



# Governing India's Land

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**Summary.** — Under conditions of market-orientation and globalization, land is being transferred from agriculture and common property uses, to corporate farming, private industry, and the service sector. How are intra- and international land transactions governed? Using the case of India, this paper emphasizes the sub-national scale. Fieldwork in Gujarat, West Bengal, and Tamil Nadu reveals States to be competing with each other to attract private investment. Yet, given institutional and political variation, their land provision ranges from attempted market-friendly policy change, to narrower state-business alliances. It is time for scholarship and resultant policy recommendations to look beyond the national and global scales.

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## 1. INTRODUCTION: A FINE BALANCE

In September 2013, India's Houses of Parliament passed The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Bill (RFCTLARR). RFCTLARR will replace the colonial Land Acquisition Act of 1894 (LAA). Under the LAA, the state has been able to acquire private land in the name of public purpose for building roads, dams, railway lines, etc. (Government of India, 1985, Section 3(f)). Perhaps more controversially, the state has acquired land for private parties, if the latter's use of the land fulfills a public purpose. Public purpose remains undefined in the LAA (Government of India, 1985, Part VII).

As market liberalization has advanced from the 1980s, the LAA has been used to acquire land, particularly cultivable land, for private mining companies, private ports, real estate developers, steel companies, automobile factories, and the like. For instance in Gujarat State, government-led land acquisition for industry went up from 2891 ha in 1947–60, to 136,596 ha in 1981–2004 (Lobo & Kumar, 2009, pp. 54–55). “Land grab” is now integral to the media and civil society lexicon. Headlines such as “Biggest land grab after Columbus” (Misra, 2009), and “The great land grab: India's war on farmers” (Shiva, 2011), are not unusual.

The apparent war on farmers has spurred a re-think of India's land acquisition procedures. However, RFCTLARR has generated much debate within and outside the state. Some opponents question its emphasis on compensation for lost farmland, seeing this as a dampener for growth in manufacturing, services, and commercially viable agriculture. In the words of a representative of the Ministry of Commerce and Industries, Delhi, “over-compensation for land, when that land is going to industry, prevents people from entering the industrial age and having 24/7 lifestyles. Do you want them to keep digging holes in the ground?”<sup>1</sup> Conversely, for his colleague in the Department of Land Resources, it is important “to have a balance between farmers and industry. We are not against industry. We want industry. But look at the plight of farmers as well.”<sup>2</sup>

This paper analyzes the balancing act being attempted by India's state. As the following pages demonstrate, RFCTLARR is only one in a larger repertoire of land governance measures, as the state attempts to meet the competing demands of growth, equity, and democratic compulsions.

The paper is structured as follows: in the rest of this introductory Section 1, I map the basic argument and offer some definitions. Section 2 provides a note on methodology. Section 3 summarizes global debates on land, with a focus on policy and political interventions. It then details India's major initiatives in land. The latter speak to several strands in the global debate, offering solutions that are market-oriented, solutions that allay market-efficiency with regulatory “good governance”, and ones that even consider resource redistribution in favor of the poor. Sections 4 and 5 reveal the macro picture of national policy to be inadequate. Section 4 makes a conceptual case for shifting our understanding of land policy to the sub-national scale. Section 5 analyzes three States' trajectory of land policy change from the 1990s.

The paper hopes to demonstrate that there is indeed a balancing act going on in the governance of land in India. However, when regional policymaking is accounted for, the balance does not seem to be primarily between growth and equity. The balance is between the national and regional scale, where federalism allows policy and political discourse to focus on the seemingly wide-ranging initiatives of the national government, while the real action continues elsewhere, and with a tapered focus.

To clarify some concepts, state with a small “s” refers to the apparatus of government, broadly defined. State with a capital “S” connotes the federal units of the Indian Union, also termed regions. I define governance as the deployment of the authority of the state through norms, the practices and policies of bureaucratic governmental institutions, and politics

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(Abrams, 1988). Note that this characterization is wider than recent ones that encapsulate *governance* as “a government’s ability to make and enforce rules, and to deliver services. . . governance is thus about execution, or what has traditionally fallen within the domain of public administration, as opposed to politics” (Fukuyama, 2013, p. 1).

Conceptualizations of governance centered on rule enforcement and service delivery pare down the state as state. They suit market-oriented logics, and are measurable (Kaufmann, Kraay, & Mastruzzi, 2010; North, Acemoglu, Fukuyama, & Rodrik, 2008). The latter versions of governance also neatly complement the “good governance” agenda, which refers to collective decision-making around public service delivery, involving market actors, civil society, and a trimmed state in contexts of market reform (Grindle, 2010; Leftwich, 2000). The state of norms, bureaucratic policy making and politics is alive and active in India (Evans, 1995; Kohli, 2004; Sud, 2012). Certainly, it is the breadth of this state that I engage with in this paper, showing policy-making around land to be embedded in politics, for instance. At the same time, I make clear that collaborative discourses of “good governance” have also entered state practice (Chandhoke, 2003; Jayal, 2001).

Finally, I use “scale” as the spatial, temporal, and analytical dimension for studying a phenomenon. I also refer to levels, which are units of analysis located at the same position on a scale (Gibson, Ostrom, & Ahn, 2000). Administrative districts (State sub-regions), towns and villages are units within this study of the national and sub-national scale in land governance.

## 2. METHODOLOGY

Two tranches of qualitative fieldwork were conducted over thirteen months in 2004–05, and seven months during 2008–2013. Interviews were held in the field sites of the national capital, New Delhi, and the State capitals of Kolkata, Gandhinagar, and Chennai. Over fifty government officials from the Departments of Land and Industry, lawyers, activists, members of farmers’ associations, industrialists, Special Economic Zone<sup>3</sup> (SEZ) developers, and real estate brokers, builders, and developers<sup>4</sup> were interviewed in-depth. Several interviewees consented to repeat interviews. Sampling followed a snowball method. I approached stakeholders, who often provided introductions to others in the field. I have also consulted documentary sources, including national and regional policy documents, government reports, and media output.

I am interested in the overarching governance of land, rather than specific transactions. Hence, the paper is not hemmed in by definitional contests over what comprises a “land deal” as contemporary, large-scale transactions in land are termed in a section of the literature. Important studies are limited by the involvement of international actors and the endangering of food security (FAO, 2011), or areas of 1000 ha plus (Cotula, Vermeulen, Leonard, & Keeley, 2009). In the Indian case, given population density and pressure on resources, even larger land deals can result from an aggregation of smaller parcels of land. For instance, the Singur case mentioned in the next paragraph comprised 997 acres of farmland, over which 13,000 people had ownership or livelihood claims. My interviewees are involved in exchanges ranging from under an acre to several thousand hectares, aimed at international actors like multinational corporations (MNCs), as also domestic ones.

The sample of the three States is purposive. West Bengal was chosen as it gained infamy in 2008 when one of the coun-

try’s biggest business conglomerates, the Tata Group, was forced to abandon plans for a car factory at Singur. This followed protests over land acquisition. While the Tata project faced years of resistance in West Bengal, the Government of Gujarat made land available for the same initiative within days (Sud, 2008). This sealed Gujarat’s reputation as being welcoming of business, and West Bengal’s as resistant to it. These opposing statuses make the two States worthy of closer scrutiny. Tamil Nadu was selected for its reputation of welcoming private investment in land, and largely escaping the political pressures that seem to have mired other regions (Vijayabaskar, 2010). These were the impressions that initiated research in the three regions, though systematic study reveals several similarities, not just differences.

The sampling can be justified by the sheer lack of information on regional land policy. According to a senior official in Delhi’s Department of Land Resources:

The center does not have an overview. This department should have an overview, but it does not. Not a single body has an overview. Such an exercise needs effort. States copy each other, they may follow best practices, but we do not direct.

[– Interviewed in New Delhi, August 6, 2012]

Given the non-existence of a survey of evolving land policy across India, methodologically, this paper cannot estimate the representativeness, or lack of, of its sample. At the same time, there is scope for making substantial intellectual gains, with policy implications, through the sort of exploratory, comparative exercise undertaken in these pages.

## 3. THE GLOBAL FOCUS ON LAND, AND NATIONAL POLICY RESPONSE

Today, as market-orientation and globalization shape questions of development, transitions in land use are in focus. In agriculture, for instance, conversation revolves around allocation for nutrition security, economic growth, and trade (Borras & Franco, 2012; Guyer, 1987; Mellor, 1998). Then of course there is land that is literally globalized and traded internationally, rather than just being oriented to a global economy. Here one is indicating the growing literature on the “foreignization of space” (Zoomers, 2010) through global land deals. Multinational companies, supported by governments from the global north, as well as emerging economies, have purportedly leased or purchased 47.68 million hectares of land in Africa, Latin America, Asia, Oceania, and Eastern Europe (Land Matrix., 2013). This is for producing biofuels, food, forest resources, industrial goods, tourism, and livestock. The figure excludes areas below 200 ha and the period before 2000. Thus, the actual scale of transactions in land is potentially much higher.<sup>5</sup>

The global focus on land has led to a range of governance and policy interventions, with attendant academic commentary. For many scholars, land deals are a sign of today’s market-oriented times. The point is not to do away with emerging land markets, but to make them more efficient. In writing with a neo-classical bent, the market in land ought to be treated like any other, with clarity in title being the first step in commercial viability (Collier, 2008; De Soto, 2003). Titling reform is at the forefront of the marketization agenda of International Financial Institutions such as the World Bank, which also advocate the building of infrastructure to attract global capital to land abundant countries, and integrating resultant production capacity into global value chains (Binswanger, Deininger, & Feder, 1995; Deininger & Byerlee, 2012).

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