

India's Greek tragedy

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On land acquisition, we can defy global logic only at our peril

India is not the only country with a widespread belief in exceptionalism. Wikipedia describes the term as “the perception that a country, society, movement, or time period is unusual or extraordinary in some way, and thus does not need to conform to normal rules or general principles”.

Many nations, both big and small, have also had histories of believing they are qualitatively different from other countries. Nevertheless, human societies have obvious underlying commonalities, and it can often be helpful to juxtapose the challenges we face with the experience of others.

It is worth examining the contentious issue of land acquisition in this context. While in India the raging debate on land acquisition centres on land owners' consent, it is revealing that in neither the US or China — at opposite ends of systems of governance — is any consent required when land is acquired for public purpose. It is a crucial contrast, for it goes to the heart of questions like whether our policymakers are looking for pragmatic solutions or are content to screech at each other.

Also, whether we are ready to finally accept that, though much can be done to improve farming, it is simply unsustainable for the sector to continue to provide livelihoods to 60% of our population. And whether our farmers' children can have realistic alternate career opportunities or are destined to be trapped in ever more fragmented, marginal farming. And finally, whether we as a nation at all believe that it is possible to create millions of jobs in manufacturing and services.

During the years-long process that led to the Land Acquisition, Rehabilitation and Resettlement (LARR) Act of 2013, the two most controversial aspects of the national debate were consent of land losers and compensation that they and those employed on their land ought to get. Till then, a 19th century Raj-era law had often been abused to dispossess farmers and others at a fraction of what would become the market price of their land after usage restrictions were lifted.

The issue of what percentage of the land-owners concerned would need to consent to an acquisition went through many convoluted iterations. An empowered group of ministers subcommittee of the Cabinet turned out to be not so empowered after all, when its recommendation was overruled and increased to 70% (and 80% for private companies). In scheduled areas this was further compounded by other overlapping laws, which essentially gave a veto to each panchayat, rather than, say, a majority of them in the entire area being acquired.

Even at the time, these were widely considered unworkable. The experience of these intervening months has only made that clearer, as even most of those opposing the recent changes admit in private. Of course, we don't need to blindly emulate other countries and must discern between their practices. And, to some degree, we have.

For instance, the Chinese definition of public purpose is vague, whereas India's is specific. But our definition is far narrower than in the US where in some cases private development has been deemed to constitute public purpose.

Similarly, the US emphasis on 'just compensation' for acquired land is worthy of emulation and our 2013 LARR Act goes to great lengths to ensure fair compensation and rehabilitation. Oddly, the initial outrage at the proposed new legislation included allegations that the compensation clauses were being rolled back. Whether that was deliberate or not, it quickly became apparent that was just not true, and the debate has since remained focussed on consent and other procedural aspects.

Once again, the studies, procedures and clearances mandated by the 2013 Act go far beyond what either the US or China follow, requiring a minimum of 50 months for projects to get the go ahead. And that assumes every stage of a complicated series of steps would work like clockwork, without any delays or extensions. Anyone who understands anything about the viability of infrastructure projects knows this is a sure-fire way to make them unviable.

Such provisions may be ideal from the perspective of a certain kind of philosophy, against industrialisation and the post-industrial economy per se, but can hardly be expected to cater to the million plus jobs that India now needs to create every month. As some countries have learnt at great cost — for instance, Greece on the issue of fiscal discipline — we can defy global logic only at our own peril.

To those genuinely seeking solutions it is equally critical to recognise that scepticism about fair compensation and whether lost land can translate to jobs is rooted in experience. For instance there are still disputed compensation and employment claims from the 1950s when the government acquired land for major dams, steel plants and the like.

Instead of looking in the rear view mirror at what has not worked in the past, we would be better served to benchmark what works in most of the world. It is incumbent on government now to ensure that compensation is unclogged and front-ended, that infrastructure is expedited and new jobs made visible, that education is reformed to promote employability. If we don't, counterintuitive as this may sound, some of the worst affected will be India's farmers.