INFOCHANGE

agenda

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Battles over land

All over India, the battle lines are drawn between land as commodity and land for livelihoods

• How much agricultural land is actually transitioning to non-agricultural use? • What are the laws governing acquisition? • What is the social impact of a development-at-all-costs policy? • Can those who owned and lived off the land have a stake in its development?

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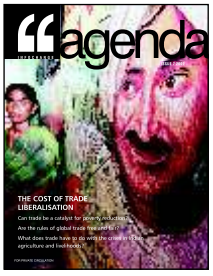

The cost of trade
liberalisation

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Cover: Protestors at a land rights rally
Photograph by Simon Williams/Ekta Parishad

Land as livelihood vs land as commodity

All over India, land is being acquired for commercial/industrial use, for realty and infrastructure development. But all over India, this acquisition of land is being bitterly opposed. The battle is between land as commodity and land as livelihood. What are the causes of land alienation? What are its consequences?

WALTER FERNANDES

THE 1994 REHABILITATION POLICY draft of the Government of India begins by stating that, following the 1991 economic policy, Indian as well as foreign private investment would require more land than in the past and that much of it would be in the resource-rich tribal areas. This statement has not been repeated in the policies of 2004 and 2007 but it has been put into practice in most states. Acquisition of land for development aggravates the problem of alienation of and encroachment on tribal and other community land that the land laws declare as State property. Individually owned land is under threat of alienation, but common property resources (CPR) are the most threatened because of the legal anomaly that causes much insecurity of tenure. For example, most dams being planned in northeast India are in tribal areas where land is managed according to community-based customary law, but the law treats CPRs as State property. This anomaly also makes encroachment by immigrants possible. One of its impacts is ethnic conflict. This article will study some of the implications.

Land alienation and immigration

The first cause of land alienation is encroachment by immigrants. Though the focus is on the Bangladeshis, immigrants to the northeast, in particular, come from other parts of India too. For example, the 2001 census shows an excess of 40 lakh persons in Assam compared to 1971, around 18 lakh of them Muslims, presumably of Bangladeshi origin. The rest are of Bihari and Nepali origin (1). All of them encroach on land.

What matters therefore is not the origin and religion of the immigrants but the push and pull of migration. The feudal system is common to Bangladesh, Bihar and Nepal. Most immigrants are landless agricultural labourers pushed to migrate by poverty, low wages and lack of land reforms. The pull factor is the need for cheap labour and, more importantly, land and the legal system governing it, especially the CPRs on which tribal and other communities sustain themselves. In their tradition, the right to use land emanates from recognition by the community, since land and other natural resources are their sustenance. It is part of an ecosystem, with the local community at its centre. Its dependants build a culture, an economy and an identity based on its sustainable use (2). This is true even of individually owned land because in a village, land is not merely a place for cultivation or construction but constitutes the livelihood of its legal owner, the agricultural labourer, barbers and others who sustain themselves on it as a community.

However, the formal land laws of the country are individual-based and are founded on the principle of the State's eminent domain. In this formal legal system which is based on a worldview that is different from that of traditional communities, land is only a commodity and a place for cultivation and construction. But the formal law imposes its own outlook on the traditional community with no understanding of its culture and customary law. This view became prevalent when the colonial regime of the 19th century enacted land laws to suit its objective of exploiting the resources of South Asia for the benefit of the British Industrial Revolution and to change the economy of the colony in order to turn it into a supplier of capital and raw material for the Industrial Revolution and a captive market for its finished goods. Monopoly over land for coal mines, plantations, transport and other purposes was basic to this approach (3).

The eminent domain on which colonial laws are based is called *terra nullius* (nobody's land) in Australia. White colonisation of native land in Oceania and the Americas was based on the principle that land without individual title belonged to no one — as such, anyone could occupy it. In 1992, the Australian judiciary declared this illegal (4), but Indian land laws continue to be based on the American version of eminent domain. Its first facet is that land without an individual *patta* is State property. The second is that the State alone has the right to decide a public purpose and deprive even individual owners of their assets. The pull factor emanates from this overriding State power. Immigrants, pushed off their land by poverty, the feudal system and low wages are attracted by fertile land in the tribal areas, especially in the northeast (5).

They can encroach on it with impunity because of the disjunction between the formal and traditional systems. Much of it is CPRs of the tribes that run their civil affairs according to their community-based customary law, but the colonial land laws that continue to be in force recognise only individual ownership and treat land without *pattas* as State property. Such imposition of an individual-based legal system on tribal communities creates a disjunction between the legal and social realities and makes it easy for

Sudharak Olwe

immigrants to encroach on CPRs. Those who lose their land cannot take action against it because, according to the colonial laws, what is common is State property; the State alone can take action against it, and often it does not. So communities that have been sustained by their land for centuries are unable to claim it back.

Land laws and alienation

The same legal system also makes alienation of tribal land to non-tribals easy. The laws banning alienation of tribal land are limited to individually-owned land, which is around a third in tribal areas; the rest are CPRs which are easily encroached on. Even individual land can be occupied because of loopholes in the law or through corrupt practices. For example, studies show that because of changes made in Assam's land laws in 1948, the number of tribal blocks in which land could not be alienated dropped from 35 in 1947 to 25 in 2005 (6).

These changes facilitate tribal land alienation to non-tribals, and it has been massive all over India. For example, the AP Act 1 of 1970 is the best law in the country on prevention of tribal land alienation. But studies show that around 49% of all land in scheduled areas is in non-tribal hands (7); so is 60% in Orissa (8). It's a similar situation in Madhya Pradesh, Gujarat, Tamil Nadu, Rajasthan and Jharkhand. Corruption is one of the reasons. For example, the law bans tribal land alienation to non-tribals in the tribal-majority Karbi Anglong district of Assam, which comes under the Sixth Schedule. But a study shows that many Bihari immigrants have *pattas* in the Lanka sub-division of the neighbouring non-tribal Nagaon district although their land is in Karbi Anglong. This would not be possible without corruption in the bureaucracy (9).

Other legal changes have also facilitated the alienation of non-tribal land to immigrants and development projects. The Assam Waste Land Settlement Rules 1838 made acquisition, at a very low price, easy for British-owned tea gardens and turned most cultivators into landless workers or *adhiars* — sharecroppers cultivating someone else's land and giving half the produce to the owner. Five decades later, the Assam Land and Land Revenue Act 1886 removed many restrictions on land alienation and turned more cultivators into *adhiars*. The Assam Adhiars Protection and Regulation Act 1948, enacted apparently to provide security to the *adhiars*, did not transfer ownership to them but only stipulated that they pay 20%-25% of their first crop to the zamindar depending on who paid for the seeds and provided bullocks. Even this law has for all practical purposes remained on paper (10).

Instead of repealing the 1886 Assam Act it was extended to Manipur and Tripura in 1960 as the Manipur Land and Land Revenue Act 1960 and Tripura Land and Land Revenue Act 1960. This makes tribal land alienation easy. For example, the Tripura Act recognises only registered land. Most tribals were illiterate and did not register their community-owned land. So the State alienated much of it from them and used it to resettle Bangladeshi (then East Pakistani) Hindu immigrants. The immigrants encroached upon the rest of it with impunity. As a result, the tribals have lost more than 60% of their land to immigrants and their proportion has declined from 58% in 1951 to 31% today (11). In Manipur, efforts are made to extend the Act to tribal areas that were hitherto exempt from it.

Development and land loss

The third major source of land loss is development projects.

Land laws also facilitate acquisition for this purpose. For example, a study of development-induced displacement in Assam between 1947 and 2000 shows that, by official count, schemes like water resource projects, industries, defence, refugee rehabilitation, environment protection and transport used 391,772.9 acres and displaced 343,262 persons. Unofficial sources show that no less than 1,401,184.8 acres were used and 1,909,368 persons displaced from them. The 10,09,412 acres that are missing from the official files are CPRs. Officials told researchers that this is State property and no records need be maintained on this land or persons displaced from it since they are encroachers. That explains why 15.66 lakh CPR dependants are not counted (12).

The situation has deteriorated with liberalisation. The opening statement of the 1994 draft of the National Rehabilitation Policy reads: "It is expected that there will be large-scale investments, both on account of internal generation of capital and increased inflow of foreign investments, thereby creating an enhanced demand for land to be provided within a shorter time-span in an increasingly competitive market-ruled economic structure. Majority of our mineral resources… are located in the remote and backward areas mostly inhabited by tribals. (13)"

The extent of land acquired or committed to various companies during the last decade shows that this statement was in reality a policy. For example, West Bengal, which used 2 million hectares between 1947 and 2000, has committed 93,995 hectares to industry alone (14). Orissa used 40,000 hectares for industry between 1951 and 1995 but planned to acquire 40,000 hectares more in the succeeding decade. Between 1996 and 2000, Andhra Pradesh acquired half as much land for industry as it did in the preceding 45 years. Goa acquired 3.5% of its landmass between 1965 and 1995. If all its plans go through, it will acquire 7.2% of its landmass in this decade. Gujarat has promised land for 27 SEZs (15), and around 200 SEZs are being planned all over India. That will result in massive land loss, food insecurity and unemployment. The private sector is eyeing mining land in Jharkhand, Orissa and Chhattisgarh. Thus, there will be even more displacement in the coming years than has been in the past 60 years, much of it of tribals, in order to facilitate mining in middle India and dams in the northeast (16).

Less than 20% of the 60 million persons displaced or otherwise deprived of livelihoods between 1947 and 2000 have been rehabilitated even partially. Even when a project resettles people, skewed land laws ensure that its benefits do not reach many of those affected. In West Bengal, for example, the system of sharecroppers, and elsewhere that of CPRs, goes against them. If sharecroppers are registered, they are entitled to 25% of the compensation paid to the zamindar. Around 250 of the sharecroppers cultivating some of the 997 acres acquired at Singur were not registered. So they, along with 1,000 landless agricultural labourers and other service groups like barbers whose sustenance depends on the land, were not entitled to compensation and rehabilitation. The Land Acquisition Act 1894 ignores the fact that in a rural economy, land is sustenance not merely for its owner but also for landless service groups. CPR dependants are the majority among the 14 lakh tribals and 21 lakh dalits deprived of livelihoods in the name of national development, over 1947 and 2000, but not rehabilitated.

Most officials claim that compensation is rehabilitation. It is defined as the average of the registered price of land in an area for three years. It is a public secret, however, that not more than 40% of the price is registered. This makes things worse in "backward" areas, in particular, where the price of land is low. For example, in the 1980s, some land losers in Jalpaiguri district of West Bengal were paid an average of Rs 1,700 per acre. In Assam, the compensation was as little as Rs 48.37 per acre for some plots in Dhubri district, in the 1970s. People cannot begin life anew with this amount. CPR dependants are not even paid this paltry sum; many are not even counted. For example, the 1970 official records counted 2,553 *patta*-owning families as displaced by the Dumbur dam in Tripura, but excluded 5,500-6,500 families living on CPRs according to tribal customary law (17).

CPRs feature prominently in the land used for projects. Out of 1.1 million hectares documented as having been used in Andhra Pradesh between 1951 and 1995, 32% were CPRs. In Orissa, they formed 60% of the 1 million hectares used. We have already mentioned the situation in Assam (18).

Environmental degradation and commercialisation

Apart from direct land acquisition, environmental degradation caused by development projects damages the surrounding land. Fly ash from thermal and cement plants, water mixed with chemicals, blasts in coal mines and other activities result in land degradation and force people to move away from their habitat. However, since no physical coercion is used, they are considered voluntary migrants and are not even entitled to compensation (19).

Those who lose land to development projects and those whose land is alienated to immigrants or encroachers are impoverished. For their sheer survival needs, many begin to destroy the forests and other resources that they had so far preserved and treated as renewable. For example, in a sample of 272 families in Orissa, the number of people dependent on cutting trees for sale as firewood increased from 18 to 77 over two decades, 75% of them displaced by major dams and not rehabilitated. In Assam, 50% of tribal families displaced by development projects had made this transition from constructive to destructive dependence on the forests and other natural resources (20).

Equally important is the use of land purely as a commodity by real estate speculators. The 2005 inundation of Mumbai is an example. Under normal circumstances, 96 cm of rain in three days, caused by climate change, would have flooded the city but not caused a disaster. It became a disaster partly because Mumbai's drainage system is outdated, but mainly because of reclamation of the Mithi river and the Bandra and Mahim creeks through which rainwater used to flow out of the city to the sea. Real estate speculators had reclaimed these areas and built high-rise buildings that were

sold at enormous profit. That prevented water from flowing out, causing the floods (21).

Land loss and conflict

A consequence of land shortage is conflict. Most recent conflicts in India are around land and jobs though other interpretations — including communal ones — may be given to them. At times they may take on a class dimension. For example, many of those killed in the 2005 Mumbai floods were slumdwellers. The area where they had their slums earlier had become prime land that was eyed by real estate speculators. The slumdwellers were evicted to make place for high-rise buildings. They resettled near the hills that no one wanted. That is where the landslides occurred, killing many.

The northeast is a typical example of land shortage resulting in ethnic conflict. The Naga-Kuki conflict in Manipur and the Bodo-Santhal killings in the 1990s, the Dimasa-Hmar tension in Assam in 2003, the Karbi-Pnar conflict in Assam in 2004, and many others are around land. The Bihari-Assamese conflict of 2003 was for jobs. The insurgency in Tripura began after tribals lost 60% of their land to Bengali immigrants and more of their land was acquired for the Dumbur dam (22). Conflicts arise because, in the context of land shortages and the failure to create productive jobs, every group tries to get exclusive rights over the limited benefits that they are left with. Given its symbiotic relationship with land, each community views the resultant conflicts as a defence of its culture, identity and livelihood, thus legitimising to themselves what would be considered violence under different circumstances.

Conclusion

The limited analysis given above raises some important issues around land. Firstly, under modern law or administration or development, communities living in a land- and natural resource-based culture and history are forced into another culture with no preparation for the changeover. They lose land to immigrants, development projects and others because the law treats land — their livelihood and the centre of their identity and culture — as a commodity to be sold or leased to the highest bidder. With it, the traditional sanctity attached to land is lost. They are forced into a new worldview that they are not familiar with. Impoverishment is one of its results, since land is central to their economy. Because of its close link with their culture and identity, the loss of land brings about a total crisis in their lives, particularly when CPRs are alienated from them.

This economic, cultural, social and identity crisis following alienation from the land is basic to conflicts. What leads to conflicts is not immigration or individual ownership as such, but land loss and other attacks on livelihoods. The legal system, based only on individual ownership and the approach of the administration, leads to land alienation and conflicts. But laws continue to be changed to make more land alienation possible. The Special Economic Zone Act and the Highways Act are examples from the last decade. The plan to build 48 major dams in the northeast within the next decade and the list of 168 dams that has been prepared for this region shows that the outdated Land Acquisition Act is being used more and more in favour of industry and against cultivators. This shows the need to rethink our approach to development and give priority to the ideology of land as people's livelihood, instead of land as a commodity alone.

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Tossed aside in the fast lane to growth

Case studies from Gujarat, the SEZ capital of India, where vast tracts of land have transitioned from agricultural to non-agricultural use. The losers are not the landowners but nomadic pastoralists, small livestock farmers and dalit agricultural labourers who did not own land but were still dependent on it

MANSHI ASHER

VALLABHBHAI, A YOUNG PATEL FARMER of Jaswantpura village in Bhavnagar district, Gujarat, zooms into his courtyard on a new Enfield. With saffron ribbons in one hand and BJP flyers in the other, he exudes confidence as he walks into his spartan cowshed and seats himself on a rickety wooden chair. “The state Assembly elections are around the corner. The ribbons are for those who support the BJP and extra ones for those who we plan to convert into supporters,” he explains. But the prosperous look is not merely to do with his alliance with the ruling party which subsequently won the elections for a third term. Vallabhbhai, the son of a big farmer, is also the agent for anyone who wants to buy land, which is in great demand these days in Jaswantpura.

Says Kantibhai Patel, Vallabh's father: “Almost 50% of the private land in the village has been bought off by a *mota seth* (literally translating to 'big rich man') from Kutch. He offered us almost Rs 1 to Rs 1.5 lakh a bigha.” But Kantibhai was smart enough to hold his own land back. He says he will not sell his land for anything less than Rs 2 lakh a bigha. “We know that a project is coming up here and will wait for the rates to go up.” The project he is referring to is a private port and SEZ spread over 1,000 hectares, being set up by the Adani group at Dholera near Bhavnagar.

Land in the area is being bought by different sets of people, at varying rates. A smaller farmer from the same village, Dharam Singh, sold 15 bighas of land at Rs 54,000 per bigha three months ago to Rajubhai Jain, an agent from a nearby village. In turn, he bought about 20 bighas at a price of Rs 12,000 per bigha from a dalit family in another taluka. “We still have some land here, and our home, so we continue living here. We will stay here until the project comes.” Devuben Pandya, of a small NGO called Mahiti based in Dholera, says: “About 25 villages from three talukas — Dhanduka, Dhodka and Bhavnagar — are expected to be affected by the SEZ.” So far, the Land Acquisition Act 1894 is not being used to acquire land from the villagers, but land purchase and speculation is at an all-time high.

But why are the farmers eager to sell their agricultural land?

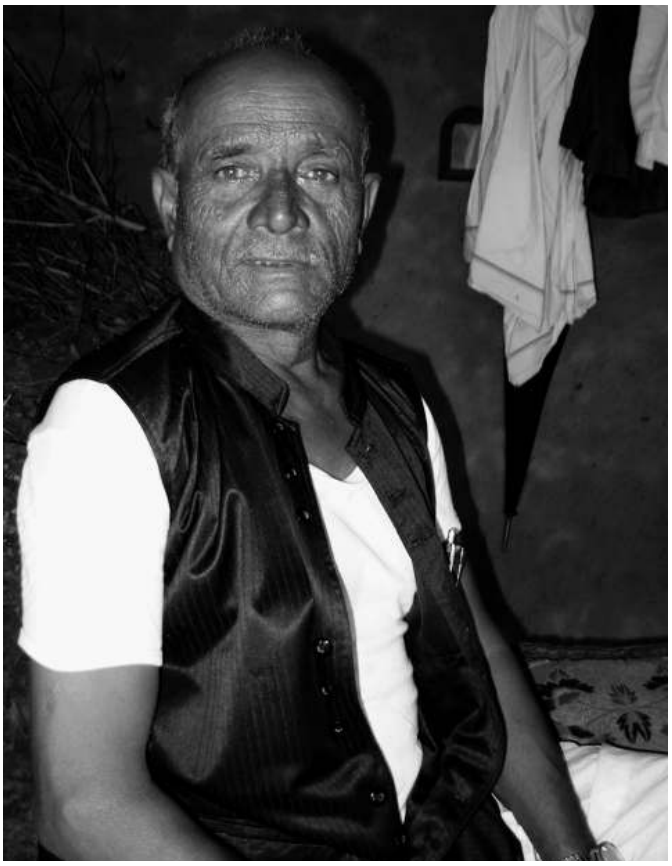
This region is known to be a tidal flat area, with seawater inundating huge areas of land during high tide and rainwater inundating it in the monsoons. Villages where agriculture is the main occupation are located on the periphery of the tidal flats. Over the years, as more and more lands are rendered infertile due to saline ingress, these communities, especially households with smaller landholdings, have been dependent on daily wages in nearby towns and cities. The salinity issue has remained unaddressed by the government, which sees the area as a potential industrial hub. In 1998, over 600 acres of land were bought here for a chemical complex by Gujarat Heavy Chemicals Ltd. The chemical hub was never developed and the land remained unused. This land will most likely be handed over for the SEZ.

Manshi Asher

Jath nomads in Dholera

While there has been a slow and steady decline in agriculture as the mainstay for the Koli Patels, the project will displace other land-based livelihoods too. The tidal flats are inhabited by pastoral nomadic communities, referred to as Jaths, which graze their camels on these lands. The high-salt-content grass is considered good fodder and the scrub forests of the region are famous for their ability to support cattle in times of drought. This community is essentially dependent on common property resources, or grazing lands. The legal status of this land is either revenue wasteland or panchayat grazing land which is being bought directly by companies from the government, irrespective of land-use. “Over the past years we have had to reduce the number of camels. The grazing grounds are shrinking. On the one hand, the forest department does not allow us to graze our animals and on the other are the companies

Manshi Asher



which are building factories. No one even asks us before a project is sanctioned, and there are no provisions for alternative employment for us," says Naseeb Jath. Apart from the Jaths, there are the Bharwads or buffalo-rearers who depend on the fodder grown on farms, and the dalits who are essentially dependent on agricultural labour.

These three communities would be the most vulnerable if lands are diverted for the SEZ. But they have no idea what is in store for them. Vallabhbhai and his father represent the dominant creamy layer of village society in Gujarat. They get their cut on every land deal they mediate. They have party support in ensuring that they do not get 'No' for an answer. They are grassroots symbols of the corporate-government nexus in a state that is in the fast lane of the 'growth' expressway.

In a scenario where the market takes over, the State is no longer the mediator but is reduced to a bystander. Little wonder then that, last year, in Rajula taluka of Amreli district, a private company actually issued a 'Land Acquisition Notice' to a panchayat, specifying the *khasra* numbers of the land it proposed to acquire and demanding that the owners of the land be present on the date notified by the company to deal on the land. The matter was taken to the press and the district collector by the farmers, who had no idea that such a notice had been issued by a private company! When the story was blown up by the media, the company went into damage control mode and issued another letter to the panchayat withdrawing the first notice but still appealing for land. "The company officials even had the gall to actually visit the villages, expecting to discuss the matter on the dates proposed in the first notice issued by them. After they were given the cold shoulder they have been attempting to negotiate for land through some agents in the nearby villages," says Chetan Vyas, a resident of the area.

Today, Rajula taluka is an upcoming industrial hub in south Gujarat. A coastal region, this taluka is where Pipavav port, developed over the past 15 years by Gujarat Pipavav Port Limited (GPPL), is located. The area has five jetties and one more under construction. Proposed projects in the area include a thermal power plant by Ultratech, GPPC's gas-based power plant, Visa Power's power project, a project by Videocon and others. Two power plants are already operational in the area. An SEZ project is also being considered. Twenty villages that lie along the Pipavav coast have been and will be directly affected by the industrial 'development'.

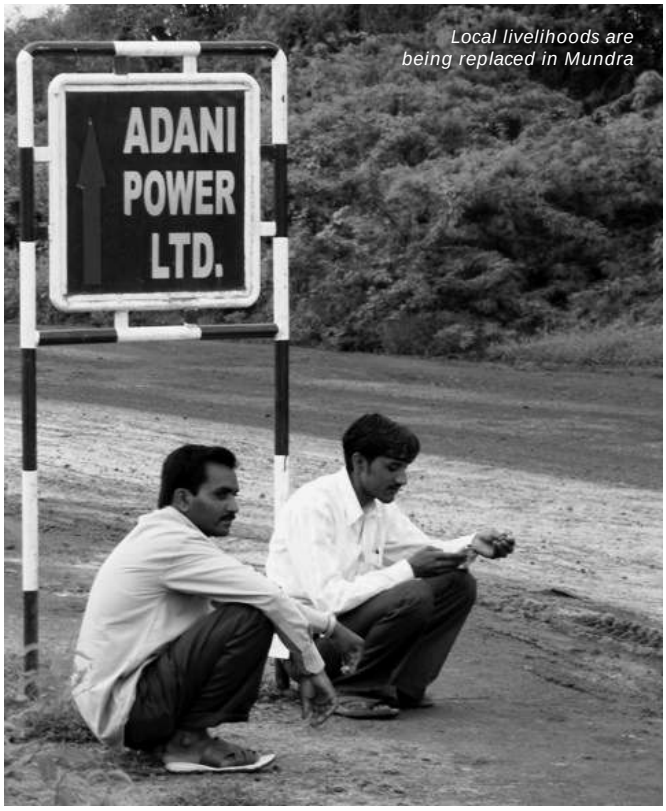
The trend of selling land to industries started with the Ultratech cement plant. The landed groups sold off their land and bought land in the uplands of the district from the Bharwads and Koli Patels at much lower rates. Some of them took up contracts in packaging and ancillary units in GPPL. Most of them shifted out of the villages and moved to Rajula town. It is essentially communities dependent on marginal farming, fishing and livestock-rearing, which had no land to sell but were dependent on it anyway, that have had the most problems. Some of the key issues they face include air pollution (from the thermal power plants), encroachments on grazing lands by GPPL through the dumping of solid waste, restrictions on mobility on a day-to-day basis, and appropriation of fishing grounds by the port area. The Agariyas, a 'lower-caste' community comprising saltpan workers, are also affected as saltpan lands too are being taken over by industry.

But then the state of Gujarat does not always play the silent spectator. It chooses to intervene when it thinks it appropriate — mostly in favour of companies. Shailendra Khalasi, a resident of Hazeera, now an industrial area a few kilometres from Surat city, says: "Essar Steel came to Hazeera in 1990 and the first response of the people was to oppose the project. They wanted to purchase agricultural lands but people were absolutely not ready to sell. It was then that the government, through the Gujarat Industrial Development Corporation (GIDC), took on the responsibility of acquiring the lands using the Land Acquisition Act 1894." Today, Essar has been granted SEZ status and has spread itself over about 25% of the land in Hazeera. Essar opened the floodgates for other companies like ONGC, Ultratech, Reliance, NTPC, NICO, Shell, GSPC and others.

And what happened to all the farmers and other residents in the area?

The richest in the village moved to Surat city; the rest used

Manshi Asher



Local livelihoods are being replaced in Mundra

up the compensation money in house renovation, buying vehicles and setting up *paan-beedi* shops. Only around 10% of the local population is engaged in direct economic activity related to the companies. With the increasing takeover of natural resources, traditional livelihoods have been more or less lost. The biggest loss has been the fishing-based livelihoods of the Khalasis. “Not only did we lose areas to fish in and our routes were blocked, but with Essar letting their effluents out into the Tapi estuary the catch has reduced and the fish aren't even edible anymore.” In the last few years there have been seven cases of suicide within the Khalasi community alone.

Additionally, the air pollution, dust and fly ash released from the steel plant have affected productivity in the remaining fields. In fact this is how more and more lands enter the revenue records as 'uncultivable wastelands' open for diversion to non-agricultural purposes in most industrial areas. “Hazeera was famous in Surat for its vegetables; now we have to buy vegetables from Surat since all the vegetables get covered in dust and production has sharply declined,” says Aruna Patel, explaining how the 2.5 acres of land that her father retained after selling the rest have been rendered useless due to the dumping of waste and excessive pollution.

The Halapatis, a dalit community, are amongst the poorest communities in the area who worked essentially as agricultural labour. They were not eligible for any compensation, but were rendered jobless. The most vulnerable are the women. Says Sudha Prajapati from Mora village, where the migrant population outnumbers locals: “With increasing in-migration, a whole new set of social problems has emerged. The poorest women, especially widows and single women, sold small amounts of land and built up quarters which they have rented out to the migrants. Sexual exploitation of women is common. Those who have no choice sell themselves for just Rs 5 a night.”

Gujarat may have been rated as the “safest” state for corporate investors, but whether it is so for its own people is doubtful. Salim Lambu of Sukhpar village in Mundra taluka, Kutch, where the Adanis are setting up their sprawling port and SEZ, says: “The people of Mundra have gained nothing from this project.” The Waghers, a Muslim fishing community in the area, are losing their access to traditional fishing harbours with the setting up of the Mundra port and SEZ at one end and the expanding Kandla port and SEZ on the other. “As it is the dominant majority (Hindu Jains) considers fishing an immoral occupation. If we stand up to protest we are referred to as 'terrorists',” Salim adds. In the case of the Adani port and SEZ, most of the land used has been revenue wasteland, forest and grazing lands or private land directly purchased by the company. Each one of these land categories was being used by the local communities for their day-to-day survival, as in the other cases. But the additional issue that this specific SEZ raises is the purchase of land in parts — first for the port, then ancillary activities, followed by container stations, power plant, railhead and airport. All this together would be part of one SEZ project (which has now been split into two) and ideally should have had a single master plan approved and cleared by various government departments to start with. Instead, the company, which first came into the area in the mid-1990s with a plan for a jetty, has, on a piecemeal basis, expanded its territory as and how it wished, flouting even the basic conditions under which it was granted land by the revenue department.

A study by the Vadodara-based Centre for Culture and Development (CCD) states that 32 lakh hectares of land were used up for development projects in Gujarat between 1947 and 2004, as a result of which 2 million people, a good 5% of the state's population, were displaced. In light of the above examples, if displacement is seen as more than the number of physically displaced, the figure would probably be much higher. In order to gauge the real impact of a project, any displacement of livelihoods as a result of appropriation and diversion of resources (including land) from their traditional (and original) use, whether or not it involves 'land acquisition' and moving populations out of the proposed project area needs to be taken into account. This must be done *before* a project is sanctioned. The question is: who will make a fair assessment? The State, which is obsessed only with economic growth rates?

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Chengara: Dalit homeland?

In yet another confrontation with industry, hundreds of landless families — principally dalits and adivasis — have occupied the Harrison Malayalam rubber plantation in Kerala. Claiming that the company's land lease has long expired, they are demanding 5 acres of land and Rs 50,000 for each family. A special report from the new battleground of Chengara

P N VENUGOPAL

THE TERRAIN IS STEEP. Vast stretches of rubber trees and endless rows of huts thatched with coloured polythene sheets greet our eyes. In each hut, women and children sit around or cook meals on makeshift stoves. Men and women walk around with sack-loads of rice and provisions on their heads. Another group shouts slogans as they sit huddled in a shed against a backdrop of large photographs of Ambedkar and other leaders.

We are trudging along a rough trail in the Chengara rubber estate of Harrison Malayalam Plantations Ltd near Konni in Kerala's Pathanamthitta district. The estate has been occupied by landless dalits and adivasis since August 4, 2007. “There's no way anyone can force us away from here,” says Mohanan, our guide and an activist with the Sadhujana Vimochana Samyukta Vedi (SJVSV), the organisation leading the struggle for the landless.

We pass through the first 'counter', or Ambedkar Nagar as they have named it. There are six such 'counters'; each has a committee to take care of its affairs. “More than 7,000 families from all 14 districts in Kerala are here,” says Thomas, who is himself from Kadakkal in Kollam district.

“More and more people are joining our ranks daily,” confirms Laha Gopalan, Founder President of the SJVSV and the moving force behind the current struggle.

The first communist government anywhere in the world to come to power through the ballot, the E M Sankaran Namboodiripad-led ministry had initiated land reforms in a big way. Even though many of the original provisions were watered down by subsequent governments, Kerala has the distinction of being the only state in the country where land reforms were taken up seriously. About 32 lakh families were benefited, of which 5 lakh belonged to the lowest strata of society.

However, Gopalan has slightly different views on the subject. “Kerala always boasts about revolutionary changes brought about by land reforms ushered in by the communists, starting from the first communist government of 1957,” he says. “But the beneficiaries have been only the Nairs, Ezhava (Thiyya) Christians and, to some extent, the Muslims. The dalits and adivasis were always bypassed. They were never part of the landowning scheme, being neither sharecroppers nor tenants,” he explains. “They were forever the toilers, and no one bothered about them.

“In the 1970s and 1980s, the government came out with the Laksham Veedu (100,000 houses) scheme. The houses provided were very small. What about the children, and their children after that? Ten or 12 people of three generations live crammed in that small space. Life is a misery for them.”

We pass Suhrabeevi's hut. She is 58 years old and from Kulathupuzha, 20 km away. “I live with my husband and three daughters along with the husband of my eldest, in a small hut on Puramboke (government) land,” she says. “We could be evicted by the government any day, so I've nothing to lose by coming here.” And everything to gain, she hopes.

It is this hope that sustains Suhrabeevi and thousands of others like her in these hostile environs, and helped them brave the torrential rains that lashed the area in the early months of their stay on the Chengara estate.

“We are demanding 5 acres of land and Rs 50,000 for each family,” says Gopalan. “You might think we are asking for the moon. But what about Harrison Malayalam? They claim they got this land, 1,048 hectares, on lease for 99 years from Chengannur Mundankavu Vanjipuzha Matom. Where did this Matom get the land from? Obviously from the government of the time. In any case, the lease expired long ago and they have not been paying any lease rent to anyone since 1985-86. So if a foreign company can possess government land and reap huge income from it, why can't the poor be given 5 acres?”

Till around 15 years ago, the company was a wholly-foreign-owned company — Harrison & Crossfield. It later merged with the RPG group, with some of the foreign interests retained. In popular perception, however, it remains a 'foreign' company.

The fact that the company has not been paying rent for years will come as no surprise to those who are familiar with the ways of the Kerala government. Many land leases expired in the 1980s but have neither been renewed nor their possession revoked. It's only recently that the government has begun swinging into action.

Harrison Malayalam went to the Kerala High Court demanding that the encroachers be evicted. The court asked

Bhasi

the government to evict the people within a month. “The government did not act and we again took the matter up with the court,” says V Venugopal, Chief Manager (Legal Cell) of Harrison Malayalam Plantations Ltd. The court has now given the government three months time for 'resolving the issue'. The government had not taken any steps nor had it initiated talks, at the time of writing this report.

The crux of the matter is perhaps inherent in the SJVSV's allegation that the company is, in fact, in possession of almost 5,000 hectares, not 1,048 as the lease records say. “We've nothing against the plantation as such,” says C R Prakash, youth leader of the SJVSV. “We are only occupying land that belongs to us, which was encroached upon by the company,” he adds. “Let the government measure the land and show the company their limits.” At a three-party meeting, Prakash claimed that the district collector had agreed to measure the land — the only move so far on the government's part to help solve the crisis.

Venugopal agrees that the agitators have no quarrel with them. “They are only agitating against the government.” Initially there were skirmishes, with plantation workers trying to drive away the settlers. But now they have been left in peace, perhaps because the site the SJVSV has chosen to pitch its tents in is a patch of old trees. The company was on the verge of felling those trees after slaughter-tapping, and had already begun work planting fresh saplings. It claims it is “losing money daily”. Venugopal also says that he is unaware of any assurances by the district collector regarding measuring the land.

Pathanamthitta District Collector Dr Raju Narayana Swamy refused to discuss the issue.

We now come upon a bigger, cleaner tent with a raised platform with several little children running about. We are told that this is the anganwadi for the children at the camp. Teacher Sreeja Sreedharan explains that although she is not a qualified teacher, she has a BA and intends to teach the children how to read and write. She expects the number of children to swell to about 50 within the next couple of days. There is another anganwadi on in full swing, at Counter 6, she says.

After walking for almost two hours, we reach Counter 5. On the way we pass the Kallar river that forms one of the boundaries of the plantation. We could see the reserve forests on the other side.

At Counter 5, a lean young woman is addressing a huge

Bhasi

Children at the camp are being taught to read and write

crowd of spirited men and women. The woman is Thattayil Saraswathy, general secretary of the SJVSV and apparently the leader of the struggle. In her early-30s, and a double post-graduate, Saraswathy's frail appearance does not conceal the fire within.

Although the crowd is not openly hostile, they are certainly suspicious of the two of us with our cameras. After verifying our credentials, Thattayil Saraswathy sits down on the grass to talk to us. “We do not want a Muthanga to be repeated here,” she says, referring to the occupation of the Muthanga Wildlife Sanctuary by a group of adivasis four years ago that ended in the death of one adivasi and a policeman. “But there is no question of our leaving this place without our demands being met,” she emphasises. On that day, she claimed, there were 14,436 families with 21,014 individuals registered at the camp. When asked if all are dalits and adivasis, she says that the initial idea had been for a struggle that was confined to these two groups, but the landless from all castes and religions thronged the estate. “What was a struggle for the birthright of the basic class has now turned into a struggle of all those deprived of land,” she says.

There are provision shops, tea shops and also two barber shops in the 'homeland' now, and an open school will be set up in the coming months for children whose studies have been disrupted, says Saraswathy. When asked about the long-term nature of their plans, her answer is emphatic. “We don't think about short or long term. As far as we are concerned, this is our land from which we were disinherited.” About threats the people face she is prompt in naming poverty, wild animals, and illness. And scarcity of water. But for the time being it's food that is the big issue. With very few skilled workers among them, able-bodied men and women go to the town, 15 km away, do odd jobs and come back with the bare essentials. This is shared with people who have nothing.

But it's not getting easier. The government is trying to suppress the movement through clandestine measures, claims Gopalan. The police are systematically arresting those who return with foodgrain, etc, from the town on false charges, he says. One-hundred-and-eighty people have been arrested for 'theft'. “We have managed to bail out 167 of them,” says Gopalan. “But all of them will have to suffer the consequences of these cases for years to come.”

These arrests have had a deterrent effect and many are reluctant to go for work. Consequently there is food scarcity at the camp and poverty is gradually taking over. Around 2,000 families have left the camp, Saraswathy admits.

Perhaps the system is waiting just for this: for the willpower of these women and men to wane. Saraswathy ridicules the idea and blames it on ignorance about the physical endurance of the downtrodden. This optimism and the numbers she quotes are the only two facets of the agitation that border on the unreal.

What is significant is that it's not just the government that is ignoring this massive struggle, it's being sidelined by almost every political party. Only the BJP came to them with support; “Perhaps they thought we would all join the BJP,” says Gopalan. “When they realised that no such thing was going to happen, they too retreated.” He blames this all-round apathy, including that of the media, on their being what they are — dalits.

Gopalan may have a point there, as Kerala society seems to be headed down a revisionist path. The latest contradiction that has emerged to haunt the Left Front government in the state throws some light on the dark forces waiting in the wings. A note from the industries ministry, signed by T Balakrishnan, Principal Secretary, and sent to the chief minister's office, calls for a reversal of the Land Reforms Act 1963 because it contradicts the present-day needs of Kerala society. The need of the hour is more land for IT schemes and the commercial/entertainment sectors. The main reason, says the note, for non-availability of land is the Act which restricts landholdings and insists on land for the landless.

Although the CPI (M) Minister for Industries Elamaram Kareem was quick to dissociate himself from the note, it is indicative of the resurgence of a feudal mentality, in the garb of modernisation and development, within Kerala society. In this scenario, what fate awaits the disinherited of Chengara?

— The Quest Features & Footage, Kochi

P N Venugopal is with the Quest Features & Footage, Kochi

Nandigram revisited: The scars of battle

Nandigram, where villagers have been strongly resisting the acquisition of their lands, represents the cleft between the hopes of an urban middle class high on the promise of growth and development and the anxieties of the rural masses who say all they know is farming and what they want most is land

TUSHAR DHARA

NANDIGRAM BURST INTO THE NATIONAL SPOTLIGHT on March 14, 2007, when the police, allegedly assisted by CPI (M) party cadres, shot dead 14 people. The police were sent in by the West Bengal government to re-establish their authority two months after Nandigram became a 'liberated zone'; an area where the government's writ, as claimed by the party, had ceased to exist because the police could not enter and from where CPI (M) supporters had been driven out.

These issues were highlighted in the media. What was lacking (at least in the nationally circulated English language mass media outside West Bengal) was the broad socio-historical and political context in which Nandigram could be understood beyond the violence and the deaths. What were the larger issues pertaining to industrialisation and land acquisition in the context of Nandigram? It was against this backdrop that I evinced an interest in going to Nandigram to find out for myself what the situation on the ground actually was, amid the allegations and counter-allegations.

On December 28, 2006, the Haldia Development Authority issued a notification for land acquisition for a chemical hub in Nandigram blocks 1 and 2. On January 3, 2007, a crowd gathered outside the panchayat office in Garchakraberia village and shouted slogans against land acquisition. What happened next remains fuzzy. The police tried to quell the crowd and resorted to a lathi charge. The angry crowd turned on the police, who fled the scene in two jeeps, one of which collided with an electricity pole that short-circuited and burned the jeep down. That same day, villagers in Garchakraberia, Sonachura and some surrounding villages obstructed the roads at certain points and blew up some bridges. This was to prevent the police from entering the area. Dipankar Nag, a journalist with the Bengali news channel Tara News, recalls: “Roads were cut up to avoid another Singur-like situation. What happened in Singur was that the police entered the area and brutally cowed down the resistance movement.” Many villagers reportedly told him: “We won't let our movement become another Singur.”

Four days later there was an incident that further inflamed the situation. On January 7, a CPI (M) supporter named Shankar Samanta was burnt alive by an angry mob in Sonachura. The mob was agitated because some CPI (M) *harmad* (hired mercenaries) had used Samanta's house, located on the edge of the Talpati canal between Khejuri (an adjacent block which was a CPI (M) stronghold) and Sonachura, to fire into Sonachura. Three residents of Sonachura were killed in the firing, which, incidentally, marks the first day of violent hostilities between the CPI (M) cadre and Nandigram villagers, a situation that continued every day till November 12.

On January 5, a meeting was held at a Nandigram school. It was here that the Bhoomi Uchched Pratirodh Committee (land acquisition resistance committee), BUPC for short, was constituted to lead an organised resistance movement against the government's plans for land acquisition. Many CPI (M) workers who felt short-changed by the party attended the meeting. Sheikh Sufian, a prominent local resident, was made BUPC president while Abu Taher and Nanda Patra became joint secretaries. An executive-level body as well as a 'treasurer' were also appointed.

In March the government decided to try and end the impasse. On March 14, nearly 3,000 personnel of the West Bengal police entered Nandigram block 1 to re-establish the government's authority. The police came into Nandigram block 1 from the two entry points of Tekhali bridge and Bhangabera bridge from Khejuri. From Tekhali they proceeded towards the Adhikaripara-Gokulnagar hamlets, which were strongholds of the Bhoomi Uchched Pratirodh Committee resistance movement.

When I visited Adhikaripara nine months later in December

there was an outward calm in the area. But you could sense the tension below the surface in this beautiful part of East Midnapore district. Though I was with a team of six journalists working for three different Bengali news organisations, suspicious stares greeted us as we entered the hamlets. “Do not wander about on your own or you run the risk of being labelled a Maoist,” warned one of the journalists.

Villagers in Adhikaripara hit upon a novel strategy to stall the entry of the police on March 14. Hindus took an idol out of a local temple while Muslims held a Koran recitation in public. This was done to block the entry points. The police gathered on an embankment and fired across the field into the assembled people. Meanwhile in Sonachura a similar tragedy was playing out. Police had gathered on the Bhangabera bridge and fired into the assembled crowd. At both places villagers reported seeing *harmad* dressed in police uniforms, but clad in slippers, firing along with the police.

The events surrounding the March 14 firing are hotly contested: the number of rounds fired by the police, number of people injured, and the number dead. What is beyond dispute is that at least 14 people died. Says Sheikh Khushnabi, an executive secretary of the BUPC: “The police officially claim to have fired 20 rounds at Bhangabera and 17 in Adhikaripara. But there were 14 deaths and, more significantly, 167 people were injured. Even the CBI report states that 167 rounds were fired.” Twelve people died in the Bhangabera firing and two perished at Adhikaripara.

The day we were in Adhikaripara we were shown houses of BUPC members allegedly burnt by CPI (M) cadres during the November 'recapture', and the idol that was taken out for the public puja in March. A youth who had been tilling his field found a spent bullet and showed it to us. This was my first day in Nandigram and the scars of battle were being unearthed in front of my eyes. It was an eye-opener because no matter how much I read about it or watched images on TV, I had always been at a safe distance from the scene and thus emotionally detached.

That day we also visited Satengabari, a village which had been badly affected in the November 'recapture'. Satengabari is located close to the Talpati canal, which marks the border between Nandigram and Khejuri blocks. As you make your way towards Satengabari, the thing that strikes you is the profusion of triumphant red flags in the post-harvest landscape. The same thing struck me when I saw Nandigram bazaar for the first time earlier that morning. A half-kilometre-long main road forms the heart of Nandigram bazaar and flags of every political party hang from the buildings.

When the November 'recapture' was launched, Satengabari lay in a direct route of attack as CPI (M) cadres made their way into Nandigram. Villagers claim that 60-70 houses were burnt in this vicinity as the cadres rampaged through. Every house was looted and anything that was not nailed down was taken away. I was shown houses that were bare from the inside save the walls and ceiling. In some cases even the ceiling had caved in. Villagers in Satengabari fled to refugee camps fearing for their lives. Syed Habibul, a Satengabari resident said: “The firing became so intense that all of us had to vacate our houses and leave. We returned only on November 20 when the Central Reserve Police Force (CRPF) established peace here.”

Signs of the conflict are everywhere. Mir Bullu Ali, a 10-year-old boy was hit by a bullet on October 28. October 28? “Wasn't that before the firing started,” I asked. The gathered crowd replied that firing had taken place in Nandigram every single day from January 7 through November 12.

See, this is the thing about Nandigram: I thought the only two flashpoints were in March and November. The events in between remained fuzzy, if not totally unknown. Bengali media outlets have done a good job of chronicling Nandigram, but there was a paucity of information in the media outside West Bengal.

One of the justifications offered by the CPI (M) for the November 'recapture' was that thousands of its supporters were driven out of their homes by the BUPC, into refugee camps where they had been living for 11 months. They had to return, and since every other method at restoring peace had failed they had to fight their way back in. I asked some BUPC members about this.

There is no doubt that CPI (M) supporters had been driven out of Nandigram. But the reasons and numbers given by the BUPC are different. According to Sheikh Khushnabi, only around 200-300 people were rendered homeless during the 11 months, and not 2,000-3,000 as claimed by the CPI (M). “Most fled of their own volition because they were scared. We never blocked the return of anyone. But the CPI (M) fed them misinformation that they would be raped and murdered if they came back to Nandigram, thus creating conditions for them to claim that their

> "Sure there are Maoists. If the government tries to take away our temples, mosques and homes and I resist and am consequently dubbed a Maoist then so be it. I am a Maoist. He's a Maoist. Everyone's a Maoist. Call us what you will. Labels don't matter"

sympathisers were being victimised," says Khushnabi.

It is impossible to verify the truth amid the claims and counter-claims, but the truth probably lies in between. Conditions in Nandigram, particularly after the January 7 incident, are likely to have been hostile for CPI (M) sympathisers.

There is another detail here. Many Nandigram villagers I met claim that they identified 35 local CPI (M) supporters who helped the police on March 14. Says Abu Taher: "We maintained throughout that except for these 35, everyone else could return. These 35 had helped the police fire into the crowd on March 14 and also raped women that day, so they were not welcome."

The next day, December 16, we made our way to a village called Daudpur where polls were being held to elect members to the governing body of a madrassa, a Muslim religious school. It was the first local poll here after the violence and there was tension in the air. The CPI (M) was edgy and trying to protect its turf. This area had once been an impregnable red bastion. Now the tables had turned.

The polling venue was inside the madrassa, and security was tight. Rumours were flying thick and fast that the Trinamool Congress, an opposition political party that had a marginal presence hitherto but which had opposed the CPI (M) on Nandigram, was going to make a huge impact.

There was a line of people by the gate waiting to go in and cast their vote. My friends were filming the scene and taking notes and bytes for the evening broadcast. Suddenly there were shouts and a man came up to me and asked if I knew the short guy with the camera. Sure, I replied. "Well, your friends have been attacked and their lives are at risk," he said. Several things happened next: There was a commotion and a crowd gathered on the other side of the ground. Then I saw my friends being escorted out of the crowd by the police.

Some agitated CPI (M) workers had accused the journalists of being biased against them in their coverage and started screaming abuse. A mob surrounded them and pushed the cameraman around, striking three or four blows to his head. Someone reached into his pocket in the melee and stole his cellphone. The mob even tried to snatch the camera but, with quick presence of mind, he handed it to a colleague who shoved it in his bag and bolted. It took police intervention to calm things down.

We were led out of there an hour later under heavy CRPF escort. We proceeded to the primary health centre in Nandigram bazaar to get our cameraman checked up. He was shaken but otherwise fine. Then we went to the police station to file a complaint against a local CPI (M) leader who had instigated the mob.

Journalists in Nandigram have been targeted for their work. A local PTI correspondent, Gourango Hazra, was abducted from Nandigram — allegedly by CPI (M) cadre — on March 14. "They took me to a secluded spot and manhandled me. I broke my right arm in the process. But they had to release me the same day because of the uproar," he told me.

I was keen to meet someone high up in the decision-making ranks of the BUPC, to get an insider's account of the resistance movement. When I was introduced to Sheikh Sufian, president of the BUPC, I asked him about the origins of the BUPC and its role in the resistance movement. This is what he said:

The basic issue around which the resistance formed was the question of land acquisition and the resulting displacement. Nandigram block 1, which was the main affected area, has a total land area of 84,164 acres out of which 18,123 acres were to be acquired, affecting 38 villages. There was confusion about how these people would be compensated, whether they would find employment in the proposed chemical hub, and where they would go. And what about the remaining land? What would happen to people who lived there? Would they have to give up their land too? There were no clear answers. In any case, they said, we are farmers and have tilled this land for generations. We do not know how to operate machines or work on computers. We will not give up our land.

The charge of government skulduggery is further corroborated by a source from a political party allied to the CPI (M)-led Left Front government. He said: "In a meeting called by the CPI (M) to create consensus among its allies I asked Buddhadeb Bhattacharya (chief minister of the state of West Bengal) some pointed questions about the particulars of land acquisition, where the displaced would be absorbed, and, if not, whether the government had an alternative plan to rehabilitate them. I did not get satisfactory answers to any of these questions. Instead, the chief minister said the government would provide details at the appropriate time. What was the need to be secretive

Nandigram is at the heart of a wider debate on industrialisation. It is about the social costs of pursuing an 'industrialisation at all costs' policy

about rehabilitation?"

CPI (M) party bosses are quick to refute the charges. Ashok Bera, the CPI (M) zonal committee member for Nandigram, told reporters: "After the March firing we announced that there would be no land acquisition. The matter should have ended there. Instead, opposition parties sniffed an opportunity to stir up trouble and continued to use the villagers to prolong a militant movement."

Along with Sheikh Sufian was his uncle, Sheikh Haibul. Haibul is a lean, angular former police officer. Sharp and hawk-eyed, he also served as Sheikh Sufian's 'bodyguard'. I asked him if the allegations that Maoists (an ultra-leftwing grouping) had infiltrated the area were true. "Sure there are Maoists. If the government tries to take away our temples, mosques and homes and I resist and am consequently dubbed a Maoist then so be it. I am a Maoist. He's a Maoist (pointing to Sheikh Sufian). Everyone's a Maoist. Call us what you will. Labels don't matter."

Dipankar Nag, a veteran Nandigram journalist, admitted that there were a few Maoists who had infiltrated the area, but it was irresponsible to claim that large numbers were present in Nandigram. So how were the villagers able to organise themselves with such military precision? After all, they had cut off roads, blown up bridges and repulsed attacks by the CPI (M) cadre for nearly a year...

The thing about Nandigram is that a lot of people here join the army, police and paramilitary forces. So military discipline is not new to them. Also, there was an incident in pre-Independence times where a person from Nandigram had burnt alive a British officer. There is enormous pride among the people here about their 'martial' skills. That pride was evident when Sheikh Haibul queried rhetorically: "A British inspector was burnt alive by a Nandigram man before Independence, so how did Bhattacharya think he could take our land from us?"

I was also curious to know how the BUPC had acquired arms. To my surprise, every BUPC member I met denied this. "We did not have any firearms. That is a rumour spread by the CPI (M) to discredit us," says Abu Taher. So how did they fight off well-armed CPI (M) cadre? "We had superior numbers on our side. Whenever they launched an attack from Khejuri we would mobilise people. Mosques would use loudspeakers and Hindu households used conch shells to sound a warning. People would quickly gather in numbers and frighten the intruders," Sheikh Sufian explained.

This sounded a little specious. Bholanath Vijuli, a journalist with an intimate understanding of Nandigram, had told me that "when both parties were armed with country-made firearms the resistance was more than a match for the CPI (M) cadre. But when the latter came armed with AK-47s and INSAS rifles (during the November 'recapture'), the resistance was outgunned".

On December 18 the CRPF received a tip-off about explosives that were hidden in a house in Takapura village. A party of CRPF troops led by an assistant commandant reached the village at 3 pm. Following them was a jeepful of journalists, including me.

Takapura is a small village built around a rectangular bazaar. There is a school at one end of the bazaar and shops line the other three sides. The CRPF soldiers milled around the bazaar waiting for orders, while the villagers looked on with nervous excitement. The air was tense. At first I thought it was a wild goose chase, but, as time went by, I sensed that it would be a most unusual night.

Apparently one of the houses around the bazaar had a cache of bombs. The house in question was located just beside the school. The CRPF soldiers cordoned off the bazaar and began searching the premises.

Suddenly there was a flurry of activity. CRPF Assistant Commandant A K Upadhyay, who had been in the house for over three hours, came out with a man, flanked by soldiers with guns. Our cameraman was filming the scene and the reporter was asking him questions. Abhay Jana, the suspect, was living in the house and taught at the local school. The CRPF men found a bag under his bed with nine crude country-made bombs. He claimed he did not know the bag contained bombs until the CRPF men fished it out. Asked how it got there, Abhay said: "I suspect that some people who visited my house put it there." When asked about his political affiliations he said he had none, but added: "The person who did this is a local-level CPI (M) worker."

Abhay Jana was handed over to the civil police at Nandigram police station. The assembled media hacks got their exclusive.

Nandigram is at the heart of a wider debate on industrialisation. It is about the social costs of pursuing an 'industrialisation at all costs' policy. In an aspirational society that is today's India, Nandigram represents the cleft between the hopes of an urban middle class and the anxieties of the rural masses.

Tushar Dhara is a Mumbai-based journalist

Yesterday's 'encroachers' are today's rights-holders

The giant POSCO steel plant and port in Jagatsinghpur district of Orissa will displace 471 families in 11 hamlets. For the last three years, local communities have been fighting to retain the land they have been cultivating for generations but which, after Independence, has been deemed government forest land. Will the recently-notified Forest Rights Act give them the *locus standi* to assert their rights over this land?

MANSHI ASHER

ERSAMA BLOCK OF JAGATSINGHPUR DISTRICT in the Indian state of Orissa put itself on the world map on the unfortunate day of October 29, 1999, when a supercyclone hit the east coast of India, devastating the area and killing almost 20,000 people. But as we move from one disaster to the next, memories of this natural calamity fade as people were rehabilitated and resettled.

What they did not know, however, was that they would face a disaster of another kind within less than a decade, and that this time around the struggle would be harder and longer.

On June 22, 2005, the Orissa government signed a Memorandum of Understanding (MoU) with the South Korean steel giant Pohang Steel Company Limited, also known as POSCO.

POSCO marks India's largest foreign direct investment (FDI), involving the building of a 12-million-tonne integrated steel plant and port in Jagatsinghpur district, Ersama block. The proposed port and steel plant are expected to affect seven villages in three gram panchayats — Dhinkia, Nuagaon and Gadakujang.

The local communities of these three panchayats, under the banner of the POSCO Pratirodh Sangram Samiti, have been resisting POSCO's project for almost three years. They maintain that their vibrant and self-sufficient local economy based on betel leaf, cashew and paddy cultivation, pisciculture and fishing will be destroyed, rendering them homeless and jobless if the steel plant and port come up. The government and the company in question have been doggedly pursuing efforts to 'clear the land of people', with the argument that the plant, port and mines together will generate 45,000 jobs and unprecedented revenue for the state.

The pressure on local communities is based on the contention that much of the occupation and cultivation in the area is illegal because it is on government land under the jurisdiction of the forest department. This claim that the people of the affected villages are 'encroachers', and thus have no *locus standi* to resist the project, needs to be examined in the light of history and official records.

The seven revenue villages in question, comprising 11 hamlets in three gram panchayats, are located 10 km from Paradeep Port in Kujang tehsil (Jagatsinghpur district). According to official statistics, 471 families in all will be affected by the project. The total land area sanctioned by the state government for the proposed project is 1,620 hectares, of which 1,426 hectares is government land and the rest private land (1). While the private land in question, pretty tiny in size, is mostly under paddy cultivation, the government land, 87% of which is under the jurisdiction of the forest department, has been under betel vine and cashew cultivation for decades, apart from over 2 lakh casuarina, neem and mango trees and other coastal scrub. Forest department records show that a break-up of the 1,253 hectares of forest land required for the proposed project is as follows: almost 70 hectares of reserved forest, 1,135 hectares of protected forest, and around 49 hectares of revenue forest. The question then is — has 'forest land' been diverted to cultivation, or is it the other way around?

It is important to view this process in the context of forest and land settlement in Orissa specifically, and the country in general. A review of the forest history of Orissa suggests that only 2.7% of total forest in Bihar and Orissa was under the control of the government in the year 1926; all other forests were private forests under princely rule. The erstwhile princely states and zamindars had forest rules that recognised various rights and concessions (2). An account of the local history of Kujang (the proposed project site) suggests that the entire area was once part of the kingdom of the Sandha dynasty; in the post-Mughal era and British rule the land became part of the Bardhaman Pradhan zamindari (3).

Local communities had been paying taxes to use this land for generations, and cultivation in the area dates back to this time. In the post-Independence period, when the privy purses of the maharajas were abolished, zamindari lands and forests were taken over by the State. In many states, including Orissa, much of this land was transferred to the forest department, and declared either 'reserved' or 'protected' forest under the Indian Forest Act, 1927 (which is still operational). In Orissa, most protected and reserved forests are either declared as such or 'deemed' to be so under the Orissa Forest Act (OFA), 1972.

In most cases, however, the rights of communities occupying this land were neither recognised nor settled.

Nor have the reserved forests and protected forests been properly surveyed. In the absence of settlement, lands under cultivation or other domestic use were transferred to the state forest or revenue department (4). In many cases they are under the control of both departments, leading to conflict and confusion between the two. The same may have been the case for lands in Kujang tehsil.

In response to an RTI petition by Biswajeet Mohanty, an environmental activist, the forest department of Orissa, in August 2007, provided copies of various reports prepared for the diversion of forest land involved in the POSCO case. These reports reveal a difference of opinion between the two departments on details of the settlement process for the villages involved. The Record of Rights (RoR) in these villages is in accordance with two separate settlement processes, one the Sabik settlement of 1930 and the other the Hal settlement which seems to have taken place after 1960. Some of the areas that were declared forest land under the Sabik settlement seem to have been transferred to the revenue department under the Hal settlement. But by the time the second settlement was completed, the 1972 OFA came into being, under which final notification of the forest area was to take place. "The 1961 notification should have been followed up after the Orissa Forest Act, 1972 came into force by submitting a proposal for protected forest (by the forest department), but no such steps seem to have been taken. Rather, steps for (blanket) declaration of demarcated protected forests (under the OFA) have been initiated in 1977 after conclusion of reservation of proceedings under the (Hal) settlement operation," says a fact-finding report by the revenue department. Meanwhile, the divisional forest officer's correspondence (2006) in the matter continues to maintain that protected, reserved and revenue forest adding up to 1,253 hectares is under the department's jurisdiction. The letter finally states that "the forest area shown in the RoR of the Sabik settlement (1930) is to be taken for the purpose of diversion of forest land by POSCO India Ltd".

Matters relating to disputes over "forest lands" and settlement of rights remained unresolved, not just in Orissa but all over India, even after enforcement of the 1980 Forest Conservation Act that limited the use of forests to forestry activities. Communities using these 'forest' lands, not just in Orissa but across the country, have since been considered "encroachers". In 1990, based on the recommendations of the Scheduled Castes and Scheduled Tribes Commission, the Ministry of Environment and Forests (MoEF) issued a set of circulars to the state forest departments making a clear distinction between "encroachers" and those with disputed claims. The 1990 orders also recommended that the claims be verified in consultation with the gram sabhas. In essence, the 1990 guidelines provided that any state orders for regularisation of pre-1980 claims could be implemented; but few states implemented this.

In the absence of regularisation of their legal titles on such lands, these "illegal occupants" and "encroachers" have been consistently and systematically displaced and evicted in the name of development and conservation projects, mostly without any rights to rehabilitation.

This historical injustice, after a long country-wide struggle, has now been adequately recognised with the enforcement of a legislation entitled the Scheduled Tribes and Other Forest-Dwellers Recognition of Forest Rights Act, in 2006. The rules of the Act were notified in January 2008. The Act aims to correct this historical injustice by completing the unfinished task of settlement of rights by recognising the right of forest-dwellers to occupy, cultivate, use and protect areas within which they were residing before December 13, 2005. Apart from providing individual rights, the Act also makes place for community rights over everyday use of forests. "The most important provisions that communities (residing on or using forest lands) under threat of displacement could benefit from are under sub-sections 4 and 5 in Section 4 of the Act which state that rights granted under the Act will be heritable but inalienable, and that beneficiaries of the Act cannot be evicted or removed until recognition of the rights process is complete," says Shankar Gopalakrishnan, member of the Campaign for Survival and Dignity.

It has been more than a year since the Act was passed, and the states have been asked by the central government to gear up for implementation of the rules. Yet, the state government of Orissa, which has been busy wooing mining companies for the last decade or so, is far from initiating the forest rights settlement process in places like Kujang. Instead, it has used coercive methods to facilitate the acquisition of land for corporate giants like POSCO. Environmental clearance for the project has been granted and, in all likelihood, forest clearance will soon be given, notwithstanding the fact that the Forest Rights Act is applicable on this land.

Meanwhile, tension continues to prevail at what is now referred to as the "POSCO project site". Police platoons have been deployed in the area over the last few months and various tactics are being used by political interests to divide the community.

Whatever the circumstances, it's time the state woke up to the fact that yesterday's "encroachers" are today's rights-holders. If they are forcibly removed it will be in complete violation of the UPA government's much-touted pro-people initiative, the Forest Rights Act 2006, which has given local communities the *locus standi* to assert their rights over land.

Endnotes

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The shrink-wrapping of Goa

Real estate developers have allied with politicians in Goa to create a brand new economy in this well-known holiday state. Already under pressure from dwindling land resources and poor, scanty infrastructure, Goa's rural population is being left out of any socio-economic gains

RAHUL GOSWAMI

GOA'S CHIEF MINISTER and senior administrators have become adept at parading a dubious set of indices to pretend that high literacy, overflowing bank deposits and stunning scenery make the year-round holiday destination India's most coveted living space.

Today, Goa's midland villages are anything but that. The tourism euro has passed them by, and their fields have either been rendered uncultivable by the wastes from iron ore mining or are being gobbled up by property developers and promoters of industrial zones.

In desperation and outrage, village groups began banding together in 2006 to confront the problem. First, they documented the acquisitions and listed the likely impacts of unplanned industrial development in which they were neither considered nor consulted. Next, they petitioned government and local authorities. Then they agitated. Finally, they physically stopped such work on their ground, being forced to take over an important responsibility of the state government.

The closing weeks of 2007 again brought the people of Goa out into the streets to protest the threat of widespread dispossession of land. This had happened early in 2007 too, when the state-wide agitation against the now-scrapped Regional Plan 2011 peaked.

There have been attempts to politically neutralise the anti-SEZ groupings by the opposition Bharatiya Janata Party just as much as the ruling Congress has sought to soft-pedal the issue by calling for the three notified SEZs to be denotified and the remainder to be rejected. The anti-SEZ groups remain wary however, for the Regional Plan experience is still fresh: for months the state government ignored continuing land use violations that effectively took forward the massive property developments envisioned in the scrapped plan.

Rifat Mumtaz/Madhumanti Sardar

The re-awakening of the “don't touch our land” sentiment within so short a period is an indicator of much deeper problems that simmer in Goa, a number of them shared with communities elsewhere in India that face the industrialisation-urbanisation onslaught.

On December 10, 2007, the Federation of Gawda Kunbi Velip Dhangar (Gakuved), a social justice combine representing Goa's scheduled tribes and indigenous communities and comprising 12% of the state's population, held a public meeting in the southern taluka of Quepem. They spoke out against human rights abuse and the excesses of illegal mining. Three days later, on December 14, a public meeting called by the SEZ Virodhi Manch in Madgaon (south Goa district headquarters) was emphatically responded to by urban and rural Goans alike. Finally, on December 19, which is Goa Liberation Day, resolutions opposing SEZs were passed by a number of gram sabhas across the state.

Goa's current administration has sought to deflect criticism and blame by assuring citizens that SEZs will not be built. Yet the same state has through a statutory corporation — the Goa Industrial Development Corporation (GIDC) — favoured SEZ promoters, as uncovered and documented by the SEZ Virodhi Manch.

Official Goa's favours have benefited many and amongst them are SEZ promoters: Inox Mercantile Company Pvt Ltd, which was being allotted 14% more land than it applied for; Planet View Mercantile Co Pvt Ltd, which was neither incorporated on the day of its application nor when its proposal was approved by the GIDC board; and Paradigm Logistics and Distribution Pvt Ltd, which paid the GIDC Rs 3.17 crore before the board approved its proposal. The Manch has accused these promoters and the GIDC of violating the SEZ Act 2005, the Goa, Daman and Diu

Table 1				
Taluka	Settlement area in draft Regional Plan 2011	Settlement area in final Regional Plan 2011	Increase in settlement area	Percent increase
Mormugao	1,160	1,380	220	18.97
Tiswadi	3,133	4,228	1,095	34.95
Bardez	5,503	6,448	945	17.17
Salcete	9,250	9,950	700	7.57
Quepem	1,685	2,435	750	44.51
Bicholim	1,361	2,291	930	68.33
Ponda	2,870	3,525	655	22.82
Canacona	1,075	1,760	685	63.72
Sanguem	1,323	1,323	0	0.00
Sattari	835	1,190	355	42.51
Pednem	1,948	2,868	920	47.23
Total	30,143	37,398	7,255	24.07
Source: Author with independent assessments				

Industrial Development Act 1965, and the rules and regulations framed under that Act.

In every single case, the government has invoked the Urgency Clause under Section 17 of the Land Acquisition Act 1894 to take possession of these fields and hilltops. That such an annexing of land has proceeded with impunity in India's smallest state speaks of the country-wide frenzy to commoditise a common resource. This accomplishment in Goa has relied on what Dr Aureliano Fernandes, head of the department of political science at Goa University, calls “the pandemic nature of corruption” in the state.

Manufacturing accounts for 27% of Goa's domestic product. In economic weight, the 'transport, storage and communications' category comes next, with 12.9%, and 'trade, hotels and restaurants' is third with close to 11.8%. It is the sector which soaks up the most available employment. Mining accounts for 4.2% and agriculture 5.6%.

Over the last three years, evidence has mounted to support the observation that Goa's MLAs, if not the administration, are actively discouraging agriculture in the state (contrary to former Chief Minister Pratapsingh Rane's claims at the 52nd meeting of the National Development Council). Goa's elected representatives appear to be following a systematic programme to ensure that agriculture remains non-remunerative and, where possible, to destroy it entirely.

Ganesh Kubal of the Farmers' Agro-Industrial Association, Krishna Mayenkar of Shetkari Aghadi and Atmaram Naik of Nagrik Kriti Samiti — together representing several thousand agriculture-based households in Goa — have described how farmers are being squeezed out of the economy. The strangulation of agriculture is a largely hidden struggle in Goa, although, in February 2007, a group of farmers from the agricultural belt to the north of Madgaon city came together to oppose the state government's arbitrary acquisition of their land.

Goa was given statehood and an Assembly of 40 MLAs in 1987. It was thought then that careful and progressive socio-economic planning for its two districts could set an example for India. The warning signs came soon after with data from the 1991 census: Goa's key coastal talukas of Mormugao, Tiswadi, Bardez and Salcete were fast urbanising. The 2001 census showed a strengthening of that trend with these talukas displaying urban population ratios of 83%, 65%, 58% and 57% respectively. That urbanisation was built upon the Portuguese colonial infrastructure and planning logic. Of greater concern to the new state should have been new urbanising zones and the attendant impact on its rural populations.

Table 2		
Goa — agricultural landholdings		
Size in hectares	Number of holdings	Total area of holdings
Below 0.5	37,688	8,042.64
0.5-1	13,266	8,544.14
1-2	6,576	8,296.18
2-3	2,330	5,299.20
3-4	862	2,854.64
4-5	558	2,399.98
5-7.5	658	3,810.60
7.5-10	242	2,017.16
10-20	328	4,197.20
20 and over	186	8,030.04
Total	62,694	53,491.78
Source: Agricultural census 2001		

Today, the taluka of Ponda has seen its urban population rise by an astonishing 231%, between the two censuses of 1991 and 2001; in terms of impact this is followed by a rise of 83% in urban population for the taluka of Bicholim. In both cases, the rural populations have diminished substantially, with Ponda recording a drop of 11.2% and Bicholim a heavy 16.6% decline.

The effect of the drain on rural populations in Goa as shown by the census data for Ponda and Bicholim derails the development logic presented in the one plan that really counted for Goa, the 2001 plan. That saw Ponda and Bicholim as containing 15,600 and 17,200 hectares respectively of land (by the end of the 1986-2001 plan period) to be used for cultivating rice, vegetables and horticultural crops such as cashew, areca nut, coconut and spices. In 2005-06, according to the government's data, the total area recorded as being used for agriculture and horticulture in Ponda was around 12,100 hectares (22% less than required), while Bicholim had recorded 12,500 hectares (27% less). Where has the land gone? To fulfil the orchestrated demand (see Table 1).

The emergence, in late-2006, of the Goa Bachao Abhiyan, an informal umbrella group that brought together voluntary organisations to combat the Regional Plan 2011, saw grassroots problems being taken to the public — urban and village — using carefully planned educational exhibitions. But for the Abhiyan and its constituents, the rural context within which dispossession of land has taken

Families and their lands: Two village views

• Jerome Andrade is a young man of about 27 who lives with his extended family in the village of Merces, about 3 km from the city limits of Panaji. Merces, like a half-dozen villages neighbouring it, is fulfilling the demand for land arising from the scarcity in Panaji, the result being that those families with houses and several sources of income resist the continuous pressure from real estate developers to sell their housing plots and adjacent agricultural land.

From Jerome's description, the Andrades seem to be reaching the end of their resistance. Jerome said he dropped out of college to earn his own living as he wanted to marry (his wife works in the UAE). Today he cobbles together an uncertain income by renting out several scooters and motorcycles, and one second-hand car, to tourists and visitors.

This is a popular but unorganised business amongst the youth in Goa, and exists because of the tourist traffic (public transport systems in Goa are skeletal, overburdened and unreliable) and casual visitors to the state. Jerome estimates his income as being between Rs 9,000 and Rs 15,000 a month although from that he must provide for police and road transport authority fines and maintenance.

Jerome's brother, Savio, works part-time with a restaurant and otherwise helps his brother run the two-wheeler rental business, which is entirely informal all over the state. Neither has any interest in an agriculture-related livelihood option from the paddy fields they own, and Jerome said these have remained uncultivated for more than five years. “Who will go to the fields,” he asked.

When I asked him what the family survives on, Jerome counted his and his brother's earnings, his uncle's pension, erratic remittances from a third brother in the Gulf, and the periodic sale of agricultural property as the sources. Unable to find support from within his family or outside to either complete his education or pursue formal training perhaps related to his current occupation, Jerome feels trapped by his circumstances. “What else to do? Otherwise we'll have to sell the house; my mother is already saying so.”

Neither Jerome nor Savio have so far been recruited by MLAs in the region to serve as part of the new, youthful and mobile lumpen proletariat whose activities range from petty extortion to drug dealing and land evictions. The same youth serve during election time — and in Goa this comes frequently — as campaign workers and rowdies-on-call. The brothers retain a sense of family and village identity whose strength has so far countered the methods of the MLAs. But that is as long as this shaky business is able to deliver a monthly income.

• Vikas Prabhudesai is in his mid-40s and has spent 20 years working in Goa's mid-range hospitality sector. A soft-spoken man who lives with his wife and three-year-old son in the built-up area known as Porvorim, which is Panaji's biggest suburb, Prabhudesai is a native of Canacona. This southern-most taluka of Goa is the least populated of the state's 11 talukas, although with about 44,000 residents contained in seven villages and one urban settlement, its urbanisation ratio is 27%, the highest amongst Goa's less developed talukas.

Once known for its lush orchards, forested groves maintained by ancient temple trusts and the species diversity of the Cotigao wildlife sanctuary, Canacona today is considered lucrative real estate when developed tomorrow. The luxurious Inter-Continental sited there — Goa's newest five-star hotel — has contributed to the rising property attractiveness of this once-remote taluka. Estimates from several sources indicate that over 150 hectares of land that is state forest, privately-owned forest, or natural cover have been sold in Canacona.

“Who would have thought that land which we considered unwanted during my mother's time is now being grabbed by everyone,” says Prabhudesai. He spoke of a period, until the mid-'90s, when Canacona was entirely agrarian, and the urban systems of Panaji and even Madgaon (the south Goa district headquarters) were as if a world away. Those wanting careers other than agriculture migrated north within Goa; Prabhudesai and his family did so too, choosing to settle in Panaji. For him, 'home' was a charming but impractical house in a part of Goa made more distant because of its economic isolation.

No longer. Prabhudesai is amazed that a New Delhi-based company, Goa Resorts and Hotels Private Limited, is reported as having bought over 100 hectares of forested land intending to convert it into a settlement zone that could, if and when developed, return tens of crores. Today, he says, the region in which his ancestral home lies is “lost”. This huge parcel of forest land was allegedly sold by a company linked to former Chief Minister Pratapsingh Rane's son (an MLA in the current Assembly). Prabhudesai suspects state complicity in such large-scale acquisition: “Locals selling their small holdings could definitely not provide this much land.”

Rifat Mumtaz/Madhumanti Sardar

Arla lake downhill of Bhutkhamb Meditab SEZ

place, and the threat to Goa's agricultural traditions (see Table 2) are problems still to be articulated.

The skewed development that has been allowed to flourish can be seen by examining human development indicators. Why are only six out of 10 women in the talukas of Sattari, Sanguem, Canacona (all ghat talukas) and Quepem (midland taluka) literate, as compared with eight out of 10 in Bardez and Tiswadi (coastal talukas)? The talukas of Pednem and Sattari (midland) have the least number of non-workers (1 and 1.1) to all workers — working families there support far fewer non-workers compared with coastal talukas. The ratio in Tiswadi is 1.6, and 1.8 in Mormugao. This has implications about participation of labour and productivity in a community context, and could provide valuable knowledge to those (in government included) seeking alternatives to a real estate-led model of (mis)development.

Alternatives and options had been identified early. Goa's first regional plan was prepared directly by the town and country planning department, and not outsourced at huge cost and with no understanding of the local context to a New Delhi-based consultant, as was done with the discredited and withdrawn Regional Plan 2011. That plan for the period 1986-2001 sought to provide the new state (Goa was a union territory until 1986) a land use logic defined as "development of land and land resources connected to each other by strong physical and socio-economic linkages".

"Due to the geo-political forces of the past," the 2001 regional plan observed, "and mainly due to the tremendous boom in economic activities in the post-liberation (1961) period, the level of development of the coastal talukas has been disproportionately much higher than that of the midland and the Western Ghat talukas." Thus, the long-term trends that would develop into the real estate surge of 2003 onwards were noted then, almost 20 years ago.

In the meantime, the governance of Goa was abandoned to the fates. "To explain this instability brought about by politicians regularly shifting sides in Goa for the last 18 years," wrote Peter Ronald de Souza, senior fellow at the Centre for the Study of Developing Societies, in July, in *The Indian Express*, "we need to recognise that politics today provides the biggest opportunity for rent-taking, to a rising class. Democracy creates a new class of political entrepreneurs for whom rent-taking becomes possible."

Even so, in the June 2, 2007, Assembly elections, Goans signalled their dissatisfaction with the political system in 12 constituencies (out of 40) by significantly (though not conclusively) supporting independent candidates and regional parties with local manifestos. For this expression to be translated into a state-wide reform movement, civil society in Goa must be institutionalised, and there lies the challenge for an educated and literate population for which, all said and done, a forested hill is still a powerful symbol of identity.

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The pressure on slumlands

The Rs 9,300 crore Dharavi Redevelopment Plan envisages a complete transformation of the slum. But it is the soaring value of the prime real estate on which Dharavi is located that is driving the change. There appears to be no real commitment to ensuring that the people who live there, and who, in fact, developed Dharavi, get their entitlements and have a say in the style of redevelopment

KALPANA SHARMA

THE WHEELS OF CHANGE are moving so quickly that within a decade, a century-old settlement located in the heart of Mumbai might well become part of history. Dharavi, the slum colony that has the dubious distinction of being one of Asia's largest slums, is not just changing but is on the verge of being obliterated.

One could argue that such change is inevitable. Dharavi, originally a fishing village, one of the six that linked together to form the island city of Mumbai, has grown over a century into a contiguous collection of settlements that occupy 223 hectares. From a location that was considered the outskirts of Mumbai, on the southern side of the Mithi river that separated the island city from the suburbs across the Mahim causeway, Dharavi now finds itself virtually in the heart of Mumbai.

From an area that was swamp and a den of criminals and bootleggers, Dharavi has become a developed slum comprising a mix of semi-permanent structures and multi-storied buildings, small workshops and larger factories producing an impressive range of goods in the informal sector. Unlike other slums, most of the people who live in Dharavi also work there. And it attracts thousands of additional people who find employment. The swamp has been reclaimed and the days of illegal bootlegging and crime are part of its folklore. Dharavi today is as safe or as dangerous as any other part of Mumbai.

Despite its heady mix of communities — Hindu, Muslim, north Indians, south Indians, Kolis, dalits — there has been little communal tension in this densely packed settlement. The exception were the communal riots of 1992-93, following the demolition of the Babri Masjid on December 6, 1992, when pro-Hindutva parties, particularly the Shiv Sena, went on the rampage across the city. Dharavi was not spared.

At the same time, the majority of people here live in appalling conditions. Despite the contribution they make through the informal sector to the city's economy, and despite paying regular 'taxes' to the municipal corporation by way of water charges and electricity bills and 'rent' if they live on municipal land, most of Dharavi's residents have to suffer crowded, tiny, badly ventilated houses with intermittent water supply and public toilets that would not be adequate for even a third of the population.

In Dharavi, work and living co-exist. While some of the manufacturing is non-polluting, such as garment manufacture, much of it is noisy and polluting. For instance, units using poisonous dyes are located right in the middle of residential settlements. The effluents from these units flow in open drains past people's homes. None of this should be acceptable, and indeed most people in Dharavi would like to see this changed.

Then take people like the Kumbhars who settled in 1932 under the Vacant Lands Act on a plot close to Sion Hospital. The community has grown, yet they continue to make earthenware pots as their fathers did. Their kilns, lit with cotton waste, send out clouds of acrid smoke in the morning and early evening, creeping into the homes and surrounding settlements. The Kumbhars would like better work and living conditions.

Dharavi was known for its leather industry. Its swampy location made it ideal for tanning, as there was always plenty of water. In the mid-1980s, the larger tanneries were moved out; a few smaller ones remain. They work in atrocious conditions and, like the dyeing units, discharge their untreated effluents into open drains.

Thirteenth compound, located at the Mahim end of the Mahim-Sion Link road, is a contiguous collection of settlements that specialise in recycling. Everything you can imagine is recycled here, from plastic to motor oil. Much of the work is hazardous. Yet people have no option but to live and work in these filthy surroundings. Speak to people in 13th compound and they will tell you they would like a change.

The question is what kind of change, what kind of development? Can the people of Dharavi have a say in this? Do they have a choice? Can settlements and habitations with a specific history be transformed into entities that bear no resemblance to their past? This is one of the central questions facing planners, architects and the residents of Dharavi.

The government of Maharashtra is all set to implement the Dharavi Redevelopment Plan (DRP). After a delay of over nine months, it published advertisements in June 2007 inviting global expressions of interest. After sifting through the bids, 19 developers have been shortlisted. The process of finalising the bids is expected to be

completed by March 2008.

The Rs 9,300 crore DRP envisages a complete transformation of the slum. Calling it “The Opportunity of the Millennium”, the government hopes that international developers will take on the five sectors into which the area has been divided.

In its Expression of Interest (EoI) document, inviting bids for Dharavi's development, this is how the government describes Dharavi:

"Dharavi, considered to be Asia's largest slum with approximately 57,000 slum families squeezed into the 223 hectares. Dharavi is only one of the nearly 3,000 slum pockets of Mumbai and yet it accounts for about 8% of the slum population of Mumbai. Like every other slum in Mumbai, Dharavi lacks toilet facilities and adequate water supply. Open sewage and garbage dumps are breeding grounds for rats, cockroaches, mosquitoes, flies and other harmful pests."

Clearly, to anyone who has been to Dharavi and witnessed the energy of its people, this is an extremely partial description of a thriving and hard-working urban community. In fact, even conservative estimates place the turnover of Dharavi's informal sector in the region of Rs 4,000 crore per year.

The DRP was the brainchild of builder/developer Mukesh Mehta, a non-resident Indian who returned to Mumbai when opportunity called. He realised that Dharavi was located on prime property, right next to the swanky new business district of Bandra-Kurla where current real estate prices are in the range of Rs 35,000-Rs 40,000 per sq ft.

But, under the existing slum redevelopment policy, the changes taking place in the area were haphazard. Slum settlements located on land not required for any public purpose could be redeveloped *in situ* as long as 70% of the “eligible” slum-dwellers, that is those who can prove they lived there before January 1, 1995, agreed. In return, the developer would guarantee them a free flat measuring 225 sq ft in a seven-storey building. On the land freed up after this was done, the developer was free to use the additional FSI (Floor Space Index) of 2.5 to build commercial or residential property for sale.

The scheme was launched in 1995. In the last decade, many parts of Mumbai saw a spurt in building activity as slums were pulled down and seven-storey structures built. But there was no area planning, and nowhere is this more evident than in Dharavi where new buildings have been constructed along the main roads, leaving the inside of the slum area untouched. Little thought has been given to sewerage and water supply or to access roads as more such buildings come up.

Mukesh Mehta came up with a plan for all of Dharavi. He divided the area into 10 sectors and suggested that each sector be planned to accommodate local people and free up land for other construction for sale — both residential and commercial. His plan also required developers to pay

for the common facilities and infrastructure in each sector. He was successful in selling the idea to the previous National Democratic Alliance government at the Centre led by Prime Minister Atal Behari Vajpayee who sanctioned Rs 500 crore for Dharavi's development.

Since then, a lot has happened. The 10 sectors have been collapsed into five, the Maharashtra government, which is responsible for implementing the plan, has altered the development control rules, increasing FSI from 2.5 to 4 and setting aside the provision that 70% of the local people have to give their consent to the redevelopment.

Under the DRP, developers who win bids have to maintain all the structures and facilities in their sectors for 15 years, at their own cost. It is estimated that altogether around 30 million sq ft of housing for slum-dwellers and other common facilities like schools, parks and roads will be constructed. In return, the developers will be able to build and put up an estimated 40 million sq ft for sale. They are expected to pay a minimum of Rs 450 per sq ft for the saleable component of the redevelopment to the government. According to reports, the minimum price that developers have quoted in the bids is reportedly around Rs 3,500 per sq ft. The Maharashtra government is thus assured at least Rs 9,000-Rs 10,500 crore from the project, probably more.

The desire to transform this area arises from a number of concerns. One, and this seems to be the primary concern, is the value of the real estate on which Dharavi is located. That the government makes no pretence of hiding its interest in the value of the real estate is evident from the EoI document:

"Its closeness to Mumbai's business district, railways and airport provides the strategic advantage of successfully leveraging Dharavi improvement costs with free sale buildable areas. Given appropriate scale of operations, one large and contiguous free sale area can be developed into a high-rise garden city complex."

Since bidding for the DRP began, land prices in Dharavi have risen sharply in anticipation of the bounty that awaits those who invest. According to *Indian Realty News* (www.indianrealtynews.com), a website that tracks the real estate market in Mumbai, prices in Dharavi have increased 30%-40% since the bidding process began. They range from Rs 4,000 per sq ft to Rs 10,000 per sq ft. At these rates, the 225 sq ft flat that each eligible slum-dweller is entitled to free of cost would be valued at a minimum of Rs 9 lakh, at current prices. It is also reported in the media that there is a rush to buy up existing slum structures in order to cash in on the real estate boom. Prices ranging from Rs 5,000 per sq ft for slum structures, to Rs 10,000-Rs 20,000 per sq ft for industrial/commercial structures are being quoted.

But do the people living in Dharavi want a 'high-rise garden city complex'? This has become the question at the heart of the debate over Dharavi's redevelopment. Even if everyone, including Dharavi's residents, agree that redevelopment is needed so that the dirt and the filth is replaced by decent living conditions and security of tenure, is the style and form of development chosen by the government the most appropriate for Dharavi?

On paper, the DRP looks workable. But the plan is only on paper; the detail is missing.

For example, basic data on the number of people in Dharavi is not available. Dharavi as such is not a single entity. It consists of several Assembly constituencies and municipal wards, some of which spill over into adjoining areas that do not count as part of Dharavi. Therefore, even ward-wise census figures do not provide an accurate idea about the number of people living in the slum.

The government and Mukesh Mehta have come up with what would seem to be an arbitrary figure of 57,000 families, or roughly 3.5 lakh people eligible for resettlement in Dharavi. No one really knows how the government arrived at this figure.

In 1985, when the first steps were taken to redevelop Dharavi under the Prime Minister's Grant Project, a part of the Rs 100 crore that former Prime Minister Rajiv Gandhi gave to Mumbai during the Congress Party's centenary celebrations, the official estimate of the number of people living in Dharavi was 3.5 lakh. Even then, this number was disputed. A detailed survey conducted by the National Slum Dwellers' Federation suggested that the actual number is closer to 6 lakh.

Even if we accept the official figure of 3.5 lakh for 1985, it is inconceivable that in a decade up to 1995, which is the 'cut-off' year, the population would have remained static. Even at the conservative growth rate of 3% a year, it would be considerably higher.

How can detailed planning be done if the precise numbers are not known? What about densities? How will the area deal with more people coming in than already live there? And what happens to those considered not 'eligible' for free housing? Where will they go? How many of them fall into this category? Even by conservative estimates, at least 3 lakh people will be forced to move out of Dharavi.

Although these questions have been raised repeatedly with the planning authority for Dharavi, there has been no clear answer.

The other is the question of consent. In the original slum redevelopment plan, 70% of residents had to give their consent for redevelopment. This provision was included to ensure that developers did not drive people off valuable land in the name of slum redevelopment. Under the DRP this is precisely what will happen.

Prior consent was also built into the earlier plan in recognition of the investment slum-dwellers had made to make the land they inhabit more liveable. For instance, reclamation of the swamp on which Dharavi is located was not officially sanctioned. It happened over time through the informal efforts of thousands of slum-dwellers. Thus, the

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government had acknowledged that even if they had no security of tenure, the slum-dwellers had a right to a say in the form of redevelopment in Dharavi.

Although the slum-dwellers have reluctantly accepted the seven-storey structures under the current slum redevelopment plan, there is enough evidence to show that these buildings are inappropriate as their residents cannot afford the monthly charges for running lifts. Many buildings have opted not to have lifts, causing immense hardship to those living on higher floors. In a 20-storey structure, lifts are not an option. How will people pay the charges?

Residents most concerned about the new plan are those who use their homes as places of work too, like the Kumbhars. They wonder how they will survive in a 225 sq ft flat in a high-rise structure when, currently, each family has close to 1,000 sq ft of space where they live and work. Others have built lofts above their 150 sq ft huts that are either rented out or used for some form of work. How will these people survive if their source of additional income is taken away and they are forced to pay higher outgoings every month?

These are only some of the scores of questions that are being raised by residents of Dharavi who oppose the DRP. They are at pains to emphasise that they are not against redevelopment; that they actually want change. But they want to have a say in the kind of redevelopment that is ultimately planned for their area.

The interest in Dharavi stems primarily from a desire to realise the value of the real estate on which it is located. This is evident from the data on rising property prices and the money the government is expecting to make out of the DRP. There appears to be no real appreciation or commitment to ensure that the people who live there, and who in fact developed it, get their entitlements and have a say in the style and manner of redevelopment.

Dharavi's future has become a symbol of what could happen to Mumbai in the future. Already, the Maharashtra government has identified other larger slum settlements that will follow the same pattern of redevelopment as Dharavi. These settlements are also located in areas where land values are high. It is evident that both the government and builders think that the poor, who make up half of the city of Mumbai, should not live on such valuable land. The vision of a 'slum-free' Mumbai appears to be a city free of the urban poor.

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Beware of the bulls

India is poised to see a massive real estate boom over the next decade. The market, already worth $20 billion, is expected to rise to $90 billion by 2015. Can urban areas expand so much without affecting the fortunes of rural communities, especially since land reforms in India have gone into reverse gear since 1991 and the State has bent virtually every piece of protective legislation which had thus far stalled the accumulation of land banks by private corporations?

ASEEM SHRIVASTAVA

"In the last several decades, perhaps since World War II, there has not been this scale of opportunity anywhere in the world for the private sector to participate in upgrading a country's complete infrastructure."

— Daniel MacEachron of Hines, a large US developer, invested in India

JOHN JACOB ASTOR is known to business lore as the first millionaire in American history. After migrating from Germany via London towards the end of the 18th century he made his fortune in the fur trade. Later, he turned to the acquisition of property in New York City, when it was still emerging as a metropolis, becoming, by 1848, the wealthiest person in America. His lasting regret was that he did not buy every square inch of Manhattan.

Globally powerful realtors of our own time need suffer no such regret towards the end of their lives. The conditions that have been created in India thanks to reforms prompted by the IMF and the World Bank are perhaps unique in the modern economic history of nations. In India, big investors are buying by the acre and will be selling by the square foot. How has this transformation of the Indian land market been wrought?

Colonialism comes in many guises. One of them is the debt-leveraged imperialism being exercised upon the poor nations of the world by the so-called multilateral institutions, the IMF and the World Bank, since at least the 1980s. In line with the hundreds of conditionalities they have imposed on Indian economic policies since 1991, laws (pertaining to land, finance, banking, agriculture and a host of other things) are rapidly being changed to suit the desires of global finance and yield high returns not just to transnational firms and funds but also to their junior partners in India. Financial exclusion is only one of the many consequences of the change.

Engineering a real estate boom

It is true that there is an enormous need for housing around the country. There is also the burgeoning demand for commercial and office space. Demand for large-format retail space and hospitality space is also climbing rapidly, thanks to big moves by players like Reliance, Wal-Mart and others. But none of these factors by themselves is adequate to solve the riddle behind the real estate boom. The housing that is needed is mostly low-cost. The demand for luxury housing, hospitality and retail space has risen sharply only in recent years since there has been a big shift in income distribution in the country. The demand for commercial and office space has grown only after reforms were initiated in the 1990s.

There are other forces, operating usually behind the scenes, which underlie the Indian realty boom. The IMF and the World Bank have been active all along in pressurising successive Indian governments to alter the country's legal framework to enable the sort of investment that they want to encourage in the country.

Thanks to the removal of protective legislation (such as the Urban Land Ceiling Act, 1976) land has been and continues to be cleared in cities of slums in the name of upgradation and urban development, making way for realtors and property developers to make lucrative investments in very large properties. Secondly, in the countryside, laws have been and are being relaxed to make it easier to change land use and convert agricultural land to industrial and other purposes. This is having a strong effect especially in areas close to cities. Thirdly, the real estate sector has been "liberalised" by the Indian government since 2005, enabling 100% FDI in it through the automatic route (without ministerial clearance) by 2007. Foreigners as much as a minority of wealthy Indians and NRIs themselves are acquiring property around the country at a breathless pace, making investment in the Indian real estate market among the most lucrative in the world at this point of time, yielding returns of above 25% annually, and sometimes as high as 40%-50%, unheard of in recent memory in the West. Fourthly, banking provisions for lending in general, and for real estate investments in particular, have been relaxed under Bank-Fund pressures. (Bank loans for commercial real estate alone have grown 500% to $2.4 billion during the past four years, raising anxieties at the RBI.) Finally, building construction laws (such as the height of buildings) have been relaxed as well, greatly influencing the incentive to invest in real estate.

All these factors are combining to generate historically high growth in Indian real estate, even threatening to drag attention and investment from other, more productive sectors of the economy. Reports by leading investment bankers like Merrill Lynch, Morgan Stanley and others all

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point in the direction of a massive real estate boom in India over the next decade. The market, already worth $20 billion, is growing at 25%-35% per annum, drawing funds from all over the world and making several Indian players some of the richest billionaires on the planet. (A lot of large Indian players are investing substantial sums abroad as well: the outgo during April-November 2007 has been $7.2 billion in comparison with inflows of $11.2 billion.) The market is expected (planned?) to rise to $90 billion by 2015. (It is, of course, another discussion as to why so much attention is focused on real estate in particular. It has to do with the skewed growth process in the economy which leaves little purchasing power in the hands of the masses who might otherwise be in a position to demand a range of goods to help spur a widening of the industrial base. It bears reflection too that a real estate boom, based all too often on speculative, unproductive investment promoted by relaxed banking regulations, tends to generate destructive bubbles of economic activity.)

The first target of global capital has of course been the metros and the Tier I cities of the country. Old mill sites and depopulated slum lands are being auctioned off, making way for malls, multiplexes, hotels, commercial high-end office space and luxury housing. Rural, usually agricultural, land around big cities and ports is being acquired for SEZs, townships and IT parks with the active help of state governments, often unjustly deploying the anachronistic Land Acquisition Act of 1894. The State, (ab)using its privileged eminent domain status, has been busy helping large companies acquire land under the "public interest" clause of the 1894 Act. All such acquisitions, as even a casual glance at the reception by the stock markets indicates, are leading to rapid upward financial valuations of companies, adding to their land banks. (For instance, when the Adani group did the IPO for the Mundra SEZ last November, it reaped such a bonanza that it became richer than the Birlas overnight. Little wonder, since thousands of hectares of land acquired at throwaway prices of Rs 2 or Rs 3 a square metre from the Gujarat government are being leased out for as much as Rs 1,000 a square metre.)

It is not just the Tier I cities that are being eyed with avarice. So too are Tier II and Tier III cities. As property markets in the metros have, for the time being, peaked, land sharks have been advising both Indian and foreign developers and investors to acquire and develop properties in younger land markets in towns and cities as far afield as Sonepat in Haryana and Siliguri in West Bengal.

Thus, last summer, the largest developer in the Middle East, Emaar, entered into a partnership with Delhi's MGF to build projects worth $4 billion (Rs 16,000 crore, the size of the central government's entire allocation for 600 districts under the Rural Employment Guarantee Scheme in 2008-

09). These will be not just in large cities like Delhi and Hyderabad but also in more modest places like Chandigarh, Jalandhar, Ludhiana, Rajkot and Aurangabad. Cities like Amritsar, Indore and Nagpur, to name but a few more from a growing list, are all attracting investments by American and other foreign real estate transnationals. The typical form of acquisition (as in the case of Emaar-MGF) is through different levels of tie-up between a foreign and an Indian company, using the local knowledge of teams of willing agents and touts from the area. Some of the more publicised tie-ups are between Dubai's Nakheel and DLF, which are building two integrated townships of 40,000 acres in Gurgaon and Goa. American Tishman Speyer is investing over $1 billion in Karnataka with ICICI and Nagarjuna Construction. Nagarjuna Construction has also managed to attract significant equity investment from Blackstone, a private equity firm. Morgan Stanley has invested $75 million in Mantri Developers. Other big collaborations are between the Ansals of Delhi and Malaysia's UEM, between Indiabulls and a string of Wall Street firms, and many others. It is a win-win arrangement for big investors and real estate developers. While the former can hope for high and quick returns, the latter get cheap credit.

Here are only some of the international players making investments in Indian realty:

Transnational firms and funds making investments in Indian real estate (aggregated figures)

Companies	Investment plans of overseas investors
Citigroup-Blackstone Indian Infrastructure Fund	$5 billion
Royal Indian Raj International Corporation	$2.9 billion
Plaza Centers NV	$1.2 billion
Blackstone group	$1 billion
Goldman Sachs	$1 billion
UBS	$1 billion
Emaar Properties	$1 billion
Red Fort Capital	$675 million
Citigroup Property Investors	$525 million
Merrill Lynch	$377 million
Kotak India Real Estate International Fund	$200 million
Sun Apollo	$190 million
Pegasus Realty	$150 million
Lee Kim Tah Holdings	$115 million
Salim group	$100 million
Calpers	$100 million
Alony Hertz Properties	$100 million
Oregon Public Retirement Fund	$100 million
Lehman Brothers	$80 million
Morgan Stanley	$70 million
GE Commercial Finance Real Estate	$63 million

Source: Assembled by the author with the help of the ASSOCHAM report, 'Study on Future of Real Estate Investment in India' (http://www.domainb.com/industry/associations/assocham/20061120_estate.html) and postings at Indian Realty News (http://www.indianrealtynews.com/)

Many of the firms listed here are undertaking joint development ventures, indicating their confidence in the stability of the policy regime provided by the government. Other transnational firms and funds making significant investments in Indian properties include Warren Buffet's Berkshire Hathway, J P Morgan, Colony Capital, Starwood Capital (set up by DLF and Hilton), and Farrallon.

As a consequence of such hectic activity by foreign firms in the real estate sector, the latter's role in FDI (that is, excluding purely financial investment through such instruments as private equity) in the country has been rising rapidly:

Share of real estate in Foreign Direct Investment (FDI) coming to India (in US$ billion, $1 billion=Rs 4,000 crore)

Year	FDI	Share of real estate in FDI
2003-04	2.70	4.5%
2004-05	3.75	10.6%
2005-06	5.54	16%
2006-07*	8.00	26%*

* Estimated

Source: ASSOCHAM op cit

The money coming in to SEZs via such secured forms of institutional investment as private equity, is particularly large. Over 150 private equity funds have made investments in Indian realty, many of them drawing returns of 35%-50% every year — figures unheard of in the Western world today. During 2007, India topped the list of Asian nations, attracting $10 billion in private equity funds (largely for real estate) through 290 deals. According to a November 2006 ASSOCHAM report, real estate developers are developing 130 SEZs, constituting nearly half the total area under them. Emaar Properties alone is building no less than 10 SEZs across India.

Approved SEZs as a whole will be taking up 2,000 sq km of land around the country, an area equal to that of the city of Delhi within the National Capital Region. (It is misleading to say that the fuss over land acquisition for SEZs is unjustified since they constitute a very small proportion of arable land in the country. A policy's overall impact can never be evaluated in the incipient stages of its implementation. With the passage of time, and after some “success” perhaps, one might well see a “zone fever” of the sort that overtook China in the early-1990s and which led ultimately to a scrapping of the SEZ policy there. In the meantime the damage to the livelihoods of millions would have been done.)

There is a huge amount of money being made in the real estate sector, best symbolised by the fortunes of Unitech. One of the largest real estate firms in the country, Unitech reported net profits of Rs 452 crore during the third quarter in 2006, as compared to Rs 13 crore during the corresponding period in the previous year, a 3,190% jump. Its share price skyrocketed between March 2004 and December 2006, raising its market capitalisation from

Rs 324 crore ($72 million) to Rs 37,784 crore ($8,396 million) — a jump of 11,561%! The realty boom helps unravel the secret of money-making among Indian billionaires.

Such a boom is being fuelled further by the fact that Indian cities are expected to grow at a furious pace over the next decade and beyond, as the table indicates:

Expected growth of areas in booming Tier I cities in India

	Figures in sq km	Current area (2011-25)	Future area growth (%)
Delhi	1,483	2,300	55
Mumbai	487	787#	62
Kolkata	158	1,851*	901
Bangalore	226	696	208
Gurgaon	99	371	275
Greater Noida	50	120	140

Includes Navi Mumbai

* Includes areas up to 50 km from city centre

Source: Indian Realty News (http://www.indianrealtynews.com/real-estate-india/indian-cities-changing-blueprints-to-accommodate-capital-inflows.html)

In an infrastructure-poor country like India, even a little investment in developing the land fetches a disproportionately high premium in the real estate market. Yet, given the attendant risks of unproductive investment and speculative lending under relaxed banking provisions (not to forget that a significant 50% of the land in multi-product SEZs does not have to be devoted to industrial development), the RBI has understandably classified loans for SEZ investment as "real estate lending," requiring higher rates of interest on loans for SEZs.

How are cities going to expand so much without affecting the fortunes of rural communities and farmers in the countryside? The view being propagated by the government and the corporate media is that it's a "win-win" proposition when someone is willing to pay large sums of money when the land is not worth much to farmers (once the land use is changed it rises in value dramatically). Let's investigate this in a brief digression.

There are severe problems with such a view. Firstly, the argument is a solipsistic one: not everyone views land as a commercial asset to be bought and sold according to market forces. Many, if not most, farmers around the country still view land as the only source of ultimate socio-economic security and status they have. (This has been repeatedly confirmed to me in conversations with scores of farmers in at least a dozen Indian states.) Hence all the resistance to land acquisition in recent years. If things were as the government and its economists claim, then voluntary exchange would make everything quite smooth in a "win-win" world.

Secondly, if money has gone out of agriculture only some of the blame lies with growing farming populations (causing sub-division of land into economically sub-optimal plots). Most of the responsibility lies with successive governments which have starved agriculture of investment and credit over the past 17 years, inducing a rash of farmer suicides. While 60% of the population still lives by agriculture, it has received only 5% of planned investment during the past decade of reforms. This has affected complementary investments by farmers (in tubewells, for instance) because the State has not been investing (in irrigation and power for agriculture, for example). Moreover, priority sector lending by nationalised banks to rural areas (operational since 1969) was withdrawn after 1991 under Bank-Fund dictates, subjecting farmers to usurious moneylenders (and now only slightly less rapacious arrangements like self-help groups, which still have to pay 20%-30% annual returns).

Thirdly, thanks to poor and unjust agricultural policies (again, under WTO agreements), farmers have been subjected to unfair subsidised competition from Western agribusinesses which are gradually extending their control over the Indian foodchain. Fourth, input costs have risen dramatically thanks to the removal of subsidies (again, under Bank-Fund pressures) and the entry of multinationals like Monsanto, which are now selling patented seeds to farmers, reaping high royalties in the process.

The list could go on. Governments and multilateral institutions will have a lot to answer for in the years to come as smallholders are priced and pushed out of agriculture, swelling the ranks of distress migrants and the unemployed.

Reverse land reforms

When China adopted market reforms in the early-1980s, one of the first things it did was to distribute land to the peasantry and give them capital to create town and village enterprises. This, and not globalisation (which, in actual fact, only emerged in the country in full force in the 1990s), is the secret behind the significant reductions in poverty that the reforms brought about in China. In other words, land reforms were actually a key aspect of poverty reduction efforts.

In India, land reforms have gone into reverse since the early-1990s. Not only have age-old promises since 1947 been set aside, successive governments at both the Centre and the states have merrily ceded ground to Bank-Fund dictates and the increasingly powerful lobby of property builders and real estate developers — who include not just well-known names like DLF, Ansals, Unitech and Hiranandani, but indirectly also involve the financial interests of politicians, other businessmen, film stars, cricketers, bureaucrats, officers from the armed forces, and virtually anyone with spare capital to invest. Land ceiling Acts applicable to cities as well as the countryside have been repealed in order to enable big sharks to accumulate huge land banks.

Every significantly large Indian company today has a real estate strategy. Given the business environment — in which the highest and quickest returns are being made in the real estate and financial sectors — every company almost needs

to do this just to stay competitive. In SEZs, it is very common for an IT company to tie up with a real estate major. Thus, for instance, Infosys has struck deals with the Rahejas to build several SEZs, especially in south India. According to some real estate consultants, companies like Infosys may become major real estate players in the future, their main line of business (IT) perhaps taking second place to their real estate concerns.

How long will the party go on?

Some other final observations are in order.

• The Bretton-Woods institutions, the IMF and the World Bank, together with the WTO, have been acting successfully in concert to apply pressure on the Indian government to mould the economy to the tastes of global finance. The Fund and the Bank have been acting virtually as external agents of financial markets. This necessarily involves the promotion of the real estate sector by, for instance, easing banking regulations and lending norms. It also dovetails nicely with other Bank-Fund policy conditionalities, pertaining to areas as different from each other as urban development and housing.

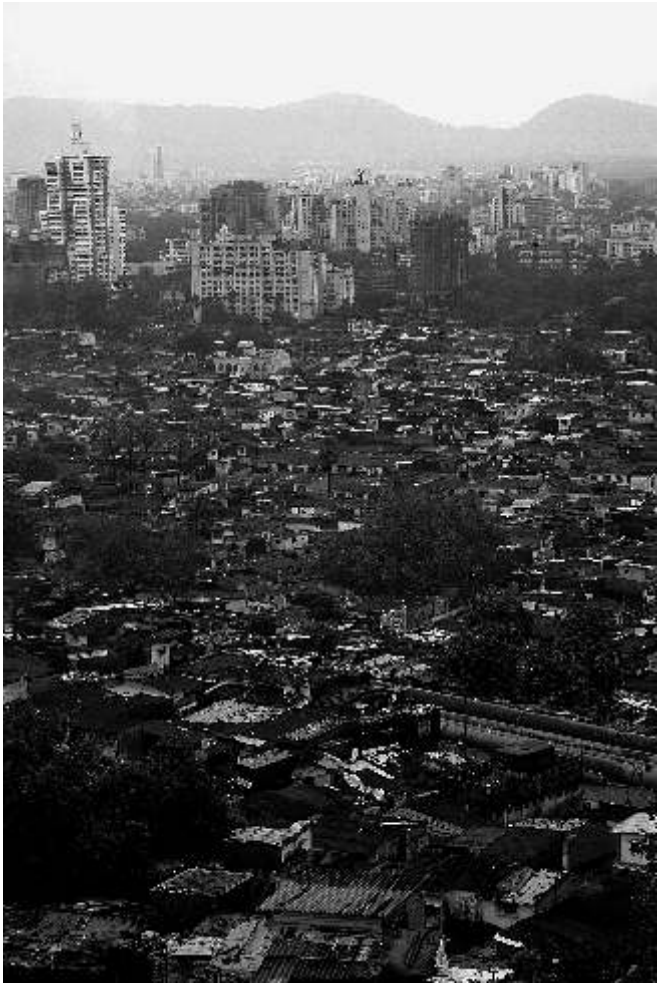
Consider just one instance of the manner in which World Bank pressures work to the distress of the poor. In so many urban development schemes backed by the World Bank around the country, the poor are evicted from slums in order to move them to more respectable ("upgraded") locations, where urban services are available. As long as they are able to pay the rent and service charges, they stay. But all too often they have been evicted a second time for failure to pay (for services that they never asked for in the first place!).

Meanwhile, the erstwhile location of the poor has conveniently served the purpose of adding to some realtor's kitty of prime urban land on which high-value real estate can be developed to post profits and lift the markets. It leaves little room for doubt that the latter has been, in fact, the undisclosed goal of urban development policies all along. (The construction of the Commonwealth Games village in New Delhi is a case in point.) The commodification of means of subsistence (such as water, shelter, fodder) and extension of private property has never worked in the interests of the poor (since the days of the British Industrial Revolution, in fact). However, blindness to this fact is part of the systematic cognitive disorder that allows the Bretton-Woods institutions to persist with what are all but transparent imperial policies in the name of development.

• India is the preferred Asian destination for large foreign investment in real estate. There are several reasons for this. Unlike China, which legalised freehold private property only last year, India suffers from no such inhibition to the operation of a smooth land market. This is further facilitated by a comprador State which has bent or banished virtually every single piece of protective legislation which had thus far stalled the accumulation of land banks by private corporations. In particular, under pressure from the Bretton-Woods institutions, it has got rid of the land ceiling Acts. Such has been the scale of the corporate onslaught on public and other lands that, under the central government's flagship programme for urban development, the JNNURM (Jawaharlal Nehru National Urban Renewal Mission, launched by the prime minister in 2005), the allocated funds (roughly Rs 2,000 crore per city, for 63 cities) are not released till the Urban Land Ceiling Act has been repealed. Finally, the regulatory structure of finance is more developed in India than in places like China.

• The entire story of large-scale land grab in the country, especially in the urban setting, cannot be understood satisfactorily unless one understands India as one of the chief cultivated destinations of global finance today, the IMF and the World Bank having played the pivotal role in this transformation.

One has to see the whole enterprise from the point of view of powerful fund managers occupying the skyscrapers of Manhattan and London. They are looking for quick and high returns. Returns in financial markets are contingent on the outlook for underlying growth in the real economy. Only, they are much higher than in the latter case. For funds



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headquartered in these places, markets in the West are already saturated. In other words, growth in them is all too modest. Growth of 2% or 3% per year in a typical Western economy simply does not compare with that in an "emerging market" like India or China, growing at 8%-10%. As a result, it was no surprise when a recent study reported in *The Times of India* pointed out that average annual returns on stocks in India (at 43%) are the highest in the world (Wall Street only yielding 15%).

Speculative global finance has been "playing" with the asset markets of many countries around the globe during the past three decades. Major financial crises, like the ones in Mexico (1994), in South East and East Asia (1997-98), in Russia (1998), and in Argentina (2001) are results of policies of financial liberalisation instigated at the beckoning of the IMF and the World Bank. This is facilitated in no small measure by a currency convertible into hard currency, enabling speculators to bring in and take out large sums of money from an economy, tax-free, at will, regardless of the consequences for the real economy. (The Indian government is seriously contemplating making the rupee convertible on the capital account, a step which will have massive repercussions in the future, since large sums of money could then be brought in and taken out at great speed by financial investors and speculators, adding to the woes generated by the movement of "hot" money flows.)

The typical trajectory of events in relation to a country whose policies are being written and directed by Bank-Fund conditionalities is:

1 A country with problems in foreign payments (not able to generate enough export revenue to pay for required imports) is offered a loan by the IMF to tide over its difficulties. In exchange for this the country is subject to many "conditionalities" which require it to make its economy accessible to Western transnational firms. It is argued that this is necessary to get the economy back into balance, through greater competitiveness and efficiency. This is referred to as "structural adjustment". The country is subjected to "market discipline" in order to be in a position to pay back its loans and ultimately become a source of high returns to global capital.

2 In this way the IMF and the World Bank get a country (like Indonesia or Thailand) to "liberalise" their economies, allowing not just market access for the products of transnational firms but also "opening up" the country to foreign investment, especially to financial investment from funds in the West.

3 Growth rates go up. Transnationals are able to expand their business in the "liberalised" economies. The larger domestic firms within the country do well (survival of the biggest). This is readily "sold" to the public as "development", the poor meant to benefit from the "trickle-down" effect which will happen in an ever-receding future. Growth of real estate and the construction sector is a part of this boom. (India is experiencing this right now.)

4 As growth rates in the real economy rise, returns in financial markets (stocks and bonds) rise even faster. Financial interests in the West are pleased. In this way, developing economies help to solve a problem for global finance — low and slow returns in the saturated markets of the West.

5 The growth in the financial sector frequently leads to "bubbles" of speculative activity which lead to exorbitant returns in the short term, a phenomenon that we have been witnessing recently in the dizzying rise of Mumbai's Sensex. But one day the bubbles begin to burst and investors withdraw their capital at great speed, moving them to alternative destinations, causing currency crashes, recession and unemployment. South East Asian economies experienced the crash in 1997-98. Ultimately, given new foreign payments crises, the already indebted country has to rush to the IMF again. The classic debt trap results and the cycle resumes afresh.

In this context, it is sobering to reflect on India's future. Will it be like Indonesia and Thailand, where the bursting of the real estate bubble, compounded by a currency collapse brought on by the exit of speculative capital, led to massive recession, loss of output and unemployment? (Some recent studies, such as one done by an international consultant, DTZ, together with *Businessworld*, show that the real estate forecasts which have formed the basis for investments thus far are excessively optimistic. Office space, for instance, is going to be in great oversupply in a year's time.)

Or will India have the courage and independence to be like China and Malaysia, where the government did not allow easy conversion of domestic into foreign currency, thereby largely escaping the economic disasters that Asian economies underwent in 1997-98? The lesson for India should be obvious: forestall at all cost any attempt at rupee convertibility by financial interests.

However, if avarice and impatience conspire to avoid this wisdom, the latter scenario is the unlikely one. Speaking at a recent national business convention, Union Minister of Industry and Commerce Kamal Nath spoke of the realty boom as "the changing face of the nation". Should such a fatal misunderstanding of the prevailing economic realities continue past the next general elections it is improbable that India will not ultimately succumb to the speculative raiders who precipitated misery for millions of East Asians in 1997-98.

Aseem Shrivastava is an independent writer and economist

When we had land

How do those who have spent their lives on the land see it? What would it mean to go on living on this land that is giving them fewer and fewer returns? What would it mean to lose it? “With our land we have not just lost our income, we have lost the rhythm of our life; our traditions and beliefs have lost their meaning,” says Kamlabai Girhe of Shivangaon village on the outskirts of Nagpur

APARNA PALLAVI

“LAND MEANS SECURITY FOR LIFE. A farmer's sons do not have to rush around looking for jobs like city boys. Even 1 acre of land can employ an entire family,” says Vasudev Domaji Chaturkar of Shivangaon village located on the outskirts of Nagpur city. For the last few months, the village has been in the news for its agitation against land acquisition for the infamous Cargo Hub project in the city.

In Dorli village, in Wardha district, elderly Manoharrao Jarunde feels the opposite is true: “In the city, even a rickshaw-puller leads a better and more dignified life than a farmer in a village. Land has nothing to offer people anymore.” Dorli shot into brief prominence in December 2005 when the village put itself up for sale.

Both Chaturkar and Jarunde are above 60, and both have spent their entire lives as farmers. Yet how is it that they feel so differently about their land? Has it something to do with the situation of the villages?

Shivangaon is an agriculturally successful village whose land is being taken away forcibly, while Dorli has progressively plunged into deeper agricultural crisis with failed crops and piling loans; its residents are desperate for a dignified life free of the insecurities they have been living with.

Still, notwithstanding the vagaries of fortunes and policy, the question remains: What is the lasting value of land in the eyes of those who live and work on it? How, in these days of land stress and land angst brought on by industrial and policy pressures, do those who have spent their entire lives on the land see it? What would it mean to go on living on the land under the present circumstances? What would it mean to lose the land?

“We do not know if it is good or bad to be on the land, because that is the only way we have lived. But we do know that nothing can be worse than losing it,” says Shantabai Mahalle of Shivangaon. “When we had land, we used to grow all our food, oilseeds and spices on it. We had enough to eat and enough to spare. We did not need to buy any food except sugar and tea. But now, no amount of money is enough to keep us well fed, let alone (satisfy our) other needs.”

Like everyone else in the village, Shantabai's family has, over the last few decades, lost 27 acres of land to successive 'development projects' — roads, the new city airport, the Indian Air Force's Gajraj project, a dairy development project, a paramilitary camp, and so on. And it is going to lose the remaining 5 acres to the Cargo Hub. “We received Rs 18 lakh in compensation,” Shantabai says. “It sounds like a lot. But what is the use of compensation? As soon as money comes, the farmer's married sisters and daughters come to claim their share; brothers and sons who have jobs in cities come to claim their share. Our money was divided up among three brothers and four sisters, and what my husband received was divided among our four children. Today, our three sons are working as labourers.”

“Land has a way of sustaining people in ways that are not always obvious,” says Baliram Ramaji Ghate. “There are a number of *dhabas* (eateries) along this road where labourers and vegetable vendors who cart our produce can eat cheaply. But once these farms go, these people will get no work and the *dhabas* will have no business.”

There is more to land than just compensation and livelihood issues. There is a complex pattern of physical, emotional and cultural bonding with the land. Says Manjula Chaudhari, whose family lost all of its 35 acres of land to the yet-to-materialise Gajraj project: “They promised jobs to one member from each family, but where are the jobs? And why should we need jobs? When there is land, even a 70-year-old woman has work, and an independent earning. Just by planting a few yards of land with vegetables, just by selling two-three kilos at the roadside, we older women would come back with enough for a square meal for the family. Today I can't even get two rupees for a little *supari*.”

“When we had land, we had such enthusiasm,” says septuagenarian Heerabai Jarunde. “We would carry huge baskets of produce on our heads all the way to the airport (about 3 km). Now our feet start aching even if we have to walk from here to the end of the village. There is no will to do anything.”

“What can we say? Life has turned upside down for us,” says Kamlabai Girhe with a sardonic laugh. “When we had land, younger women with children would stay at home, and older women would work on the land. Since our lands have gone, the older women sit idle at home while the younger women go out to work as domestic servants. And their children run wild all day long. We have not just lost our income, we have lost the rhythm of our life; our traditions and beliefs have lost their meaning. We have lost our entire lives.”

In Dorli village, predictably, the initial response is more cut-and-dried. “Oh, of course there is nothing more beautiful than farming,” says farmer Yashwant Jarunde. “But you can't depend on it for a livelihood. You should have some other source of income, with farming on the side to provide you with a few thousand rupees or a few home-grown things.”

“There was a time when the land fed the people,” says elderly Shyamrao Chambhare. “Now, jobs and businesses feed people. We hear of so many companies buying farmers' lands at good prices, but no one seems to want ours.”

So, is agriculture best practised only as a hobby? But finally all the food comes from the land, doesn't it? If land does not feed the people, what does?

The men become grave at this poser — grave and silent. The women, on the other hand, start talking among themselves.

“It is true. Once the land is gone, a person has no roots. Where will we go,” asks Shobha Jarunde.

“Everyone will go his own way. Where they find work, people will go. Homes will break up,” says Sujata Pandit (since most of the village's population consists of the two clans, Jarunde and Halule, the sense of family and community is strong here).

There is a long silence. Then Chambhare says: “Who wants to go to the city and become a rickshaw-puller? As long as we are on the land we have an identity. Land keeps the family together; land keeps the village together. People who are on the land stand by each other. In the city no one cares for anyone. Even if you die, no one finds out. But if the land can't feed us, how long can we hang on to the land?”

So, has the land failed the farmer?

There is a gush of responses. High input costs. No credit. No electricity. No price for cotton. Bank officials who don't think twice about stripping someone of his dignity. Double-crossing governments… Truths you have heard time and again, truths that have not lost their poignancy from repetition.

Then all of a sudden, an elderly man who has not spoken a word till then, rises as if he has had enough. “*Jau dya* (let it go),” he declares. “There is no use talking. In our time we used to get a sack of *sarki* (cotton seed) for Rs 2. For Rs 30 I used to cultivate 10 acres. If someone had asked for that little bag of seed, we would have given it to them for free. Now it costs thousands of rupees.”

He won't give his name and Jagnade Buda (old man Jagnade) is the only name the villagers can come up with. “Times have changed,” he says querulously as he walks off. “No talk will change it. I had better go and get some work done. What will happen will happen.”

The meeting breaks up in a hurry. As I get ready to go, Mohan Halule, an informal village leader says: “You know, sister, a man on the land is like a bullock tied to a cart without wheels. He can't walk with it, and he can't walk away from it.” And he sighs deeply, deeply.

Aparna Pallavi is an independent journalist based in Nagpur

Counterview:

The idiocy of urban thinking

Sixty per cent of India's people are trapped in land and want to escape it

SAGARIKA GHOSE

THERE ARE MANY WORRIES these days about the future of 'the India economic story'. The National Rural Employment Guarantee Act (NREGA) has been severely criticised as a gargantuan guzzler of taxpayers' money, a scheme that seeks to condescendingly trap India's agricultural poor in an 18th century mode of production. Stock markets are crashing regularly and there are fears that as the American economy heads into a recession, Indian market sentiment and exports will be badly hit. Already, growth rates are lower than expected: the Indian economy is now expected to grow at a slower pace of 8.7% rather than the projected 9%.

Economists warn of an impending crisis: the coming steep rise in the price of all food, which will affect the poor most of all. A shift in mindset is necessary. If India's growth is to be made truly inclusive, if millions and millions of poor people are to be brought into the economy, if we are to go beyond schemes like the NREGA, then policymakers, Leftist intellectuals and politicians must stop perpetuating a colonial definition of the word 'farmer'.

The Indian 'farmer' and the Indian 'rural areas' occupy a moral and rather intellectually dishonest space in our mental landscape. The 'farmer-first' rhetoric of our policymakers means that we see the Indian farmer as frozen in time, seated wisely and calmly next to fields of waving paddy, wearing colourful clothes, speaking in simple profound phrases and representing the constant Elsewhere of the urban commercial centres. Celebrated journalists have made the 'rural areas' their personal visiting cards, waving the banner of the Indian 'rural areas' as a moral construct, as an undifferentiated monolithic value in itself, a moral construct whose main relevance is its Otherness to the evil cities where people are money-seeking and valueless. The 'rural areas' are a flag waved by careerists of poverty, the vote-seeking politician, and the Westernised romantic whose colonially inspired vision seeks the real India in the bubbling streams and green fields of a pre-industrialised idyll. Sadly, these Indian colonials are doing a terrible disservice to the very people whose cause they claim to uphold.

The NREGA illustrates the policy establishment's deadly romanticism about the Indian farmer. It shows how 'rural reconstruction' has become such a holy cow, and how the 'rural areas' now occupy the realm of bizarre fantasy of the

Desmond Roberts

urban educated class. According to the NREGA, the rural poor must stay trapped in their socially unequal and violent villages, and undertake meaningless exercises in earthworks to then be handed a paltry wage. Because there are no contractors or machines in the NREGA scheme, villagers will turn up to play with mud, to create a road that goes from nowhere to nowhere, to dig ditches that will be washed away in the next monsoon, in order to fill their stomachs for a few weeks, if that. No permanent rural assets will be created. There is no accompanying guarantee of health, education or the physical safety of women along with this so-called guarantee of employment.

The NREGA also ignores a basic right of every Indian, and that is the right to migrate. It attempts to provide work in villages, as if to condescendingly say to the Indian farmer, stay put in your pretty little village and here's some pretty little work you can do for a pretty little wage. The fact is that the vast majority of India's cities are made up of rural migrants. All of us migrated from centres of low economic activity to high economic activity in search of opportunities. The right to migrate is an inalienable right and applies to every Indian equally. If the son of a sweeper can dream of being an engineer, why should the son of a farmer be consigned to remain a farmer? Simply to satisfy the elite that the farmer has been preserved in his pristine exotic primeval glory? The NREGA at best is a semblance of a safety net for the absolutely destitute, that those surviving by eating worms on riverbanks may be assured of some food for a few days, if that. But in its entirety, it is elitist in its view of the 'rural areas' and an insult to India's poor.

There is now a growing argument that the crisis in Indian agriculture can only be battled if it is recognised that no economy can grow with 60% of its people trapped in land. On the one hand, the vast majority are ensnared on their unproductive patches of land; on the other, land ceiling laws, land conversion laws and the absence of clear title deeds and land records mean that there is no free buying and selling of land. So a farmer cannot maximise his holdings, cannot increase the size of his assets or farm productively. Plus, a battery of other ridiculous laws bear down on the farmer's mobility.

If a farmer builds his own ponds and check-dams he could be held guilty of violating the Irrigation and Drainage Act. If a farmer takes his produce across the state boundary for a better price, he could be held guilty of violating the Mandi Act. Nor is there any education or training available for the farmer to become skilled enough to leave the land. Today, millions of people across India simply do not have the skills to be employable. That only 20% of our GDP comes from an occupation in which 60% of Indians are trapped against their will should wake up the babus and ministers to the fact that agriculture equals poverty and the only way out is to follow the Chinese example by creating avenues to allow the millions to move out of agriculture into mass producing industry. China has done exactly this with tremendous success. The descendants of Mao have got over their 'farmer glorification legacy' far quicker than us.

In the creation of mass producing industry, we come across that terrible familiar hurdle: the Left. Our crippling labour laws and the high price of labour means that the millions who should have come into the labour market by now are systematically denied jobs because of the high risks that employment in India still carry. For a country where a majority of the workforce is unorganised, it is a terrible injustice that organised labour (that minuscule fraction the Left strenuously upholds) should get three to five times more than unorganised labour. Labour surveys show that the percentage of jobs in the formal sector is shrinking. Lakhs are streaming into cities to take up casual jobs like vending, street hawking and driving cycle-rickshaws. Thanks to the farsighted initiative of Madhu Kishwar and *Manushi,* the PMO has now recognised the importance of street vending and cycle-rickshaws as regular jobs for the poor. But there was a time when these life-giving, mass-sustaining jobs were seen as mere 'scum', just opportunities for *hafta* for cops.

We already see the fruits of liberalising industry. Yet agriculture, frozen in the romantic dreams of the elite, is not seen as worthy of liberalisation. On the one hand, there is an arsenal of legislation preventing the farmer from realising his productive potential; on the other he is imprisoned on the soil because education and health opportunities do not reach out to him and allow him to move away from the land. The Indian farmer bears the burden of our elite's colonial nostalgia. He is the slave of an insane king who maims and imprisons him to keep alive some murderous aristocratic dream of rustic innocence.

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Treasure islands in a sea of poverty

From Nandigram in West Bengal and Jagatsinghpur in Orissa to Raigad in Maharashtra and Nandagudi in Karnataka, SEZs are being resisted with fury. Why? Because a small set of people derive the benefits, and a much larger set pay the costs

ASEEM SHRIVASTAVA

ALMOST NO ECONOMIC POLICY in independent India has raised as much controversy as the SEZ Act passed in 2005. Moreover, few policies since 1991 have been red-marked by the IMF, the World Bank, the WTO and the Asia Development Bank for one reason or another. Even *The Economist* of London, normally an aggressive defender of corporate interests, has written against it.

What is an SEZ (Special Economic Zone)? It is an especially demarcated area of land, owned and operated by a private developer, which is deemed to be foreign territory for the purpose of trade, duties and tariffs. Within it (with the intent of increasing exports), production can be carried out by investing companies under a large number of concessions — tax exemptions, guaranteed infrastructure and the relaxation of labour and environmental standards — which is what makes SEZs 'special'. It is worthy of note that India is perhaps the first country in the world to be experimenting with privately owned SEZs, which will make governance within them quite unaccountable.

The Indian economy has sustained an 8%-9% rate of economic growth in the past five years without SEZs. Why then are they seen as necessary?

It is deceiving to suggest that they are aimed at generating jobs. Modern industry and services are growing at the expense of jobs, thanks to rapid automation. (There is a lot of data.) In fact, they are taking away jobs from agriculture and related occupations. How many? We cannot say. No one knows. The government never gathers data on livelihoods lost (something for RTI activists to reflect on), only on jobs created. But estimates done by independent researchers suggest that upwards of 200,000 jobs may already have been lost due to displacement on account of approved SEZs, now close to 800 in number, occupying nearly 200,000 hectares of land across the country.

Are SEZs meant for exports, as Commerce Minister Kamal Nath claimed in an interview to this writer? If so, why is there such a minimal export target assigned to SEZs? They are only supposed to generate positive net exports every year. The reason for this liberal condition may have to do with the fact that imports into India are growing significantly faster than exports, expanding the trade deficit!

Will SEZs generate new infrastructure, as is being claimed by their votaries? Unlikely. SEZs are being created on fertile agricultural land, often multiple-cropped land. The reason is that this is where (thanks to decades of State and private investment by farmers) infrastructure is most readily available. (Why would a corporate developer like to develop infrastructure from scratch when he can have it readymade?) So it is not just land that SEZ developers are looking for, but also some pre-existing infrastructure and proximity to cities (which, again, is not coincidental: cities have historically evolved close to fertile regions and water). This contradicts the government's claims that SEZs will contribute to the country's infrastructure. More accurately, they will steal it from the farmers. And any infrastructure which is privately developed is likely to be captive for companies in the SEZ, not for the public outside.

Previous experience with SEZs

SEZs are not new to the subcontinent. They have evolved out of Export Processing Zones (EPZs), the first one in India dating back to 1965, when the Kandla EPZ started in Gujarat. They have also been experimented with in Sri Lanka and Bangladesh. According to the ILO, in the world as a whole there were over 100 countries with SEZs in 2002.

The Indian policymakers' recent enchantment with SEZs is a direct consequence of the perceived success of the Chinese model.

China's experiment with SEZs began in the 1980s. However, barring the notable exception of Shenzhen, which enjoyed the advantages of proximity to Hong Kong, there were hardly any other lasting successes. The policy was widely abused by developers (often bureaucrats themselves) to make quick and handsome gains on land deals, borrowing big sums of money from banks. Only when one of the big banks in Hainan went bankrupt did policy planners in Beijing wake up to the follies of the approach and pass legislation in 1998 to stop further conversion of land from agriculture to industry. The 'zone fever' died down and only five major SEZs survive in China at this point.

A few significant points need to be borne in mind when learning from the Chinese experience. Firstly, SEZs there have been owned and managed by the State. In India, the corporate sector is developing barricaded SEZs, exempting them from democratic accountability and transparency.

Secondly, SEZs in China have been large, making it possible

for industries to seize scale advantages, especially in relation to infrastructure. Shenzhen, for instance, is 32,700 hectares in area. In India, the largest SEZ planned (and that too now exceeds the new limit of 5,000 hectares applied by the government) is the 14,000-hectare Reliance MahaMumbai SEZ. Contiguity of land ownership, a precondition for an SEZ, is very difficult to achieve in India where small amounts of land are held by a large number of farmers. This of course would not be a problem if the State and the corporate sector did not eye fertile agricultural lands for SEZs, something they have been doing with uncanny predictability.

Thirdly, SEZs may have enriched real estate builders and developers but they have brought few gains for ordinary Chinese except for the strange success of Shenzhen, whose export and employment record has impressed many. Ironically, it is exactly the Shenzhen experience that has induced the abandonment of the SEZ model because of "environmental destruction, soaring crime rates and the disillusionment and degradation of its vast force of migrant workers..." The Shenzhen recipe has been regarded by Chinese economic planners "as all but irrelevant: too harsh, too wasteful, too polluted, too dependent on the churning, ceaseless turnover of migrant labour". "This path is now a dead-end," Zhao Xiao, an economist and former adviser to the Chinese State Council told the *New York Times*.

So there are sobering lessons from the Chinese experience which are not discussed in the Indian business media.

What the above observations imply is that SEZs may bring lots of investments from abroad and from within the country, and lead to impressive growth figures, but their intentional contribution to the economic fate of ordinary Indians, like in China, is likely to be minimal. On the other hand, the unintended consequences of SEZs, resulting from the attempt to ensure land and resource prerequisites, are already huge.

One set of people pays the costs, another set derives the benefits. The environment, and all that rests on it, is wounded forever. Ten million mangrove trees have been cut from 6,000 hectares of coastal wetland in Mundra, Gujarat, to make way for the port-based SEZ. One of the largest waterfalls in India in Khandadhar, Orissa, will dry up once the POSCO SEZ comes up. Who can name an industrial project which can justify such massive violations of the earth?

The attraction of SEZs to the corporate elite

How do big business interests view SEZs? The answers are to be found in the peculiarities of the Indian situation and the utterly odd world in which our corporate and policymaking elites find themselves today. The economy has been growing at an internationally impressive 8%-9% for about five years now. Indian corporations have become globally mobile units, locating themselves in Eastern Europe and China, Bolivia and Equatorial Guinea, acquiring companies in Europe and North America, mines and oilfields in Africa, Latin America and Australia.

However, there is immense corporate frustration — still — right here at home in India. Some of the cheapest labour in the world is at their command. And yet, because of the 'inconvenience' of democracy they can't be hired and fired in sync with the impulses of the business cycle, as happens in China. Some of the most readily accessible natural resources are at their disposal. Except that there is the nuisance of bureaucracy in the shape of clearance of industrial projects by pollution control boards and the Union Ministry of Environment and Forests. They have firm control over the hearts and minds of politicians. But from their point of view, there are still too many taxes to be paid. And so on.

SEZs offer a relief from all these hurdles. All that can't be attempted in the civilised world outside will be the norm within SEZs. American corporations routinely abuse labour and the environment in Shenzhen in ways unacceptable to the Western world (though few object to the cheap shoes and clothing). In India, SEZs will provide a profitable refuge from the Indian Constitution, an effective waiver from democracy. The development commissioner and the SEZ Authority will have overwhelming powers, making local, provincial, national and international laws all but irrelevant. 'Little Chinas' and Shenzhens will be developed. There will be protests from time to time, but so long as they don't all happen simultaneously, and too close to an election, one could 'move forward' in a stop-go pattern to accommodate the formal requirements of an electoral democracy.

This is what India Inc wants.

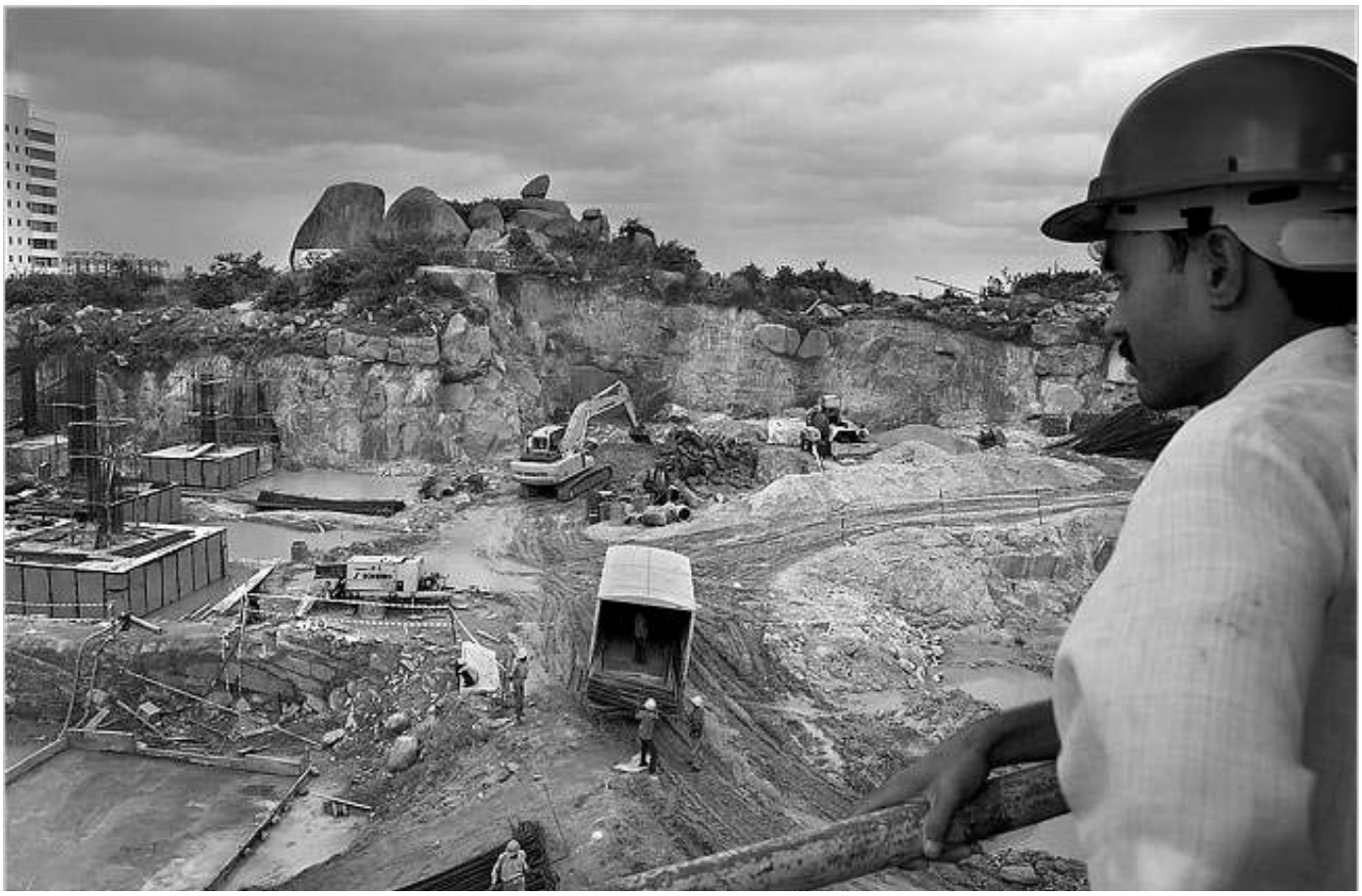
However, thanks to the policy not having been publicly discussed and consequences thought through clearly in advance, the central government has been reduced to a flip-flop on the issue for the past two years. After the haste of 2006 (when the SEZ rules took effect), when at one stage the Board of Approvals was clearing SEZ proposals at the rate of one a day, the government has been forced to slow down, especially after the Nandigram massacres.

The government's equivocation on SEZ rules is a good example of how policies are made, unmade and remade in this democracy. Policies are made in the shadows. The government implements them by stealth. People protest. Government appears to budge. Money whispers. The media feels sorry for the mega corps. Politicians nod. They wait for people to get tired. Soon everything goes back to where it started.

SEZs and real estate

For the Mundra SEZ, the Adanis got land at Rs 2-Rs 8 per sq m and have leased it at Rs 1,000 per sq m. Similar figures could be cited for acquisitions in Karnataka, Tamil Nadu, Andhra Pradesh, Haryana and elsewhere. Huge premiums are being earned for what is, effectively, land speculation.

Concessions (like the liberalisation of foreign direct investment in real estate), the rush of builders and developers to acquire SEZ land (they are building as many as



half the SEZs), the fact that only 50% of the area under a multi-product SEZ has to be dedicated to processing (whose definition is stretched liberally to include everything from mining to agriculture), the fact that industrialists are all too often being granted land well in excess of their production requirements (whether Tata in Singur or Reliance in Dadri) — all point in the direction of an engineered real estate boom through SEZ growth. Real estate majors find the markets valuing them much higher if they have launched SEZ investments. Huge amounts of capital, especially private equity, are pouring into the real estate market, both from within India and abroad. Returns of 30%, 40%, even 100% in many segments of the market are becoming common — making the Indian real estate market one of the most attractive places for global finance capital to invest in.

Not without reason has the RBI classified loans for SEZs as "real estate lending", with various restrictions on the loans made.

Political implications

SEZs will inaugurate a fresh chapter in the privatisation of governance. To serve their purpose they will have to be run quite differently from the rest of the province in which they are geographically located. It might be a bit like the centralised rule under which union territories in the country function — minus the local elections. Given that every SEZ Authority will be made up of the development commissioner, three officers of the central government, and two representatives of the private developer, there will be no elected local government drawn from state legislatures, town councils or local panchayats. Nor will there be any labour welfare officers. What's to prevent a corporate oligarchy emerging from such a cabal of ruling officials?

Many of the SEZs, like the MahaMumbai SEZ (to be built by Reliance Industries), are planned like a mid-sized city, over 100 sq km in area (the size of Chandigarh). The development commissioner and the SEZ Authority will govern the area with the main aim of facilitating economic growth. Infrastructure, like power, roads and water supply has been guaranteed to investors and developers, not to the people of the region. Several lakh people may one day be living/working inside the SEZ. All the non-economic laws of the land under the Indian Penal Code (IPC) and the Criminal Procedure Code (CrPC) would be formally applicable to SEZs. However, internal security will be the responsibility of the developer. Will the SEZs turn ultimately into sovereign city-states — treasure islands of prosperity in a sea of poverty and misery — unaccountable to the vast majority of citizens in the neighbourhood?

If erstwhile rural areas are going to be reclassified as urban, it is not clear whether SEZs will fall under the jurisdiction of

SEZs offer us a keyhole view into the future desired by global corporate lobbies. They can be seen as a pilot experiment in real time and space, with real people, with a new political order: the autonomous corporate city-state

the village panchayats or the city municipality. What is clear is that SEZs being developed by a private party will be outside the purview of town planners and gram sabhas alike, and will be run exclusively by the SEZ Authority. This, as has been noted widely, is a violation of the 73rd and 74th amendments to the Constitution which guarantee, respectively, constitutional status to urban local governance and panchayats. It has implications for the rural poor who will stand to suffer most from regional environmental damage (like the drying up of groundwater) but are helpless to prevent it. The Chinese SEZ city of Shenzhen, with a devastated hinterland, is a warning poster on the wall.

Further, entry into (physically bounded) SEZs will be regulated by identity cards, making them even more inaccessible to the people of the region. Artificially creating a 'foreign territory' within the geographical boundaries of the nation undermines constitutional rights like freedom of movement.

SEZs have been declared 'public utility services' under the Industrial Disputes Act. This, as mentioned earlier, transfers all the powers of the state labour commissioner to the development commissioner of the SEZ — who will arbitrate in any labour issues or disputes in the SEZ area, even as he is obliged to further the goals of the SEZ: growth and profit-making above all.

A most dangerous precedent that is being set by the SEZ policy is the raw, unabashed conflation of private and public interest. Within SEZs, given their 'public utility status', shopping malls and golf courses, luxury apartments and multiplexes will be treated on a par with roads and streetlights, schools and hospitals. All of these things constitute one or another form of 'infrastructure', exempt from taxation.

In all countries (especially in the Western world), and in India hitherto, the aims of corporations — maximisation of profits, market share, growth — have been rightly regarded in law as private objectives which have to be distinguished sharply from public goals. SEZs, however, offer us a keyhole view into the future desired by global corporate lobbies. They can be seen as a pilot experiment in real time and space, with real people, with a new political order: the autonomous corporate city-state.

The surrounding sea of human misery and squalor is bound to give rise to repeated and violent rebellions. Which is why private armies of security guards are being trained and readied for approaching inevitabilities.

The alternative?

For the country to pay such a high cost for a growth policy that will yield benefits to an already wealthy minority is neither desirable nor politically feasible. Protests against SEZs sprang up soon after the policy began to be implemented in 2006. From Nandigram in West Bengal and Jagatsinghpur in Orissa to Raigad in Maharashtra and Nandagudi in Karnataka, SEZs have been and are being resisted with fury. Recently, the Goa government was forced under popular pressure to cancel SEZs in the state. It is unlikely that in this election year they will pass the political test in most states without fierce resistance.

There is an alternative vision — founded in an effectively audited implementation of the National Rural Employment Guarantee Act (NREGA) and the Right to Information (RTI) Act — which can tackle within a short period of time long-standing problems of mass unemployment and poverty in India. It can even co-exist with a selective engagement with the global economy. In fact, it is possible that such an engagement may be politically feasible in the future only if the so-called reforms (which have hitherto enriched the rich without trickling down much) are thus 'humanised'. A 'two-track' structure of economic policy may be the only thing viable in the short run.

Through effective implementation of the NREGA, for which viable financing schemes are not too difficult to think of, several goals can be reached at once. First, mass unemployment and poverty in the country can be eliminated within the foreseeable future. Second, by putting purchasing power in the hands of the poor, the domestic market for industry will increase, creating a sustainable spiral of growth for the macro-economy. Third, through the public works programmes that the rural poor will carry out, infrastructure (like roads, irrigation, etc) can be developed. Fourth, urgent environmental programmes (such as watershed development, afforestation and soil conservation) can be undertaken to face the rapidly deteriorating environmental predicament that the country is facing. Finally, by generating employment in villages, the policy will stem the tide of distress migration to the cities, relieving the burden on urban infrastructure and public health.

Not only are SEZs not a requirement for such a policy framework to be effective, they will militate against it.

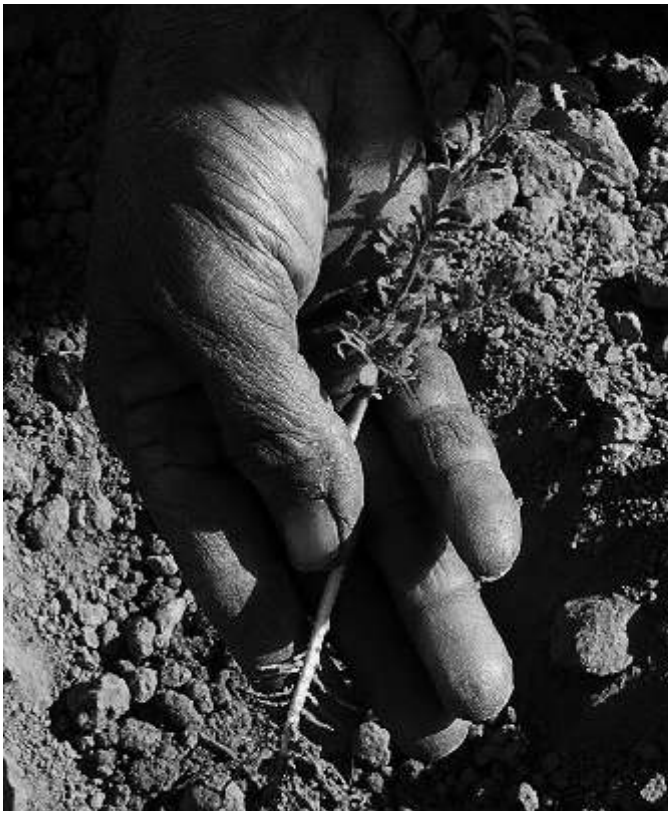
The nuts and bolts of appropriating agricultural land

How much land is actually transitioning from farm to non-farm use? The government itself puts the figure at 1.5% of net sown area between 1990 and 2003, or more than 21 lakh hectares. The actual figures could be much higher. Putting just this much land under wheat would yield 57 lakh tonnes of produce, enough to feed more than 4.3 crore hungry people every year

BHASKAR GOSWAMI

THE ISSUE OF LAND ACQUISITION for the setting up of Special Economic Zones (SEZs) has focused national attention on the loss of agricultural land. Addressing a National Development Council meeting on December 23, 2006, Prime Minister Manmohan Singh said: "I agree that we must minimise the diversion of agricultural land and, given the choice, must opt for using wasteland for non-agricultural purposes. However, it must be kept in mind that industrialisation is a national necessity if we have to reduce the pressure on agriculture and provide gainful, productive employment to millions of our youth who see no future in agriculture."

It is obvious that the prime minister's statement was directed more at assuaging violent opposition to the deprivation and displacement unleashed by land acquisition than at generating employment in off-farm activities for the rural youth. If this were not so, the government would have provided a figure on the threshold level for this diversion so that agricultural land is protected. In fact, the government itself does not know how much agricultural land has been diverted till date, as the Planning Commission's July 2006 report of the Working Group on Land Relations for the Eleventh Five-Year Plan made clear.



PACS Programme

The reason for this lack of awareness is not difficult to figure out: both the government and the private sector have partnered in appropriating agricultural land to promote industry, real estate, infrastructure, highways, dams, etc. All this purportedly to benefit the 'public', which somehow does not include people engaged in agriculture. The fact is that diversion of agricultural land for non-agricultural use will not only continue but also enjoy official sanction. As always, it is the poor who will pay in terms of livelihood loss and food insecurity.

Do numbers matter?

Are SEZs the only, or principal, reason for the diversion of farm land for non-farm use? Available figures indicate that large-scale diversion of agricultural land has been going on for more than a decade. At present, a little over 46% of the country's area is cultivated. According to the Ministry of Agriculture, between 1990 and 2003 the net sown area declined by around 1.5%. While in percentage terms this may seem insignificant, in absolute terms it translates to more than 21 lakh hectares. On the other hand, between 1990 and 2004, land under non-agricultural use has gone up by 34 lakh hectares.

This extensive diversion of farmland has been facilitated by a relaxation of land acquisition and ceiling regulations post-1991, and has resulted in the State itself turning into one of the largest real estate brokers and developers in the country. All that the Centre did to protect agricultural land was issue the National Land Use Policy Outline to States and Union Territories, in 1986. Instead of full implementation, the state-level Land Use Boards have redefined their role to coercing farmers to give up farmland.

All across the country, agricultural land is shrinking. According to official figures, Tamil Nadu lost more than 10 lakh hectares of agricultural land between 1991 and 2003. Mineral-rich Orissa, Jharkhand and Chhattisgarh are losing agricultural land to mining and power projects. In Kerala,

between 1997-98 and 2001-02, over 80,000 hectares of crop land were diverted for non-agricultural use. Even in the case of a small state like Himachal Pradesh, the net sown area has declined by 33,000 hectares between 1991 and 2001.

At a seminar on land use planning held at the National Centre for Agricultural Economics and Policy Research, New Delhi, in 1997, activist Sulabha Brahme stated: "The Maharashtra Industrial Development Corporation (MIDC) has so far acquired 35,000 hectares of land over 200 locations... It has planned land acquisition for 120 industrial areas/estates covering 30,000 hectares of land... Nine large industrial townships with sizes ranging from 2,000 to 7,000 hectares are planned... MIDC is also planning deluxe industrial estates for attracting NRIs and foreign companies... Land is being acquired by the government for private hotel industry and tourism development." No wonder the MIDC website proudly proclaims that by 2002 it possessed more than 52,000 hectares of land with plans to acquire another 35,000 hectares.

In the neighbouring state, MIDC's counterpart, the Andhra Pradesh Industrial Infrastructure Corporation (APIIC), expanded its ownership from 14,000 hectares in 2005 to 34,000 hectares in mid-2006. In November 2007, Tamil Nadu released its new industrial policy and announced that it would develop a land bank of 4,000 hectares to promote industrial development in the state.

This hunger for agricultural land continues unabated. Between 2002 and 2007, about 90,000 hectares of agricultural land across 25 mandals in and around Hyderabad have been diverted for real estate speculation and mega-projects. Another 63,000 hectares across 20 mandals of Ranga Reddy district have been lost over the past 10 years. These figures have been reported in a paper published in the August 4-10, 2007 issue of the *Economic and Political Weekly* by V R Reddy and B Suresh Reddy who estimated that a mind-boggling 5 lakh hectares of agricultural land have been lost in Andhra Pradesh in recent years. The authors feel this is a conservative estimate.

While the prime minister was at least trying to appear as if he was not advocating the poaching of agricultural land, some state governments have not bothered with such niceties. Take Chhattisgarh, where 80% of the population depends on agriculture. The state government's Vision 2010 document states: "The existing rules prevent the diversion of agricultural land for industrial use. The state would simplify the procedures of diverting land from agricultural to industrial use." To achieve this, the state proposes that agriculture be left to the 30% of farmers who presently control 70% of the agricultural land!

Besides industrialisation, agricultural land is also being gobbled up at an unprecedented rate in the name of infrastructure development. In some cases, the scale may be smaller, as with the World Bank-funded Allahabad bypass project which led to the acquisition of 781 hectares of prime cropland. Or it may be huge as in the case of the Ganga expressway project in Uttar Pradesh, which is expected to acquire 63,110 hectares. The Gangetic plains hold arguably the most fertile land in the country, and 70% of the land earmarked for the project is agricultural land owned and cultivated by farmers.

The National Highway Development Programme Phase V plans to widen 6,500 km of existing four-lanes to six-lane highways. Across the countryside, about 146,000 km of new roads are planned, and a dedicated programme, the Pradhan Mantri Gramin Sadak Yojana, has been going on since 2001-02. The Cabinet Committee on Economic Affairs, meeting on January 10, 2007, called for an amendment of land acquisition laws to enable the speedy acquisition of agricultural land for Rs 5,000 crore railway expansion projects.

There's more. To sustain the 18% growth in the civil aviation sector, the government is planning to redevelop 45 big and small airports around the country. Foreign equity of up to 100% has been permitted through automatic approvals for greenfield airports. The recently-cleared Greater Noida airport near New Delhi will involve the acquisition of 1,500 hectares of farmland. Reliance Industries Limited (RIL) and the Haryana state government have jointly proposed a greenfield international-airport-cum-cargo-airport at Jhajjar, near Gurgaon, for which 4,347 hectares have been earmarked. If similar demands to build new airports come up from 20 cities or SEZs, 50,000-80,000 hectares of farmland would disappear.

When the State itself goes about brazenly acquiring agricultural land and violating the principles of the National Land Use Policy Outline, can the private sector be far behind? In fact, the area being parcelled off for private sector projects is way higher that what is actually required. Take the Anil Dhirubhai Ambani group's proposed gas-based power-generation project coming up at Dadri, Uttar Pradesh. The project proposes to generate 3,600 MW of power for which the state government acquired 903 hectares of prime farmland. Not only were farmers paid 125 times less than the prevailing market rate, the land acquired is 10 times more than what is required for the project.

It is obvious that this trend of acquiring or buying more agricultural land than is required is fuelling real estate speculation. The real estate sector is flourishing at 35%-38% annually. In 2006, seven of the 10 companies that yielded the best returns for shareholders were in the real estate business or have land banks. Take the case of DLF, which has a land bank of over 4,100 hectares. While some of this land is in urban areas, a majority has been bought in peri-urban areas from farmers over the last decade. Another real estate major, Unitech, controls land in excess of 5,600 hectares. Financial company Indiabulls owns 3,000 hectares more.

Industry estimates suggest that the Hiranandani group has

1,600-2,000 hectares across the country, while prominent developers in Bangalore together control 800-1,200 hectares. The Sahara group owns 7,600 hectares, of which 3,200 hectares are held by the Amby Valley project in Maharashtra. Emaar-MGF, a foreign-held real estate company, has disclosed that it controls 4,000 hectares of agricultural land across the country.

Nandi Infrastructure Corridor Enterprises, a 75% subsidiary of BF Utilities, is developing 8,000 hectares of land that it owns along the existing Bangalore-Mysore highway. Meanwhile, the Karnataka state government has entrusted the Bangalore Metropolitan Regional Development Authority (BMRDA) with the task of acquiring land for the construction of five townships around Bangalore in October 2006. This will involve the acquisition of 24,000 hectares of agricultural land.

The Haryana government has adopted a report submitted by the consultancy firm Scot Wilson which proposes to set up 14 new townships in its National Capital Region, stretching from Sonepat in the north to Mewat in the south. Theme-based cities will come up at these locations and will be connected by a 135 km-long expressway developed on 620 hectares. About 45,000 hectares will be developed by private and state-run agencies as residential sectors and industrial zones. Every single square inch of the land is (or was until recently) farmland.

Add to this the 2 lakh acres that the Ministry of Commerce intends to develop as Special Economic Zones, and the figure swells.

This brings us back to the crucial question which the government refuses to answer honestly: how much crop land is being diverted for non-agricultural use? Nobody has an accurate figure. The above account summarises some of the documented facts and figures which may be a small percentage of the actual diversion of agricultural land on the ground. In such a scenario, is it not the responsibility of the government to make itself fully aware of the scale of diversion and to be clear at what threshold level the cost of diversion begins to exceed the economic gains?

This exercise could begin with a few additional questions: how much agricultural land is being converted to construct houses and shops in rural areas; how much crop land has been lost for the 4,600 big dams in the country; how much crop land is being brought under jatropha; how many million hectares are being diversified from food crops to non-food cash crops (floriculture alone covers 1.2 lakh

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hectares), brick kilns, stone crushers, etc. While no reliable estimates are available, going by the developments in recent years it is certainly a number of times more than the official figure of 21 lakh hectares of net sown area lost between 1990 and 2003. Maybe the human element has been overshadowed by the promises of economic benefit to a few.

When numbers do matter

Does such large-scale diversion of agricultural land have an implication on the nation's food security? After all, India has more than a billion mouths to feed. Besides, the country also houses half the world's hungry.

For the sake of argument, if we accept that 21 lakh hectares of crop land have been diverted for non-agricultural use, and if this area were brought under wheat, it would amount to a mind-boggling 57 lakh tonnes of produce which could feed more than 4.3 crore hungry people every year. Had there been the political will to prevent this diversion, the number of hungry would have declined by over 12%. Since the area diverted is more than 21 lakh hectares, it is clear that policymakers are implementing a blueprint to put India on the path to food insecurity.

Diversion of agricultural land for industry is frequently justified by pointing towards cultivable wasteland — around 132 lakh hectares — which can be developed and put under cultivation. However, cultivable wastelands have also declined by over 18 lakh hectares between 1990 and 2004. Further, even if these wastelands are developed and made cultivable to grow food, their productivity will remain abysmally low for several years.

In addition to increased production of foodgrain to ensure food security, pulses and fats are necessary for nutrition security. Feeding half of the world's hungry who live in India will require at least 170 lakh hectares of additional land. Self-sufficiency in pulses and edible oils will require 200 lakh hectares more. Where will this land come from? Forget agricultural land; there is not enough cultivable wasteland available to meet this requirement.

The fact is that there simply is not enough land to go around. The commerce ministry's statement that "SEZs account for 0.000012% of the country's arable area" ignores the fact that this land can feed over 4 million hungry every year in perpetuity. Further, the ministry's argument that most land under SEZs had already been acquired by state governments, and very little crop land is being acquired, is indefensible because prior to its acquisition the land would have been under cultivation.

In addition to land, water is another resource that is limited in supply and there is intense competition between agriculture and industry for its use. As it is, barely 40% of the country's cultivated area is irrigated. This limited area, however, accounts for more than half of the total value of Indian agricultural output. Irrigation also has the potential to increase crop yields by 30% and therefore its importance in ensuring food security cannot be ignored. However, as with land, industries are being favoured for the use of water.

Given the present rules governing groundwater resources in the country, there is precious little that a state can do to prevent industries from running the underground aquifers dry and leaving nothing for surrounding farmlands. Not only groundwater, even rivers and reservoirs meant for irrigation are now at the service of industries. Take, for instance, the Whitefield Paper Mills SEZ in Andhra Pradesh. Located within 5 km of the Godavari river, the state government has permitted the SEZ to draw 100 million litres of water per day.

In Orissa, the allocation of water to industries from the Hirakud reservoir has risen 30 times over 1997 levels. Notwithstanding protests by farmers against the diversion of water meant for irrigation, the state is going ahead with its plans to increase allocation for industries like Hindalco in Sambalpur and Vedanta Industries Ltd in Jharsuguda. POSCO's proposed SEZ in Jagatsinghpur has been allowed to directly draw water from the Mahanadi river.

The Mundra Port SEZ being developed by the Adani group in Gujarat has managed to access 6 million litres per day of Narmada water for immediate use; it expects the allotment to go up. The SIPCOT SEZ in Sriperumbudur, Tamil Nadu, will receive water from the SIPCOT water supply scheme. The government of Andhra Pradesh will install a pipeline capable of carrying a dedicated capacity of 20 million gallons of water per day for the FAB City SEZ coming up near Hyderabad. The list is endless…

It is unfortunate that despite over 177 lakh hectares of barren and uncultivable land lying unused, scarce resources like rich agricultural land and water are being poached to promote industrialisation. Instead of self-reliance, the focus has now irreversibly shifted to importing food to feed the country's burgeoning population.

There are some who believe that there may be a few pitfalls in this approach.

"It's important for our nation to be able to grow foodstuffs to feed our people. Can you imagine a country that was unable to grow enough food to feed the people? It would be a nation that would be subject to international pressure. It would be a nation at risk. And so when we're talking about American agriculture, we're really talking about a national security issue."

That was President George W Bush addressing the National Future Farmers of America Organisation, on July 27, 2001. For once, Bush makes sense.

India desperately needs an Agriculture Land Conservation Act to protect its farmers and farmlands. The threat to the nation's food security, and, consequently, to its political sovereignty is real.

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The relevance of land reform

Land reform is a forgotton agenda in State policy today. But given the jobless growth of the Indian economy and the spurt in rural violence, with people protesting their lack of access to land, water and jungle, it is land that must provide livelihoods not only to those already in the agricultural sector but also to the urban unemployed returning to rural areas for shelter and livelihood

D BANDYOPADHYAY

THERE IS A LOT OF LITERATURE on the present problems in agriculture, including several volumes of the Swaminathan Commission report. All of it deals with techno-economic factors such as the lack of public investment in the primary sector, unfavourable terms of trade for agriculture, chemical fertilisers, absence of institutional credit facilities, etc.

All of these factors are important. But there has never been any serious discussion on the mode and relations of production in agriculture. These techno-economic factors must be viewed in the context of agrarian relations. Unless agrarian relations are conducive, the availability of investment, credit, etc, will not by themselves solve the agrarian crisis.

West Bengal is now recognised as an agriculturally advanced state. But from 1891 to 1981, agricultural growth rates in Bengal varied between 0% and 1% per annum. The century-old stagnation came to an end in 1982-83 thanks to a conglomeration of a number of conducive forces in production relations. This point is often ignored by the agriculture pundits: land reforms in West Bengal played an important role.

Jawaharlal Nehru's autobiography offers a vivid account of the participation of peasants and agricultural workers both in the civil disobedience movement of 1921 and the non-cooperation movement of 1931. Peasants took part in these movements in large numbers and suffered repression and police atrocities in the hope that political freedom would be accompanied by their emancipation from the oppression and bondage of the taluqdar and zamindar who were the 'lords of the land' and whom Nehru described as “the spoilt children of the British government”. Swami Sahajanand, the first president of the All-India Kisan Congress (then a front organisation for the Indian National Congress) asserted in 1936 that “no compromise was possible between the peasants and the landlords except dispossession of zamindars of their land” (Bandyopadhyay: *Land Labour and Governance,* World View, Kolkata, 2007, p 102). Radical land reform was accepted as a post-Independence programme of action by a large section of the Congress, particularly those who described themselves as the “Congress Socialists Group”.

Soon after Independence, the All-India Congress Committee (AICC) set up the Congress Agrarian Reform Committee, commonly known as the Kumarappa Committee. Among other measures, the committee proposed fairly radical ceilings on land. The First Five-Year Plan generally endorsed the recommendations of the Kumarappa Committee and left it to the states to implement the ceiling provisions depending on the realities of each state. Since then, land reform has been an item for action in all five-year plans. In the Seventh Five-Year Plan, there was a clear statement linking land reform with other major programmes in the plan. It stated clearly: “Land reforms have been recognised to constitute a vital element both in terms of the anti-poverty strategy and for modernisation and increased productivity in agriculture. Redistribution of land could provide a permanent asset base for a large number of rural landless poor for taking up land-based and other supplementary activities. Similarly, consolidation of holding, tenancy regulation and updating of land records would widen the access of small and marginal landholders to improved technology and inputs thereby directly leading to increase in agricultural production.” In short, this document, though late in the day, acknowledged the centrality of land reform in the whole process of rural development and poverty alleviation.After this late recognition came the tsunami of liberalisation which drowned all issues of fairness and justice in the socio-economic field.

Enthusiasm for land reform abated in the early-'60s when India faced a major food crisis, particularly in the eastern region. Naturally, the focus shifted from land reform to enhancement of foodgrain production and productivity. Land reforms retreated from the foreground. But rural unrest in the late-'60s and early-'70s brought it into sharp focus again. In 1972, Prime Minister Indira Gandhi convened a meeting of chief ministers to tackle the problem of rising rural unrest, commonly known as 'Naxalism'. At that meeting, the then Home Minister Y B Chavan made his oft-quoted famous statement: “We will not allow the green revolution to turn into a red revolution.” At the meeting, a consensus was arrived at to reduce land ceiling and to introduce family-based ceiling on land, tenancy reform and other similar measures.

However, things did not happen the way one would have expected. Reviewing the situation almost a decade later, the Sixth Five-Year Plan (1980-85) observed: “If progress on land reforms has been less than satisfactory, it has not been due to a flaw in policy but to indifferent implementation. Often

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the necessary determination has been lacking to effectively undertake action, particularly in the matter of implementation of ceiling laws, consolidation of holdings and in not vigorously pursuing concealed tenancies and having them vested with tenancy/occupancy rights as enjoined under the law" (p 115).

When neo-liberal economic policies hit India with gale force in 1991, land reform went off the radar of the Indian polity; it became a forgotten agenda in State policy. Marketeers dominated all segments of governance and they found it repugnant to talk about land reform or even mention it in polite society in case investors and other big operators in the market were frightened away by any sign of government intervention in the land/lease market. They considered the existing land reform laws that were enacted on the basis of central guidelines in the early-'70s not just roadblocks but detrimental to the free play of capital in the land/lease market.

This is one side of the story. On the other side, according to our present prime minister, 'Naxalism' poses the most serious threat to the internal security of the country. The Ministry of Home Affairs' assessment, in 2006, was that 120-150 districts in 12 states were "Naxal-infested". Obviously, normal writs of the State did not operate in these areas. Thus, a huge chunk of mainland India was being "governed" by extra-legal and, in some places, illegal authorities. The assessment also showed that militants, whoever they were, had established a rapport with the local population due to which they were able to move about freely evading and avoiding the pincers of the law-enforcing authorities. They were proving to the hilt Mao Tse-tung's doctrine of 'Fish in Water', where the fish were the militants and the water the mass of disgruntled, disaffected peasantry and landless agricultural workers. If the disaffection of the latter could be substantially reduced, the water would evaporate and the militants disappear.

The present spurt in rural violence has once again highlighted the issue of poor people's access to land, water and jungle. Will there be a knee-jerk response from the State in terms of temporary palliatives? Or will there be a consistent long-term policy framework for land reform in all its different facets? That is the issue that confronts the intelligentsia today.

The rural violence that we are currently witnessing in India is not an isolated and totally indigenous event. There are similar movements in several countries in Latin and Central America and in parts of South Africa, the Philippines and Indonesia. What we are seeing in these countries, in the form of violent land movements, is basically the 'third wave' of Left politics.

Third wave 'virulent' Left politics is the direct result of the traditional Left's subservience to the needs of capital exhibited through its adherence to neo-liberal economic reform policies. So we have the violent Maoist movement in India, the Zapatistas in Mexico, PARC in Columbia, MST in

Brazil, and the Hook in the Philippines.

The hopes our early planners had — that with the country's rapid industrialisation, surplus labour in agriculture would be drawn away and absorbed into the secondary and tertiary sectors — were never realised. At the end of the Tenth Five-Year Plan, almost 60% of India's labour force is still engaged in the primary sector, contributing around 21% to the country's GDP. Industry employs 17% of the labour force, producing 27% of GDP. What is happening in India is not unique. China, which is today the third largest country in the world for manufactured commodities, still has 49% of its labour force engaged in agriculture, producing 15.2% of the country's GDP; industry engages only 22% of the labour force, contributing 52.9% of GDP (figures quoted from 'Pocket World in Figures 2007: A Concise Edition', *The Economist,* p 60 and p 66). This shows that macro-economic growth in both these contexts has failed to create better prospects for the rural poor in allowing them to acquire productive assets, get gainful employment or significantly improve their income and quality of life.

Employment figures for the organised private and public sectors present a dismal picture. In 1991, total employment in this segment was 267.33 lakh. It went up to 282.85 lakh in 1997. Since then it has been continuously dropping. In 2004, the figure was 264.43 lakh, 3 lakh less than the figure for 1991 when liberalisation was initiated. We are therefore witnessing a gradual squeezing out of regular employment, increasing the pool of the urban unemployed. What is also happening is that regular jobs are being 'casualised' in the organised sector. Casual employment is also getting 'feminised', putting a greater burden on women to earn a livelihood and look after the household. The ILO describes this situation as the "feminisation of poverty".

It is now evident that the UNDP's prediction in the mid-'90s — of ruthless, pitiless, uncaring 'jobless growth' — is turning out to be true in the Indian context. As a result, a majority of the additional labour force in rural areas will necessarily have to be absorbed both in the farm and non-farm segments of the rural economy. We may also have to deal with the back-flow of urban labour of rural origin rendered unemployed through the process of jobless growth. Under the circumstances, land will have to provide some sort of livelihood not only to labour already attached to agriculture and allied pursuits, but also to a segment of surplus urban unemployed returning to rural areas for shelter and livelihood. Hence it is being increasingly recognised that without a significant policy shift towards comprehensive land reforms, including a programme for getting more land under ceiling laws for redistribution, security of tenure for tenants-at-will, access of the poor to common property resources (CPR), proper social and economic rehabilitation of displaced people from coercively acquired land, a further deterioration of the economic, social and political conditions of the rural poor can neither be arrested nor reversed.

The interaction between poverty, food security and resource rights is starting to bring about a refocusing of national and international agendas on the revival of agrarian reforms and resource tenure for agricultural communities as well as fisherfolk and coastal communities, forest-dwellers, pastoralists and other traditional resource users.

Agrarian reform is primarily about changing relationships. First, it aims to change access and tenure relationships. Second, it aims to change the current culture of exclusion so that the poor gain access to credit, technology, markets and other productive services. Third, it aims at making the poor active participants in the development of policies and programmes affecting them and their livelihoods. While talking about redistributive land reforms, coercive evictions from land and livelihood because of compulsory acquisition of land for 'development purposes' are greatly aggravating poverty distress and landlessness of project-affected persons (PAP). A well-known scholar Dr Walter Fernandes estimated that between 1951 and 2005, roughly 55 million people were forcibly evicted from their land through land acquisition processes. This is a colossal figure; it is more than the population of the majority of member countries of the United Nations. Tribals constitute 40% of PAP; the absolute figure would be around 22 million out of a total tribal population of a little over 80 million. It appears that tribals who have the least sustaining power have borne the brunt of development. It is estimated that only 18%-20% of displaced tribals have been properly resettled and rehabilitated. Thus a vast majority of displaced, homeless, landless and jobless tribals is moving about like flotsam and jetsam in the cruel development process. They are depressed and dejected, annoyed and angry.

The situation is worsened by the almost mindless 'land grabs' in the name of Special Economic Zones (SEZs). This is nothing short of the rich man grabbing the poor man's land for himself. It is difficult to come up with exact figures as they change every day, but this new land grab has given rise to sharp popular resistance as witnessed in Nandigram in West Bengal and Jagatsinghpur in Orissa. Halfway across the world, in the Chiapas region of southern Mexico, indigenous people declared in 1980: "We demand absolute respect for our communitarian self-determination over our land, over our natural resources and over the forms of organisation that we wish to give ourselves. We are opposed to having our natural resources plundered in the name of a supposed national development."

Our scheduled tribe (ST) leadership had been demanding almost the same thing.

Common property resources (CPR), where every member of the community has easy access and usage facilities, used to be an integral part of the social and economic life of the village poor, particularly landless and land-poor households. Among the landless, a vast majority belonged to dalit groups which had to depend heavily on CPR for their survival. A study in seven states in semi-arid areas indicated that CPR accounted for 9%-26% of the household income of landless and marginal farmers, 91%-100% for their

fuelwood requirements and 69%-89% for their grazing needs (Jodha, 1986, *Reclaiming Land*).

The expropriation of CPR in order to hand land over to the corporate sector for agribusiness and industry has caused 'de-peasantisation' among farming communities and accentuated the misery of already poor landless and marginal farmers, most of whom are dalits. De-peasantisation directly increases landlessness and acute poverty, coupled with assetlessness and debt bondage.

The last five decades of ceiling law application in the country have resulted in the vesting of 7.43 million acres of land, of which 5.70 million acres were taken over and 4.34 million acres distributed among roughly 5 million beneficiaries. The total area vested is less than 1% of the total area of 812.63 million acres in the country; barely over 2% of arable land area.

The National Sample Survey Organisation's (NSSO's) survey of land ownership patterns in 2003 also shows extremely skewed landholding patterns. At the all-India level, marginal and small owners constituted 90.40% of the total number of owners. But they owned only 43.43% of land, whereas medium and large farmers who constituted only 9.60% of landowners owned as much as 56.21% of land. Therefore the argument that there will be no land available for a third wave of acquisition of ceiling-surplus land is incorrect.

The achievements so far have hardly been worth writing home about. There is enough evidence the world over to show that self-cultivation on small farms yields significantly higher levels of productivity than large farms cultivated by tenants or hired labour. Therefore, equity and efficiency demand that the ceiling limit be drastically reduced to the level of 5 to 10 acres per family. Since the various classifications of land provide ample opportunity to landowners to evade ceiling, the law must come up with a simple definition of land as given in the standard English dictionary. If this is done, a number of escape routes will be blocked in one stroke. Moreover, the law must provide for the cancellation of all *benami* and *farzi* documents retrospectively, as these are proven methods of evasion.

On the tenancy front too the picture is not very bright. The National Sample Survey (NSS) figure of 6%-7% is generally admitted to be an underestimation. Tenancy being illegal in many states, respondents often do not disclose the truth. Several micro-studies indicate that the incidence of tenancy varies between 15%-35%. These are all concealed tenancies run under extremely exploitative terms, under oral contracts. The emergence of the phenomenon of reverse tenancy is also cause for serious concern. Hence, while discouraging the earlier system of rent-seeking sub-infeudation, leasing-in and leasing-out of land for cultivation should be permitted within a ceiling limit. All non-owner crop-sharing tillers of land should be recorded, prescribing fair sharing of crop @ 75% (for the tiller) and 25% (for the owner), and they should have heritable rights of cultivation without title to the land. The moment recorded sharecroppers get a certificate of sharecropping they will become bankable. This will infuse institutional credit to augment both production and productivity.

Other points to be considered could be:

- A massive operation should be undertaken to restore alienated tribal lands to their rightful tribal owners.
- Appropriate amendments of the Land Acquisition Act of 1894 and Coal Bearing Areas (Acquisition Development) Act of 1957 in tune with PESA.
- Issue of 'user *pattas*' in the names of women and men for use of CPR including tree *pattas* for forest-dwellers and water *pattas* for fisherfolk over inland or coastal CPR waterbodies.
- Setting up of a dispute settlement mechanism at the gram panchayat level with gram panchayat members and representatives of beneficiary groups, with a representative of the bureaucracy as a member-convenor, to keep records and explain the legal position.

All these points have to be thrashed out through intense public debate.

In real terms, land reform must entail the disempowerment of a small empowered caucus of people and the empowerment of many powerless people by the transfer of land resources from the former to the latter, through State intervention. In a democratic society, this can be carried out without bloodshed. But there will inevitably be some tears. There will be strong resistance from vested interests, particularly among the landowning classes. The key to success will be strong organisations of prospective beneficiaries vociferously demanding change in their favour, backed by equally forceful political will on the part of the State intervening on behalf of the rural poor and dispossessed. The birth of a better social order cannot be without its birth pangs.

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Whose land is 'wasteland'?

By the second half of the 19th century, the British government had codified a series of laws to enable it to extract as much as it could from the acquisition, sale and transfer of lands and forests. Unfortunately, republican India has not broken with colonial law, continuing to consider as public land all land not assessed for revenue and taking over such land after declaring it 'forest' or 'wasteland'

KANNAN KASTURI

LAND TODAY IS AT THE CENTRE of a bitter struggle between government and private industry, on the one hand, and rural communities on the other.

The government recognises land as privately owned if an individual has an authorised '*patta*' or title; otherwise the land is considered State property. In practice, land that is nominally held by the government may be a common property area such as a traditional village grazing site, village forest or land adjacent to a seaside fishing village used by the community, an area occupied by people for many generations without the State providing the title, an area declared to be a forest where the State has not settled rights, or perhaps land that has been encroached upon.

When government provisions land for industry, infrastructure or mining, the land typically includes both government land and privately owned land; the rural communities which depend on that land and on the local environment are faced with loss of livelihood and the trauma of displacement. Individual land title-holders are provided monetary compensation as dictated by the colonial Land Acquisition Act (see box), a compensation that is never enough to replace fully the loss of land assets and access to common resources and allow continuance in the same occupation; those without titles get no compensation, as, according to the government, they had no property in the first place.

Rehabilitation is promised in policy. But the policy is based on the view that any loss of rights of those affected has already been compensated. It is thus a humanitarian act, an act of benevolence by the State, a measure to mitigate the suffering of affected citizens to the extent permitted by external circumstances and subject to various conditions, no more or less than what the government would do for victims of any natural calamity. There is certainly no assurance that all those affected by the State's acquisition of land will be so rehabilitated that they are at least able to maintain their standard of living.

There is clearly a great divergence between rural communities and the government on how they view land, its ownership and use rights. This divergence arose in the colonial period which is when much of the law and policies relating to land were laid down, and has continued to widen over the last 60 years of democratically elected governments. The rest of this essay will elaborate on this divergence of view that is at the root of the conflict.

Institution of private property rights in land

Private property rights in land, including the right to sell and mortgage land, came to be firmly established in India by the second half of the 19th century, driven primarily by the colonial State's need to increase land revenue.

Land revenue, the tax on cultivation, was the main source of State revenue when the British started taking control of territory in India. The colonial administration was keenly interested in finding ways to increase tax collection. 'Survey and settlement' operations were carried out which recorded, village by village, every field and holding. The surveys not only classified and evaluated the land, but also recorded rights over the land. 'Settlement' referred to the fixation of land tax along with the term for which the assessment was to hold good.

The colonial administration experimented with various modes of collecting tax. In the Bengal Presidency, revenue collection was entrusted to the zamindars with the 'Permanent Settlement' of 1793, and they were recognised as the actual proprietors of the estates though they had been only revenue collectors earlier. In the Bombay and Madras Presidencies, tax was directly collected from individual cultivators whose title to the land also derived from State authorisation. The right to transfer land by sale or mortgage was ensured in a series of codified laws, starting in 1859 (Vani, 2002). This was necessary for the State to be able to enforce the payment of land revenue under threat of its attachment and sale.

Government takeover of common and public land

The State authorisation of private property rights in land also resulted in the separation of public land from private land and facilitated the takeover of public land by the colonial government.

Land not under cultivation, termed 'wasteland', as it did not provide revenue, was declared to belong to the State and taken over by the revenue department. Such land included lands near villages that were traditionally a common resource available to the villagers for grazing and other purposes. Such land was also sought to be brought under revenue settlement. Title to such land was offered for consideration to local landlords and the general public

The 'public purpose' of land acquisition

The Land Acquisition Act has its origins in early regulations made by the East India Company to acquire land for roads, canals and the railway network.

By 1870, there was an acquisition law that defined the process of acquiring land, determining compensation and seeking judicial arbitration in case of disputes over compensation. The law continued to be fine-tuned and took the consolidated form of the Land Acquisition Act, 1894.

Colonial legislators were concerned with the moral justification of the law. Privately held land could be expropriated by the State, but only to serve some 'public purpose', for performing some public good or satisfying a public need. What constituted 'public purpose' was, however, not defined in the law but left to the government to decide. The acquisition, though forced, had to be seen as a sale. Monetary compensation was determined by the 'market value' and an additional amount offered to compensate for the hardship imposed by the involuntary nature of the transaction.

After the end of colonial rule, the Constitution of India, by Article 372, allowed all colonial laws to remain in force until they were repealed by Parliament. The Land Acquisition Act of 1894, in an essentially unchanged form, continues to be used by the State for the land requirements of the government, the public sector and private enterprise.

In the early years after Independence, the Law Commission of the Government of India was asked to review the Land Acquisition Act. Reporting that a large number of suggestions were received urging that the term 'public purpose' be clearly and exhaustively defined, the Commission argued in its 10th report in 1958 that it was "neither possible nor expedient to attempt an exhaustive definition of public purposes". It further stated that all that could be attempted in the law was "to provide an inclusive definition so as to endow it with sufficient elasticity to enable the courts to interpret the meaning of the expression 'public purpose' according to the needs of the situation".

Subsequent amendments of the law retained the elastic definition of the term 'public purpose' to suit the needs of the government of the day.

The practice of the last 60 years has thrown up a number of issues with regard to the legislation that have a severe negative impact on the affected people.

The acquisition process follows the authoritarian methods of a colonial administration, bringing years of uncertainty and fear into the lives of those affected. Getting the best compensation often involves going to court. Those with the ability to engage lawyers and work the system are able to get the benefits, while others, usually the poor and uneducated, are short-changed.

The monetary compensation offered to landowning farmers is linked to 'market value' as determined by recent recorded transactions in land, though it is common knowledge that these always undervalue the land. Land prices also shoot up after permitted land use in an area is changed by the government from agricultural to industrial or residential. The original owners however are denied the benefit of the revaluation of land.

The law narrowly defines those affected by an acquisition. People not owning property, such as agricultural and non-agricultural labourers and artisans, are not recognised as being affected or entitled by law to any compensation. Large-scale acquisition covers the population of entire villages and includes loss of homesteads in addition to loss of land and livelihood. Yet the law does not engage itself with issues such as resettlement or rehabilitation of the displaced. The government has recently proposed major amendments to the acquisition framework with the Land Acquisition (Amendment) Bill, 2007 along with a companion Rehabilitation and Resettlement (R&R) Bill. It claims that the new laws "will go a long way in striking a balance between the need for land for development and other public purposes and protecting the interests of the persons whose lands are statutorily acquired".

An issue that has been agitating the public mind is how acquisition for private companies by the government can be justified.

The amendment makes it explicit that the requirements of a private company for land for a "purpose useful to the general public," can be considered a "public purpose" (with the limitation that government will acquire a maximum of 30% of the land needed). The phrase "purpose useful to the general public" seems to have sufficient elasticity to encompass almost any land use.

On compensation issues, the proposed law, while recognising that land value increases with change of land use after acquisition, leaves it to the collector to "take into account" such change while determining compensation.

R&R necessitated by displacement resulting from large-scale acquisition is left to the R&R Bill which spells out a set of benefits that the State will try to provide, subject to various conditions and external circumstances.

through an order of the Court of Directors of the East India Company in 1856, and rules for selling 'wastelands' were published in 1864 (Vani, 2002).

Prior to colonial rule, rural communities enjoyed the use of forests near their villages. Personal use of forest products was typically not taxed by the rulers. Forests were also home to large numbers of forest-dwellers who continued to live generally undisturbed by the rulers.

Colonial interest in the forests started with the extraction of teak for the British navy, later extending to timber for India's rapidly expanding rail network. Initially, village communities also had access to the forests, but it was soon clear to the colonial administration that they were competing for the same resources. The Indian Forest Act, first enacted in 1865,

Simon Williams/Ekta Parishad

asserted the right of the State over forest resources and the forest department was created to manage those resources.

Its successor Act in 1878 recognised forests as valuable property and provided for complete State control. Forests were categorised as 'reserve forests' (reserved exclusively for State use) and 'protected forests', where people were given some use privileges by the forest department which could also be taken away. Customary rights of existing forest-dwellers could be extinguished through 'permanent forest settlements' by the forest department after providing compensation, following the provisions of the Land Acquisition Act, after which they would be evicted from the forest. Without any notion of legal ownership and written record of rights, these communities were at the mercy of the forest department, which would decide if they had rights or just label them 'encroachers'. By 1939, 188,500 sq km of land in undivided India had been notified as 'reserve forest', forest-dwellers evicted and the land brought under commercial forestry operations (Milward, 1947).

Continuity in law and policy after Independence

Republican India did not break with colonial law and policy. The colonial Indian Forest Act was retained. State-controlled commercial forestry continued, but private industry was also allowed access to forests. Far from rectifying the wrongs of the colonial period, the traditional and customary rights of millions of forest-dwellers continued to be ignored.

In the 1970s and '80s, legislation in reaction to increasing concern for protection of wildlife and environment resulted in a further setback for forest-dwellers. The Wildlife Protection Act of 1972, for example, allowing for the creation of national parks and sanctuaries, continued with the practice of ignoring traditional and customary rights even though such customary law was now recognised in many countries of the world with native communities. The procedure for settling rights in reserve forests as well as national parks and sanctuaries was derived from the colonial Land Acquisition Act of 1894. Absolute power remained in the hands of government officials to determine the fate of those living in lands declared forests or sanctuaries.

The State carried on with the policy of considering all land not assessed for revenue to be public land and taking over such land after declaring it 'forest' or 'wasteland' irrespective of the history of occupation and use.

Vast lands of former princely states and former zamindars were declared forests through blanket notifications reminiscent of the colonial period, without settling the rights of pre-existing occupants. This was a substantial area — 26 million hectares, or over 7% of India's land mass. These areas supported a variety of communities including shifting cultivators, members of hunter-gatherer tribes, forest-based

settled cultivators, nomadic pastoralists and tenant cultivators of zamindars, whose rights to the land were customary. With the State takeover of the lands, these communities were reduced to the status of 'encroachers' on land they had been using for generations (Sarin, 2005).

The State failed to expedite the 'survey and settlement' process in areas where, for various reasons, the colonial administration had not completed the process, such as in the scheduled areas. Large parts of south Orissa were never surveyed. Land was often indiscriminately laid claim to by the State. Madhu Sarin gives several other examples (Sarin, 2005):

"Revenue land settlements carried out during the 1970s in Orissa did not survey hilly lands steeper than 10 degrees because of the expense involved. They were declared (including their un-surveyed villages and cultivated lands) as State-owned forests or 'wastelands'." These lands were predominantly inhabited by tribals.

"In 1975, in four districts alone (Thane, Raigad, Ratnagiri and Sidhudurg), over 303,000 ha of agricultural landholdings were declared 'private forest' without the knowledge of the more than 100,000 (mostly tribal) cultivators. With one stroke of the pen, and without any verification on the ground, these lands were acquired and vested in the State." Ironically, many of these cultivators were given titles to these lands by the State in the land reforms carried out after Independence.

Over the last 60 years, the continuation of colonial laws and policies that ignored traditional and customary land use has resulted in millions of people — tribal cultivators, forest-dwellers, fishermen, rural poor — being reduced to the status of illegality, encroachers in the government's eyes, vulnerable and often subject to harassment and rent-seeking by forest and revenue officials at any time.

The current land acquisition scenario

Plans for land acquisition for private industry are being determined according to the location preferences and requirements of industry, and are not concerned with the current use or productivity of the land or the impact its acquisition will have on the environment or the community living on or around it. Thus, large-scale land acquisition is happening around India's metros, ports and harbours and in lands bearing coal and mineral deposits.

The targeted land includes nominally government land ('wasteland' or forest), particularly when the land is on the coast or in mining areas. The people who have been living on such land, though vulnerable to harassment by officials, still manage to meet part or all of their livelihood needs from it. It is when this land is reclaimed by the State for the purpose of some 'development' project and handed over to industry that they feel the full impact on their livelihood. Some examples of current developments are illustrative.

The Mundra SEZ in Kutch, Gujarat, is coming up in phases over a 130 sq km area. It includes a port, an airport, a container terminal, housing and other infrastructure for industry. The company describes the land already acquired as a "sparsely populated wasteland". But this land has been supporting the grazing and fishing needs of 15 villages of that area for generations; over 1,000 fisher families have been affected by the takeover that directly impacts their livelihood. They have had to wage a struggle even to ensure access from their village to the sea which was being blocked by an airport that was part of the SEZ. Reports of environmental damage from the project include the destruction of several hundred hectares of mangrove, and the filling and levelling of creeks — the impact of these changes will be seen in the future.

A second example is the planned POSCO project located near Paradeep port in Orissa. The project includes a steel plant, township, private port and captive coal and steel mines. The plant and port alone require over 4,000 acres of land that will reportedly affect 22,000 people living in seven villages and several hamlets. It is reported that villagers have *pattas* for only about 500 acres though they have used the land for generations. Besides paddy and fishing, the region currently supports successful betel leaf cultivation. There are also numerous landless families in the area. The proposed port is located at a place that serves as a breeding area for fish and is likely to affect the livelihoods of local fishing communities. They are doggedly opposing the project.

Conclusion

Rural communities see the land that they have used and nurtured for generations, what they consider to be *their* land, the basis of their livelihood, being taken away from them, leaving them without a life support system. They see that the acquisition is for private industry that will make profits for itself. They find it hard to understand the 'public purpose' of these projects. Past experience of other projects shows them that 'development' passes them by. Instead, they have often to face the consequences of the degradation of their environment, water sources and forests. They have been witness to the condition of those who were bypassed in the past and find it hard to have much faith in the government's promises of rehabilitation. Is it then surprising that many believe that they have no choice but to resist?

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The ifs and buts of R&R

What does all the verbiage in the draft Resettlement and Rehabilitation Bill 2007 amount to if there are conditionalities even in recognising a project-affected person as project-affected, and when the displaced cannot be guaranteed alternative land for rehabilitation?

HIMANSHU UPADHYAYA

IT'S WITH A SENSE OF AMUSEMENT that you pick up a copy of the draft Resettlement and Rehabilitation Bill 2007 (which has been overshadowed by its awe-inspiring siblings, the Land Acquisition [Amendment] Bill 2007 and the new National Resettlement Policy) and try hard to search for the definition of "public purpose" and "involuntary displacement", since its avowed objective is "to provide for the rehabilitation and resettlement of persons affected by the acquisition of land for public purpose or involuntary displacement due to any other reasons".

As you read on, the wonderful world of R&R administration, R&R commissioner, social impact analysis and ombudsmen opens up to you. It doesn't matter if after creating this top-heavy bureaucracy — that itself appears to be a rehabilitation project for the staff of a recently privatised public utility — the only tangible rehabilitation or alternative livelihood promised to an affected person losing her/his agricultural land is "land, *if government land is available in rehabilitation area* (emphasis added)".

You give the draft another reading and examine Section 27 of Chapter 5, which reads: "The Administrator for rehabilitation and resettlement may, on behalf of appropriate government, enter into *an agreement* with any person *for the purchase or exchange* of any land required for the purposes of rehabilitation and resettlement scheme or plan." So, on the one hand, those who lose land are promised alternative land subject to availability of government land, and for the "rehabilitation plan", the administrator may purchase or exchange land by way of an agreement. Now, if the administrator exercises this for the "rehabilitation plan", why shouldn't the same mechanism be applied when it comes to "alternative land"?

You learn your first lesson from this inconsistency. Forget land-based rehabilitation; aspire only for the "rehabilitation plan". But then, what would qualify you to nurture that aspiration? Your status as "an affected person" itself hinges on your community's statistical strength, for an area facing displacement won't qualify for a "rehabilitation plan" unless there are "400 and more families *en masse* in plains areas or 200 and more families *en masse* in tribal or hilly areas, DDP blocks or areas mentioned in Fifth and Sixth Schedule to the Constitution". It's as absurd as the State saying that a vanishing tribe/language can be allowed to be wiped out if it has less than 200 members/speakers. But then, haven't we witnessed large hydroelectric projects being pushed in the Dzongu reserve, the holy land of Lepcha in Sikkim, using the numerical argument while overlooking the threat of extinction and the urgent need for conservation?

So what we may expect is alternative land for agricultural land lost, *if* government land is available; a "rehabilitation plan" (read: alternative housing with civic amenities) *if* the number of families facing displacement is higher than 200/400.

What about employment in the development project? Only if the land is acquired for a requiring body (read: private corporate), Section 4 of Chapter 6 provides "preference to affected families, at least one person from a family, be given subject to availability of the vacancies and suitability of the affected person for employment". So learn the lesson — if your land is acquired for government, forget even employment.

Having elaborated on rehabilitation facilities for affected families in such conditional clauses from Section 35 to 47 of Chapter 6, Section 48 stumps you suddenly when you are told: "The affected families shall have option to take a lumpsum amount in lieu of one or more benefits specified in Sections 35 to 47 (both inclusive) as may be determined by the appropriate government in consultation with the requiring body."

Surreal, you think, as memories of what happened to Narmada oustees flood your mind. Whilst a framework that came out of the Tribunal — whose primary brief was to resolve inter-state disputes on sharing the waters of the Narmada — made land-based rehabilitation of families losing agricultural land due to submergence binding on all three states, Madhya Pradesh tried to finish off "rehabilitation" by making oustees surrender their rehabilitation entitlements in the glare and lure of cash. Let's take another look at how this happened.

On May 15, 2001, the Narmada Valley Development Authority (NVDA) proposed to wash its hands of compliance with land-for-land rehabilitation, as stipulated in the Narmada Water Disputes Tribunal Award (NWDTA), by proposing what even in the words of its document was referred to as an 'amendment'. The "special rehabilitation

package" (SRP) that lured oustees to give up their legal entitlement to alternative land by opting for cash with which to 'purchase' the land had no legal sanctity, as a Supreme Court judgment had ruled out any 'review/amendment' of the NWDTA till the passage of 45 years, ie 2024.

However, the Narmada Valley development department of Madhya Pradesh unilaterally approved the SRP by carefully avoiding the word amendment and instead referring to it as "additional liberalised" rehabilitation package and financial assistance, in its letter dated November 27/December 4, 2001.

Similarly, the NVDA also took the unilateral decision of diluting its responsibility of providing house plots to project-affected families (PAFs) with civic amenities, at R&R sites, according to the NWDTA's rehabilitation clauses in its 117th meeting held on September 27, 2004, by declaring cash compensation of Rs 50,000 in case the PAF opts to avail of the same, so that it could wriggle out of bearing the cost of providing civic amenities as mandated for "rehabilitation villages" by the NWDTA.

When the National Resettlement Policy was approved on October 11, 2007, several commentators voiced their concern and advised citizens to be cautious. Writing an opinion piece in India Together, Shripad Dharmadhikari called it a "promising start and a let-down". He underlined two important "progressive" provisions: "land acquired for public purpose cannot be transferred to any other purpose but a public purpose," and "if acquired land remains unutilised for more than five years, it shall revert back to the government". However the fact is that from its metamorphosis from a policy to a Bill, these two provisions have disappeared into thin air.

It's time ongoing struggles deciphered the linguistic and statistical tyranny of this "progressive" legislation and conveyed to the framers of such legislation in straight terms that what we seek is not impact studies and bureaucratic fallacies but rehabilitation in *real* terms. And it's not too much to ask from a government that was voted to power voicing the concerns of the common people to at least arrange for the rescue of the discourse on rehabilitation, if not a complete halt on those rowdy twins, displacement and development.

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The Magarpatta model of land acquisition

In an equitable and inclusive model,123 farm families in Pune pooled 400 acres of farmland and set up a private limited company that developed a commercial-cum-residential project. These farmers own shares in the company proportionate to the value of their land. Plus they have got plush homes, earn dividends on the shares they hold, rent from tenants and income from contractual work for the company

RAKESH GANGULI

LONG BEFORE THE NATION WOKE UP to the violent protests against 'forced' land acquisitions for Special Economic Zones (SEZs), a small group of farmers on the fringes of Pune saw the writing on the wall and decided to act before the process of globalisation and development swallowed their ancestral farms.

The land they tilled has been under the Pune municipal jurisdiction since 1960, though it was still an agricultural zone. But in 1982, the Pune Municipal Corporation marked it as a 'future urbanisable zone' in its draft development plan, which meant that the government could easily acquire the land under the Urban Land Ceiling Act.

The Magar clan and their immediate neighbours, comprising 123 families that trace their ancestry back three centuries, had through the 1960s and '70s clung together to oppose the municipal administration's plan to urbanise their land. They were content with the steady income afforded by the sugarcane harvests, though some farmers in the neighbourhood, lured by the quick buck, had sold their lands to real estate developers.

By the late-'80s, the Magars realised that the city, already bursting at the seams, would eventually claim their land for infrastructure development. “It finally dawned on us that we were fighting a losing battle against rapid urbanisation, and this meant we had to act soon,” said Babasaheb Magar, a senior member of the clan.

The Magars decided that they would develop the land themselves. The fact that they knew nothing about land development and had little money did not deter them.

As the name 'Magarpatta' suggests, the Magar clan dominated, owning 40% of the total land or the largest *patta* (land strip) located next to the Hadapsar Industrial Estate. A young entrepreneur Satish Magar owned around 100 acres of land. Otherwise the average landholding per family was between 2 and 4 acres. More than 90% of the farmers were Marathas while a few were from the Mali and Sonar communities.

Together they managed to pool together 400 acres before requesting architect Hafeez Contractor to draft a private township plan, which was submitted to the concerned departments of the state administration for approval. Amid great apprehension, the families applied for conversion of the entire stretch into a non-agricultural zone.

A new government came to power in Maharashtra in 1995, while the idea was still at a very nascent stage. Seeking government approval proved an uphill task as applications and files moved from one department to another at a snail's pace. At subsequent informal meetings, the families began expressing concern over livelihoods as they had known only farming till then.

But they trusted Satish, the nephew of an enterprising local political heavyweight named Annasaheb Magar, who was instrumental in establishing the twin industrial township of Pimpri-Chinchwad in the 1960s. Pimpri-Chinchwad is now bustling with industrial activity and is one of the country's richest municipalities. Magarpatta, Satish thought, was going to be a re-enactment of Pimpri-Chinchwad, but with a focus on new-age industries like software and business process outsourcing.

Satish mooted the idea of a company rather than a cooperative so that each family got shares equal to the size of their landholding. The company was registered as the Magarpatta Township Development and Construction Company Limited; Satish became its managing director.

Today, the project is popularly referred to as Magarpatta City. It boasts ISO 9001:2000 certification, putting it at the centre of the discourse around offering a fair deal to landowners whose lands have been acquired or are in the process of being acquired under various development projects.

It was after a five-year-long wait in 1998 that the development plan for Magarpatta gathered momentum. Farmers got their land titles (non-agricultural) cleared by 1999. By now, the 123 families had built up a consensus on setting up a private enterprise.

Working through many odds, the Magarpatta City plan is a brand in itself not only for its upmarket, ultramodern design and services but also for an inclusive growth plan that puts the benefits and wellbeing of landowners at the centre. The model underscores the right of the landowner to have a say in the development process and accrue the benefits thereof. It sets high standards for land acquisition, making it incentive-driven for the farmers. It replaces coercive land acquisition methods and exclusive development projects, creating an equitable and inclusive model

However, around 65 acres of land had been sold off by some families in the interim; this had to be reclaimed. The company was run by the managing director and technical director in consultation with eight board members drawn from the shareholding families. Every family was an equity shareholder of the company. Each share was equivalent to 1 square metre of land and cost Rs 100, in 1998. The current price per share is approximately Rs 1,000. Shares could be sold only to member families.

The approximate price of an acre of land that was Rs 1.20 crore in 2000 rose to Rs 1.50 crore in 2007. Thirty per cent of the total cost of each construction was earmarked as cost of land at the current price and paid to the shareholders. The family has the option of reinvesting the amount in the company, in the form of a term deposit at an appropriate rate of interest (12.5% for three years, 11.5% for one year, and 10.5% for three months).

There were two kinds of shares initially — a preferential share and an equity share. The preferential share was short-term, where the rights of shareholders in the company and over their lands were redeemed at the end of the term. The equity share, on the other hand, endowed shareholders with permanent rights in the company and over their lands. Later, preferential shares were abolished and only equity shares that offer lifelong security to the families retained.

The most important feature of the model is that the land *pattas* (7/12 registrations) remain in the name of these families, safeguarding their ownership over the land.

Owning land is central to the Maratha tradition and this has proved a binding force, surpassing the urge, if any, for immediate gains.

The bye-laws of the company ensure preference to family members of shareholders in employment generated by the company. Shareholders may also invest in the construction of commercial spaces that are rented out to companies.

Apart from these provisions, shareholders are encouraged to bid for contracts for development work in the township, such as supplying raw material for RCC construction, labour contracts, vending contracts (shops), landscaping, beautification, and security and maintenance contracts.

“In a nutshell, these farmers not only get a fair price for their lands at the current rate, but also get dividends on the company shares they hold, lease/rent amount from tenants, employment in the company, contractual work in the city, and plush homes with amenities,” says Manik Sharma, General Manager, Sales and Marketing, Magarpatta City.

Babasaheb himself holds the contract for landscape development and maintenance of Magarpatta City. A farmer at heart, he takes great interest and pleasure in developing and nurturing greenery in the city.

Till a few years ago, the 58-year-old was happy if he made Rs 25,000 a year from the sugarcane and vegetables he

The farmers of Magarpatta City continue to have a stake in the development of their lands

produced on the 6 acres of land he shared with his elder brothers, Pralhad and Shivaji. “I had even started a nursery to supplement the farm income in 1990. But the income was nothing compared to my present annual turnover of Rs 40 lakh,” says Babasaheb, who was advised to get into landscaping given his background.

“Contracts are awarded based on an assessment of the bidder's past experience, current potential and, of course, the proposed plan and costs. The board of directors reserve rights to withdraw contracts in case the goods and services are not of the desired quality,” says Aba Magar, Manager, Magarpatta City.

However, such matters are dealt with in a very candid manner given the close rapport between the families. Babasaheb explains: “It is not looked upon as a punitive measure. At times the contract is awarded in partnership, or a partner is brought in considering the pressure on or underperformance of the contract holder.”

Around 300 contracts have been awarded for various kinds of work in the township, where preference has been given to the shareholders. On average, each shareholder holds two contracts. “Besides, over 10,000 workers are engaged in daily wage jobs in the township, apart from the 65,000 jobs created in the companies operating from here,” says Sharma.

Aba himself has been a beneficiary. “I was a commerce graduate and working for a chartered accountant in Pune for Rs 600 a month when the project began. Now I am a manager with the company drawing a professional salary that I could only have dreamt of as a farmer's son,” he says.

Aba manages a township spread over four phases, comprising commercial and residential spaces. There are four commercial complexes that house mostly IT firms. Of the total residential capacity of 6,000 dwellings, 2,500 spaces are currently occupied.

A majority of the 123 families have bought apartments or bungalows for the specific purpose of renting them out to the IT firms that have set up shop here. “Almost every shareholding family here earns a handsome rent in addition to their other income,” says Aba.

A four-room unfurnished apartment in the township would cost around Rs 50,00,000, inclusive of all the amenities the owner has access to — around 120 acres of land (approximately 30%) in Magarpatta has been set aside for gardens; 40,000 trees have already been planted in the township and more will be planted as development continues.

A six-tower hub called Pentagon has been developed for commercial activities, and a 4 million square foot IT park called Cybercity Magarpatta offers modular workspace for corporates. An English-medium school, a 200-bed multi-specialty hospital, banks, retail shops, health clubs, gymnasium, restaurants, cultural centres, etc, make for a relatively high standard of living in the township.

Did all this come about without any resistance from the

families involved, is the most obvious question that comes to mind. “There were a lot of apprehensions about the entire plan till very recently. However most of the farmers, including Satish Magar, belonged to the Maratha community. That proved to be a crucial factor throughout,” says Sudarshan, an employee of Magarpatta City.

Sudarshan's family owns 1.5 acres of land and is a shareholder in the company. “Agricultural activities continued until last year even as the construction work progressed,” says Sudarshan, adding that the farmers were never pushed into anything for whatever reasons in the entire process, which generated a lot of trust.

“Matters concerning land are extremely sensitive issues,” says Babasaheb. “Families expressed doubts over the idea of converting agricultural land into non-agricultural land in the early stages of the plan. There was also an element of mistrust. Things did not go as smoothly as it may appear. I challenged some of the plans most vehemently. It was purely professional, there was nothing personal,” he adds.

“The doubts also stemmed from the fact that the entire plan was quite market-driven, rendering it very uncertain. We were fortunate that the real estate market boomed and our benefits multiplied. Secondly, there was no precedent to such an idea, which made matters complicated. Nonetheless, we were very clear that we did not want to form a cooperative, mainly because the size of landholdings varied a great deal and a cooperative structure would have dampened the initiative of the families, in that sense,” says Babasaheb.

A cooperative structure emphasises equality over equity. Each member of the cooperative has an equal say in matters pertaining to the cooperative, and that is binding. “We chose to set up a private limited company knowing well that the initiative involved so many people and therefore a strong leadership was required, which we found in Satish Magar. We knew it would be difficult, even a bit unrealistic, to expect people owning varying sizes of land to be treated equally, especially in a commercial activity. It would rob families of the incentive for pooling their lands in the first place,” says Aba.

Equally important is understanding the shift from agriculture to other professions. “The younger generation in almost all families is well-educated and trained in various professions. Located close to the city, most of the families have been running some small enterprise or the other in addition to agriculture. Hence, the shift from agriculture to other means of livelihood has not been as difficult,” Babasaheb explains.

Working through many odds, the Magarpatta City plan is a brand in itself not only for its upmarket, ultramodern design and services but also for an inclusive growth plan that puts the benefits and wellbeing of landowners at the centre.

The model underscores the right of the landowner to have a say in the development process and accrue the benefits thereof. It sets high standards for land acquisition, making it incentive-driven for the farmers. It replaces coercive land acquisition methods and exclusive development projects, creating an equitable and inclusive model.

Sharma says: “SEZ planners from across the country are trooping in to study the model, surprised by the fact that this project was conceived and implemented by a group of farmers who, till only a few years ago, were mere tillers of their land. The 25 acres of landscaped garden, a mini golf course, office buildings with gleaming glass, and the row houses and bungalows make it difficult to believe that a village existed here only five years ago.”

The farmers started with a mere Rs 2 crore of borrowed capital to fulfil their dream city. By the time it is completed in 2009, they would have spent Rs 2,000 crore on the city that will house 12,000 families (or 50,000 people) and include 4 million square feet of workspace for 40,000 people. Some 4,000 people will be permanently employed in support services.

The city has been built on a concept city-planners can only dream of — 'walk to work, walk to school' — a concept that eliminates much of the stresses that cities such as Mumbai and Bangalore face.

The company is planning its next township in Nanded village on the outskirts of Pune. Meanwhile, at least five groups of farmers have approached the company seeing the possibility of transforming their lives by following the Magarpatta model of inclusion.

The Government of India has granted approval to Magarpatta City for development, operation and maintenance of an SEZ for electronic hardware and software, including information technology-enabled services. Approval was received in August 2006, while the notification is dated July 21, 2007. The area covered under the SEZ is 11.98 hectares.

The ingenuity of these tough Marathas never fails to impress visitors. As promoters of a successful venture, the farmer-shareholders now look back with a warm glow of satisfaction at a risk that was worth taking. Not one of the farmers went to management school, but the notion of enlightened self-interest is the first lesson Magarpatta City reiterates.

Rakesh Ganguli is a trained social worker. He works on organising communities, especially women and youth, on issues related to gender, human rights and cultural diversity

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