

# ENVIRONMENT OF LAND DIVERSION, DISPLACEMENT AND REHABILITATION : A STUDY OF INDIAN SEZs

NMP VERMA, PROFESSOR OF ECONOMICS & FORMER, FOUNDER  
HEAD & DEAN

V KUMAR,  
BABASAHEB BHIMRAO AMBEDKAR UNIVERSITY  
LUCKNOW

# THEORETICAL FRAMEWORK

1. DUALISTIC MODEL for LDCs- LEWIS, Krishnamurthy(2008)

2. PRICE SCISSOR MODEL- SAH & STIGLITZ(1984), CHINA

3. URBAN BIAS MODEL – LIPTON(1977), POLITICAL

ECONOMY

# WHY SEZs in INDIA

1.ATTRACT FDI

2.EARN FOREX

3.BOOST EXPORT-MERCHANDISE/SERVICES

4.GENERATE EMPLOYMENT/JOBS

5.INTRODUCE NEW TECH

6.DEVELOP BACKWARD REGION-INDUSTRY LED DEV

# GLOBAL METHODS OF LAND ACQUISITION

1. AUSTRALIA – RENT DETERMINATION
2. CHINA - TANGIBLE (COMPENSATION) & INTANGIBLE (job, urban residence, migration permit)
3. USA – MARKET BASED VALUATION
4. WEST - DIRECT AND INDIRECT LAND COMPENSATION
5. MALAYSIA – FAIR, EQUITABLE, JUST COMPENSATION BASED ON MARKET VALUE / OTHER DAMAGES

# LAND ACQUISITION PROCESS IN INDIA

- 1.LAA -1894, 2007amended
- 2.FREEDOM TO STATE GOVT
- 3.JAIPUR -LOL –BARTER SYSTEM
- 4.OTHER STATES – COMPENSATION
- 5.MAHARASTRA-JOB, CONCESSIONAL LAND IN  
DEVELOPED AREA

# PECLIS PRINCIPLE For LAND VALUATION

P – PRODUCE VALUE, factor input

E- EXTERNAL VALUE, on-land owner

C – CAPITAL VALUE, market value

L – LABOR VALUE, opportunity cost

I – INTRINSIC VALUE, hedonic pricing method

S – SECURITY VALUE, buffer stock, price stab

# Preamble of R&R Bill, 2007

- Legal powers by the state under the principle of *eminent domain* for acquisition of private property, leading to involuntary displacement of people, depriving them of their land, livelihood and shelter;
- These have traumatic, psychological and socio-cultural consequences on the affected population

# MINIMUM REQUIREMENTS

- “all projects leading to involuntary displacement of people must address the rehabilitation and resettlement issues comprehensively”
- liberty to put in place greater benefit levels than those prescribed in the NRRP-2007.
- “The principles of this policy may also apply to the rehabilitation and resettlement of persons involuntarily *displaced*.”

## Contd.

- It must be mandatory to do social impact assessments
- provide all required infrastructural facilities and amenities in the resettlement area.
- specify clear timeframes within which the implementation of the rehabilitation package shall be accomplished.
- lay down an effective monitoring and grievance redressal mechanism.

# METHODOLOGY

- Recognise plight of those who do not have legal or recognised rights over the land
- The adverse impact in a participatory and transparent manner.
- Benefits beyond monetary compensation

## Principles (Cont'd.)

- Government should, *inter alia*, take into consideration the alternatives that will (i) minimize the displacement of people
- The options' assessment may be in terms of alternative project plans, technological plans

# R And R Plan Followed

- Declare affected area; publish in at least three daily newspapers
- undertake a baseline survey and census for identification of affected persons –90 days
- Survey to identify members resident/carrying on trade, families losing trade, livelihood, etc., SC/ST families, vulnerable persons, etc.
- Publish survey results and call for objections
- Submit report within 30 days
- Govt. to finalise survey within 45 days thereafter

# Benefits

- Land for land
- Training and capacity building for job or self-employment
- Scholarships for education, Financial support for transportation, construction of shops, temporary & transitional accommodation
- Housing benefit to landless HHs
- Lifetime monthly pension to vulnerable persons and persons above 50 who cannot find employment, etc.

# Grievance redressal

- grievance redressal mechanism
- includes standing R&R Committees and an Ombudsman.
- The R&R Committees shall have representatives from affected families including women, voluntary organisations, local elected representatives, etc.
- Post-implementation social audits of the rehabilitation and resettlement schemes and plans.

# DRAWBACKS IN LAND ACQUISITION

1.LESS MONETRY COMPENSATION

2.DELAYED PAYMENT

3.VIOLATION OF SEZ ACT-INFERIOR VS SUPERIOR LAND

CONTROVERSY

4.NON MONETARY COMPENSATION IGNORANCE

5.NON MARKET VALUATION BY STATE

# RECOMMENDATIONS/ POLICIES

OPTION 1 – proportional shareholding

OPTION 2 – valuation based on PECLIS

OPTION 3 – long term rental determination

OPTION 4 – no ownership transfer in land shifting

OPTION 5 – involvement of gram sabha in grievance redressal

i.e. alleged land grabbing



THANK YOU