

Environment of Land Diversion, Displacement and Rehabilitation: A Study of Indian SEZs

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ABSTRACT

India has transformed export processing zones into Special Economic Zones (SEZs) in 2005 for faster industrial development. It needs about 50,000 hectares of agricultural land for SEZs and 1.49 lakh hectares for all projects which include also industrial, mining, irrigation and infrastructural projects. Farmers are resisting for land diversion and acquisition because it leads to their miseries, deprivation, joblessness, rehabilitation problem and resettlement. The key issues involved in land diversion process are fixation of compensation for acquisition of land, displacement of families and their rehabilitation at a secured place, employment of farmers in case of loss of land and non - farmers if they depend indirectly on land for employment, share cropping , horticultural activities, rural marketing and other activities. These are the issues which are still swinging for proper settlement in various Indian states. As per the existing findings of various studies it has been observed that farmers do not wish to release land and oppose the SEZs. The reason of opposition is land is their bread provider and asset. It has also been observed that adequate compensation has not been given to farmers. It is alleged that SEZs model of industrialization reduces more jobs than it creates. Therefore, a conflict has begun between the peasants and the public i.e. the government. The aim of the present paper is to examine the land shifting environment in India. The paper has examined the theory, land acquisition process in a few states of India and suggests proper mechanism of diversion, displacement and sustainable rehabilitation. Thus, the paper has been divided in four sections. The first section has described the approaches of land transfer and its implications, section II has highlighted land procurement mechanism in a few Indian states, section III discusses critically the Indian scenario of dislocation and section IV has given the mechanism for amicable rehabilitation for rapid socio-economic development.

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Introduction

The development of Special Economic Zones (SEZs) is currently leading to a great deal of land linked conflicts between peasants and the public. Since 2000, the government has been seriously thinking of promoting Indian Special Economic Zones. The objectives of the present paper are, to give the theoretical implications of development under expansion of SEZs in various States, and shifting problem of land from agricultural to industrial zone like SEZs. There are at least three set of theoretical frameworks for the analysis of the relationships:

- (a) The Lewis model of industry led land demand,
- (b) The 'coercive', or 'price-scissors' of rural resources transfer (Sah & Stiglitz, 1984),
- (c) Model of 'urban bias policy' (Lipton, 1977).

a) Lewisian Industrialization led Land Demand

The industrial sector expands by drawing on abundant rural labour in perfectly elastic supply and reinvesting industrial profits. With industrial development in a market economy, the supply curve of labour eventually becomes inelastic owing to a rising marginal product of labour (MPL) in agriculture and a relative improvement in the price of agricultural goods; in a competitive labour market, the urban wages begins to rise. Thus the model implies an eventual improvement in the rural-urban terms of trade, an intersectoral transfer of labour, and inter-sectoral equality in labour income. (Also see, Krishnamurthy, 2008). As a consequence, the demand of land starts rising. SEZs are one such example. Accumulated capital due to soaring industrial profits further needs land for industrialization. (See, figure 1)

b) Coercive or Scissors led rural resource transfer

It is possible for government to finance the growth of the industrial sector in a mixed/planned economy by reducing the rural resource price like land in relation to industrial goods. By coercing rural people by land grabbing and depressing their real consumption, government can effectively transfer rural asset/saving to finance industrial capital accumulation. This is the model that was followed in USSR. It implies an initial deterioration in the rural economy and benefit to urban economy through intersectoral transfer of both land and capital, and government policies with regard to land pricing, tax and investment that favour industry over agriculture (also see, Mittal). Lower fixation of land procurement price for SEZs in India is one such example. (See, figure 1)

c) Urban Bias Motivated Policies

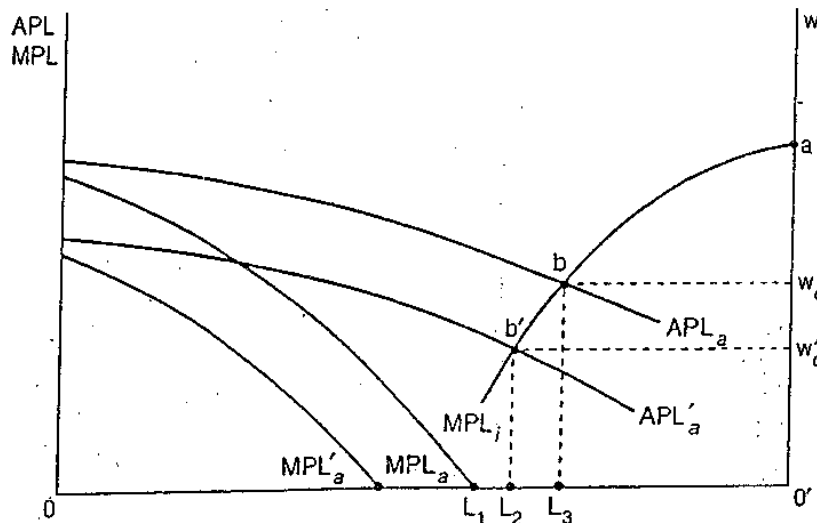
In the course of economic development, government consistently favours the industrialists over the peasants owing to the political power and connivance for mutual gains. It is argued that, although they normally form a minority of the population of poor countries, urban-dwellers and capitalists exercise an influence on government policy which is disproportionate to their numbers. This may be because of urban residence, per se, the proletariat being politically more aware, more militant, and better organized than the peasantry; or it may be that certain dominant groups, such as the industrialists, the bureaucrats, or the educated, are mainly urban. The forms of urban bias might include land grabbing credit, trade, exchange rate, tax and government expenditure policies to favour industry or urban areas. The government is seen to encourage or permit the emergence of a land price differential in favour of SEZs. The relative increase in private and public consumption, in turn, induces rural-land shifting towards urban. Thus the model implies excessive intersectoral transfer of land, labour and capital, and relatively high urban wages.

The Indian economy has been primarily a mixed economy in which strong market forces have until recent years been allowed to operate after economic reforms. Therefore, it is common, in analyzing the early stages of economic development, to equate 'rural' and 'agricultural', on the one hand and 'urban' and 'industrial' on the other in order to analyze land demand. (See, figure 2)

The Lewis and price-scissors models have been depicted in Figure 1. The horizontal axis, OO' , measures the supply of labour in the economy, assumed to be fixed. The curve MPL_a shows the marginal product of labour in the agricultural (here equated with rural) sector. Industrial (urban) employment is measured leftwards from O' . The Indian economy is characterized by surplus labour, it is a labour surplus economy par excellence. This is reflected in the low marginal product of labour in agriculture ($MPL_a = 0$ beyond OL_1). Under these conditions the rural supply price is dependent on the average product of labour. In a competitive labour market in which the rural supply curve is given by APL_a and the urban demand curve by MPL_i , the competitive wage would be w_c and labour allocation OL_3 in the rural and L_3O' in the urban sector. Profits, shown by the area abw_e , are reinvested. This produces dynamic growth of the industrial sector, a transfer of labour from agriculture to industry and an eventual increase in the competitive wage, initially held down by the elastic APL_a curve.

The price scissors model requires only minor modification of the figure. Government intervention to reduce the price of the agricultural product reduces APL_a and MPL_a to APL'_a and MPL'_a respectively. The rural supply price falls. This produces a lower wage, w'_c , in the urban sector. Industrial employment is expanded to L_2O' and the higher industrial profits, $ab'w'_c$, permit faster industrialization.

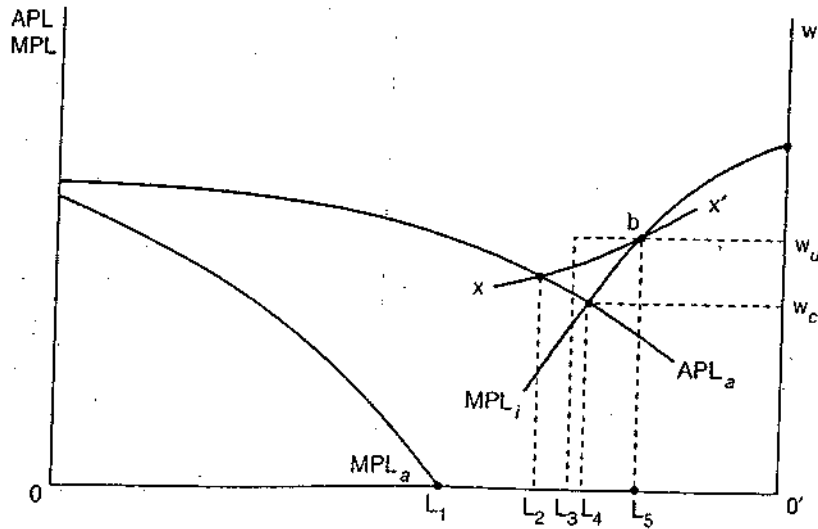
Fig. 1 The Lewis and the price –scissors models



The urban bias model has been depicted in Figure 2. In this case government sets the urban wage higher than the competitive wage, at w_u . In a market economy this would imply urban employment L_5O' . In the framework of probabilistic migration models the 'expected wage' – w_u multiplied by the probability of obtaining it – equals the rural supply price with the probability equals the rural supply price. With the probability equal to the ratio of urban employment to urban labour that the curve xx' , passing through the point b, is a rectangular hyperbola, urban open unemployment equal to L_2L_5 is created.

A government pursuing urban bias policies might oppose this outcome, Government can prohibit open unemployment by controlling rural-urban migration and by creating surplus jobs, L_3L_5 , in the state sector. Thus the labour force is divided in to OL_3 (rural employment) and L_3O' (urban employment). Discontent in the urban sector is reduced by raising the urban wage above the competitive level and by sharing unemployment in disguised from among the urban labour force. Discontent in the rural sector is reduced by sharing out the land equally and so also sharing disguised unemployment among the rural labour force (evidenced by L_1L_3). Urban bias in the form of investment allocation has the dynamic effect of raising MPL_i relative to APL_a .

Fig. 2 The urban bias model



These models offer potential frameworks for addressing rural-urban economic divide in India. As a result the regional fringes transform. Each of them has been the subject of an extensive literature of exposition, criticism, and debate. Rather than presenting a review at this stage, we prefer to draw the literature application on a particular framework to the Indian economy.

Thus, first, insofar as they rely on market forces, the models should be treated with caution. The Indian economy has been primarily a mixed economy in which strong market forces have until recent years been allowed to operate after economic reforms. Secondly, it is common, in analyzing the early stages of economic development, to equate 'rural' and 'agricultural', on the one hand and 'urban' and 'industrial' on the other. Both the Lewis model is less dependent on it. Again, such a simplification should be examined critically in applying the models are not mutually exclusive: it is probable that each has some relevance to some aspects of rural – urban economic relationship in India at some time.

Land Acquisition and Valuation Methodology

Land especially agricultural land in India, is a very delicate subject and has been an emotional issue ever since the Zamindari days. Land is livelihood of millions of people. Not only the immediate owners of the land are affected because of land shifting, but also share-croppers or daily wage labourers who forgo their living through a scant, but reasonably reliable source of income. The farmers of Jamnagar district in Gujarat moved the High Court of Gujarat and later even the Supreme Court to challenge the setting up of a 10,000 acre SEZ by Reliance Infrastructure in November 2006. They alleged the acquisition of large tracts of agricultural land which is against the public interest. This led the government to 'consider' putting a ceiling on the maximum land area that can be acquired for the multiproduct zones and decide to 'go slow' in approving SEZs'. In this context, the left wing parties started demanding a cap on at least the IT SEZs or even putting a final ceiling on the total number of SEZs to be permitted. Some small scale protest against land acquisition in Maharashtra were put down by the police, which according to some – 'served to increase the frustration, anger and suspicion about the state machinery being the agent of the corporate. This can lead to militancy. SEZs are imposed on the local people without any prior consultation. Whenever the displaced persons opposed the location of SEZ, their dissent had been termed "anti-development" and crushed mercilessly with the iron hand of the state. The selection process of the promoters of SEZs is in itself highly non-transparent. There is not a single case of SEZ in which the promoter is selected through well established competitive bidding procedures. This has provided enormous scope for consumption and political patronage. SEZs displace people on a large scale. The displacement is both physical and occupational. In some states like Andhra Pradesh, some SEZs are located along the sea coast, cutting off fisherman's access to the sea from which the latter eke out their livelihood. In many places, small agriculturists are thrown out of their homelands and along with them, those that depend on agriculture, such as artisans and rural workers have also lost their livelihood. In the past the land acquisition law which is indeed a draconian one had been used to acquire lands for genuine public purposes such as schools, hospitals etc. it had rarely been used to further private interest, as is the case now. (Mukherji, 2007).

The regulatory framework for acquiring land under the Land Acquisition Act (LAA, 1894) is ill suited for serving a rapidly growing economy. The Land Acquisition Act allows the government to acquire land for public purpose. Public purpose was defined for an age when the government used to carry out many development activities, which are in the domain of the private sector today. An SEZ is a case of public – private partnership (PPP Model) in building township, which will run and administer private sector for

generating export oriented and profit making activities. At a time when displacement, relief and rehabilitation issues were not clearly resolved for government projects such as dams, roads and bridges, SEZs posed a serious challenge to the regulatory framework governing the acquisition of land. Most of the farmers do not want to sell their land.

The question of displacement of farming communities to acquire land for industrialization has assumed political importance, primarily because of the strong resistance offered by these communities in Ghaziabad in Uttar Pradesh and the SEZ at Nandigram. Land acquisition has become a prime objective of the state governments, as to seek the graces of global capital. The peasants are resisting such virtual eviction in many places, but the state governments are using or threatening to use a colonial land acquisition Act. The acquired land is handed over to the enter pries at a subsidized rate i.e. compensation that is given to the peasants.

This is just a modest beginning of new phase of capitalist expansion. In this policy the compensation being offered is not “adequate”. Further those who are not land owners but depend on agriculture for their livelihood are not compensated; that agricultural production will go down as the proposed SEZs or industrial estates are largely located on prime agriculture land. This is recent spate of state violence against farmers to force them of their land in order to hand it over to global capital for real estate business or for setting up industrial enterprises.

Modern economic growth generates refugees of development by constructing industry or housing resorts for the rich on agricultural land; by the loss of fertility caused by modern farming that cannot be replenished; by the loss of occupation of the fisherman caused by the discharge of chemical effluents into water bodies; by displacement of forest dwellers and agriculturists on account of construction of large dams. The displaced migrants crowd cities in search of livelihood. All metros face such problems.

While acquiring the land the government agency normally fixes the market value of land much below the prevailing rate in the open market. The rate is also thurst upon the landowners which was also fixed a few years back. The fixation of value does not take into account many things like Produce Value (P) , External Value (E) or non – land owner`s value , Capital Value (C) or market value, Labour Value (L) on the basis of opportunity cost , Intrinsic Value (I) or hedonic pricing and Security Value (S) or buffer stock for price stability .Thus valuation of land for the purpose should be done on the above method which is here being termed as **PECLIS Principle**. Unfortunately this principle is not being followed in our economy. This causes social unrest and protests.

SEZs vs. Land Conflicts: Regional Scenario

In the following description and the development of local periphery and other impacts of SEZs and being provided:

a) Dadri SEZ in Uttar Pradesh

The Reliance Energy has plans to build the world's largest gas based power plant of 3500 MW in Dadri, in Ghaziabad. The investment outlay is more than Rs. 10,000 crore. However the real investment is the 2500 acres of land in the most fertile region. At the launch of the project on February 22, 2004, the government had announced that rate given to the farmers for the acquired land would be Rs. 350 per sq. mt. while the prices in the market around was 13,500 per sq. mt. Further, The government of UP had waived off all the stamps fees and other related costs for buying the land for Reliance, along with the subsidy in which the Reliance would pay only 40% of the costs and government would pay the rest. Land in Dadri (Delhi) is worth Rs. 13,500 per sq. mt. whereas farmers are being offered only Rs. 120 per sq. mt. Further the power project only needs 700 acres, but 2500 acres have been acquired because of high real estate value. And finally no legal procedure has been followed in acquiring the land. (Tyagi, 2007).

b) HSIDC SEZ in Jhajjar- Delhi- Jaipur Highways.

It is being jointly set up by Reliance Ventures, a wholly owned Infrastructure Development Corporation. Reliance claims it to be of the standards of Dubai and Singapore. According to the RIL chairman, the SEZ would come near national Highway No. 8 in Gurgaon and extend up to Jhajjar district, adjacent to proposed Kundli Manesar – Palwal Express Highway. The government had acquired 1395 acres of land near Garhi – Harsaru in Gurgaon district and on 19 June, 2006, it has transferred this land to the joint venture company. This land would in open market cost around 10 crore per acre, and the SEZ has got it for undisclosed prices, which are bound to be very low, as state is also partner in the SEZ. So it has already got the land worth 13950 crore for throwaway price / free and even if it sold, it has a straight profit of 8756.9 crore from the deal without even starting any business there. There is a common myth that the landless farmers will not be affected in terms of livelihood, as new industries are coming in the SEZ which would provide more and more options of livelihoods. But the people are dislocated from their own bases from the SEZ from where the access to the SEZ might be difficult. And the kind of livelihood options

created out of the capital – intensive industries of an SEZ will not match with the skills of the local labours. (Tyagi, 2007).

c) SEZ at Kancheepuram

Kancheepuram, Tamil Nadu, is vital production bases of international industrial groups like; Ford, Hyundai and Sant Gobin. The district of Kancheepuram has got many benefits. It is in proximity to the International airport and two seaports of Chennai and Ennor and road connectivity through the East coast road and the upcoming upgrade NH 4 and 45. It has also no dearth of talented skilled manpower being in metros. Mahindra World City is corporate India's first Special Economic Zone that has been approved for three sectors – specific SEZs, IT (Services & Manufacturing) Apparel & Fashion Accessories and Auto Ancillaries. The Mahindra World City is just 30 minutes away from Chennai. International airport has been established on prime agricultural land which is surrounded by small hills and rivers. The Mahindra's have established a 'real estate' SEZ by which they will sell out the property acquired from the farmers to other companies for establishing their commercial and industrial units at a price which is 10 – 20 times more than what they have given to the farmers. (Tyagi, 2007).

d) Posco SEZ -Orissa

In the past three years, the Orissa government has signed more than 40 MoU with companies, both domestic and foreign. Out of the total land only 20% is individually owned and the rest comes under government / community land. And out of this POSCO has been given licenses or direct lease for mining over a total area of about 2000 hectares. The estimates of those whose agricultural land would be affected are the only one who gets recognized in terms of lost livelihood. There is no estimate of those who would be indirectly affected in terms of their livelihood. These include those engaged in grazing, collection of firewood, forest produce, fishing etc. With the plant coming up the whole 'pan' belt would also be ruined. The livelihood of those engaged in the 'pan' cultivation which ranges from the young to the old would also be compelled to give up their livelihood. On the other hand the company is proposing to build a port at Jatadhari, which also evoked concerns of damage to the coastline and also the nesting habitat of the endangered Olive Ridley Turtle giving rise to intense opposition. It would also destroy the complex system of myriad natural creeks, nalas and waterways, to create a vast backwater of Mahanadi and its associates especially during the rainy season and floods. The POSCO project will occupy large areas of public and private lands. Apart from fears that land for the plant will encroach upon the mangroves there is

also a fear that the plant will draw water from a watershed that also feeds the sanctuary. Mangroves act as natural protection against super cyclones and coastal cyclones, and destroying these forests will leave Orissa's coastline vulnerable. All this has raised the fundamental questions relating the industry – induced displacements on one hand and to the government's commitment to promote the interests of the corporation world. (Tyagi, 2007).

e) SEZs in China vs. India

India's SEZ Act is different from the Chinese 'model'. In China it was the public sector that was overwhelmingly responsible for developing the SEZs, in India this task has been assigned to the private sector. Private sector promoters of SEZs have in many cases partnered with government entities, but by far the greatest share of the investment capital is coming from the private sector. The second difference is the lack of emphasis in India on using SEZs as a mechanism for promoting under industrialized areas. Indian SEZ are because of the incentives created by the policy design not initiated by government bodies-overwhelmingly located in areas that are already highly developed. Almost all SEZs were approved in the vicinity of major cities. Some cities like – Ahmedabad, Chennai, Delhi, Gurgaon, Hyderabad, Kolkata, Mumbai, Manglore and Pune. This is a far cry from what took place in China. A new bill had been introduced in the parliament, which could lead to an amendment of the LAA, 1894. Given the investment and employment opportunities that lay ahead, the SEZ policy moved faster than government legislation and mostly suited to the capitalists.

Involuntary Displacement - Rehabilitation Conflicts

This Convention (India ratified this Convention in 1958) deals primarily with the protection and integration of indigenous, tribal and semi-tribal groups. S.12 of the Convention provides that where as an exceptional measure tribal groups are removed from their land they should be provided with lands of quality at least equal to that of the lands previously occupied by them. It goes on to provide that they should be compensated for any "resulting injury or loss".(**ILO Indigenous and Tribal Populations Convention, 1957**).

The UN Guiding Principles on Internally Displaced Persons, 1998 ("Principles") is meant to serve as an international standard to guide governments as well as international humanitarian and development

agencies in providing assistance and protection to IDPs. For the purposes of these Principles, “internally displaced persons are persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human made disasters, and who have not crossed an internationally recognized State border.”The Principles identify the rights and guarantees relevant to the protection of the internally displaced in all phases of displacement. They provide protection against arbitrary displacement, offer a basis for protection and assistance during displacement, and set forth guarantees for safe return, resettlement and reintegration. Although they do not constitute a legally binding instrument, they guide the conduct of States. These Principles reflect and are consistent with international human rights and humanitarian law and analogous refugee law. Principle 6(C) of UN Guiding Principles prohibits arbitrary displacement in cases of large-scale development projects (**UN Guiding Principles on Internally Displaced Persons, 1998**).

While redressing various grievances of people affected following displacement, the Commission stressed the following:

- i. Full compliance with ILO Convention 107, and other international human rights instrument relevant to displacement, relief and rehabilitation to which India is party.
- ii. The resettlement and rehabilitation of persons displaced

The Land Acquisition Act, 1894 of India is the primary legislation that provides for acquisition of land. S. 3(f) defines public purpose to include carrying out any educational, housing, health or slum clearance scheme, the provision of any premises or building for locating a public office, the provision of land for residential purposes to the poor or landless or to persons residing in areas affected by natural calamities and so on. It includes provisions for compensation (s.11) and provides for recourse to legal remedies (s.18). The Land Acquisition Act has been criticized "for considering land only as a commodity generating income. However, when a family is settled on a piece of land not only does it earn its livelihood from it but it also has a whole social network [**Land Acquisition Act, 1894**]¹. Valuation of land should be done on **PECLIS** principle.

This Bill was amended, Important aspects of the Bill include a wider definition of “public purpose”, provision of social impact assessment where the acquisition involves displacement of certain number of families, creation of the Land Acquisition Compensation Disputes Settlement Authorities for acquisitions by Central and State governments and so on. The Bill was introduced in the Lok Sabha on 6 December 2007 and has since been referred to the Standing Committee on Rural Development by the Speaker (**Land Acquisition (Amendment) Bill, 2007**)²

The Rehabilitation and Resettlement Bill, 2007 puts provisions for “rehabilitation and resettlement of persons affected by acquisition of land under the Land Acquisition Act, 1894” or due to any other legislation by the Central or State governments or involuntary displacement due to any other reason (s.2). Though the term “involuntary displacement due to any other reason” may have wide scope, it is not clear that this Bill will apply to the different kinds of displacement discussed in Section 2 above. The Bill provides for social impact assessment of projects (s.4) which is to be conducted simultaneously with any environmental assessment, the appointment of Administrator for Rehabilitation and Resettlement with respect to large projects involving involuntary displacement of large number of people (s.9), appointment of an ombudsman for disposal of grievances arising out of matters covered by the Act and so on. . The Bill was also introduced in the Lok Sabha on 6 December 2007 and has since been referred to the Standing Committee on Rural Development by the Speaker of the Lok Sabha. **National Rehabilitation and Resettlement Policy, 2007** came in order to solve issues arising out of policies of economic liberalization/de-regularization. The National Policy on Rehabilitation policies. and Resettlement, 2003 has been reviewed and revised. The revised National Rehabilitation and Resettlement Policy, 2007 (“NRRP, 2007”) has come into force from Oct. 2007. The new policy is applicable to all affected persons and families whose land, property or livelihood are adversely affected by land acquisition or by involuntary displacement of a permanent nature due to any other reason. These could be tenants, landless, the agricultural and nonagricultural labourers, artisans, and others dependent on the land. One of the objectives of the policy is to minimise displacement of people and to promote non-displacing or least-displacing alternatives. It also recommends that only the minimum necessary area of land commensurate with the purpose of the project should be taken, and the use of agricultural land for non-agricultural purposes should be kept to the minimum; multi-crop land should be avoided and irrigated land use should be kept to the minimum for such purposes. Projects may preferably be set up on wastelands or un-irrigated lands. The compensation award shall take into account the market value of the property being acquired,

including the location-wise minimum price per unit area fixed (or to be fixed) by the respective State Government or UT Administration. For the displaced, the policy provides for houses for even the landless, 20% of compensation in the form of shares in the proposed project which can go up to 50%. There is a provision of life-time monthly pension too for vulnerable sections. In case of a project involving land acquisition on behalf of a requiring body, the disputes related to the compensation award for the land or other property acquired will be disposed of as per the provisions of the Land Acquisition Act, 1894 or any other Act of the Union or a State for the time being in force under which the acquisition of land is undertaken, and will be outside the purview of the functions of the Ombudsman (NHRC,2008).

NRRP, 2007 has the following features:

1. Policy covers all cases of involuntary displacement. Social Impact assessment (SIA) introduced for displacement of 400/ 200 or more families in plain/tribal, hilly, Scheduled areas, etc;
2. Principle of rehabilitation before displacement; If possible, land for land as compensation;
3. Skill development support and preference in project jobs (one person per nuclear family);
4. Rehabilitation Grant in lieu of land/job; Option for shares in companies implementing projects to affected families;
5. Housing benefits to all affected families including the landless;
6. Monthly pension to the vulnerable, such as disabled, destitute, orphans, widows, unmarried girls, etc;
7. Monetary benefits linked to the Consumer Price Index; also to be revised suitably at periodic intervals;
8. Necessary infrastructural facilities and amenities at resettlement areas;
9. Committees for each project, to be headed by Administrator for relief and rehabilitation.
10. Consultations with Gram Sabhas or public hearing made compulsory; Ombudsman for grievance redressal; National Rehabilitation Commission for external oversight.
11. The revised policy covers all projects leading to involuntary displacement of people, and envisages special provisions for Scheduled Tribes and Scheduled Castes, the main features of which are given below: -
12. Consultation with the concerned gram Sabah or the panchayats at the appropriate level in the Scheduled Areas under Schedule V of the Constitution in accordance with provisions of the Panchayats (Extension to the Scheduled Areas) Act 1996. Each Affected family of Scheduled Tribe followed by Scheduled Caste shall be given allotment of land for land, if Government Land is available in the resettlement Area.

13. In case of land being acquired from the members of the Scheduled Tribes, at least one third of the compensation amount be paid at the outset as first installment and rest at the time of taking the possession of the land.
14. Additional one time financial assistance equivalent to five hundred days minimum agricultural wages for loss of customary rights or usage of forest produce.
15. Scheduled Tribes to get free of cost land for community and religious gathering, to the extent decided by the appropriate government.
16. Scheduled Tribes affected families resettled out of district to get twenty five percent higher benefits in monetary terms.
17. Scheduled Tribes and Scheduled Castes affected families to be given fishing rights in the reservoir areas of the irrigation or hydel projects
18. Scheduled Tribes and Scheduled Castes affected families enjoying reservation benefits in the affected areas shall be entitled to get the reservation benefits at the resettlement areas.

Despite all these features of NR&R policy livelihood losses, displacement and non-rehabilitation has become recurring feature (Desai and Others, 2007, Sharma, 2009, Sharma & Singh, 2009).

By and large there is unanimity that no development can be accepted at the cost of social equity. Land acquisition needs total reform and rehabilitation package. Land owner, should get adequate compensation of their land. There is also a need to think proactively to make partnership under SEZs with such land owners to bring the social equity. Therefore, rehabilitation package needs to include continuous / ongoing sharing of income. It was heartening to note that some of the developers have offered not only employment guarantee of one person per family but certain percentage of lease rental so that land owner will continue to get benefit for entire life. The compensation package needs to address the issue of reinvestment of such compensation as to avoid the misuse of unexpected funds due to lack of entrepreneurship. Social study has proven that such compensation has resulted not only family disturbances and has totally ruined the families on account of spending on unnecessary / perishable luxuries. Further, it has also widened the difference amongst the family members over the distribution of wealth. Some times it resulted in to criminal activities and therefore, it is very important, to make the law to prevent misuse. The compensation and rehabilitation packages announced by the concerned states lack credibility as there are thousands of families displaced by previous projects still awaiting compensation

payments. In a few cases those displaced in early 1970s are yet to receive compensation. In many cases the true beneficiaries are the absentee land lords, intermediaries and faults that confront with the government agencies (NHRC's **STAND ON RIGHTS OF THE DISPLACED, 2008**).

Conclusions

- There are three models relating to land demand which are described by industrial demand, Scissors model and Public Policies. Although industry-led growth is very much possible through SEZs but shifting of land from agriculture sector to industrial sector may be judiciously done.
- The shifting must take care of the interest of land losers, poor labors, displaced villagers and rural environment. A mechanism is developed for involving land losers as a share holder in the enterprises under SEZs. There is hardly any reason to shift the ownership of land, in many such cases. This may also reduce legal battle, promote peace and bring faster development of industries.
- Indian plans are started with good intention but unfortunately Indian plans ends with bad implementation. These needs to be checked and corrected for which collective initiations and action from individuals; civil societies, bureaucracy and the various strata of the governments are solicited. The poor implementation of R&R Bill, 2007 is failing for these collective actions.
- As per LAA, 1894 and amended LAA, 2007 acquired land should be used for public purposes. Whether public purchases of land for transferring it to private capitalists is a public purpose/public good, it needs to be thoroughly debated in order to check land grabbing, homelessness of oustees, unemployment and other allied miseries.

Recommendations

- For industrial development through SEZ definitely there would be shifting of land from agriculture / rural sector to semi urban / urban sector. This practice can further be encouraged by making the land losers as shareholders in the forthcoming firm/industry according to their land proportion. This will also stop compensation based land transfer. It may also get rid of many legal complications and battles. A regular return on their shares may be ensured by the firm. Land valuation for shares may take into account the PECLIS principle.
- Landless labors may be accommodated in SEZ for employment/self employment especially during project period. Such opportunities may be created quickly in ancillary and service sectors. Micro financing in such cases may also be a viable alternative.
- For rehabilitation of involuntary displaced persons a systematic package may be evolved in order to having a pleasant rural-urban divide. It is essential to strengthen and expand land rights after consultation with Gram Sabah.
- Acceptable alternative livelihoods and a share in the benefit, proper resettlement in order to correct the wrong headed public policies need to be addressed.

Notes

1 "Capacity Building for Resettlement Risk Management: Handbook on Resettlement for Highway projects in India" (Asian Development Bank, Manila, 2007) Chapter II.

2 Source: [http://164.100.24.209/news/whatsnew/Landacq Bill.pdf](http://164.100.24.209/news/whatsnew/Landacq%20Bill.pdf)

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4. National Network for Human Rights Treaty Monitoring in India, 19 February 2007, Dimensions of Discrimination in India"- a shadow report to the UN CERD Committee

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5. NHRC's Recommendations on Relief and Rehabilitation of Displaced Persons, 2008

6. Ministry of Home Affairs Annual Report for 2006-07, p.92-93.

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