projects can also be done in India. But project proponents want the government to acquire more land than needed because land is acquired at rates much below those prevailing in the market.

Land acquisition is equally difficult in Israel. More importantly, the economic development of Japan or Israel has not suffered because of these stringent laws. Reason is that additional profits from the projects have accrued to the people instead of the companies. Yamuna Expressway will help in securing economic development. Question is who gets the benefits—the farmers or the company? In the Japan model, minimum land will be acquired and more benefits will accrue to the people. In the India model, more people will be dispossessed and benefits will accrue to the company.

Economists believe, and rightly so, that the market is the best adjudicator of price. Companies are unwilling to negotiate directly and they invoke the Land Acquisition Act because it is cheaper. And the compensation package should be strengthened along the lines of that of Japan. If the projects are truly beneficial for the economy, then there should be no difficulty in transferring a good share of the benefits to those whose land is being forcibly acquired and acquisition should be restricted for 'public use' and disallowed for 'public purpose.'

Congress that has ridden to power on the slogan of *aam aadmi*; the BSP which has upliftment of the poor as its primary agenda and the Left parties that ideologically fight for the have-nots are in the forefront of acquiring land of the poor to provide benefits to the rich.

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