

**IMPACT OF LAND ACQUISITION IN INDIA**

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**ABSTRACT**

*Land acquisition means acquiring of land for some public purpose by the Government agency as authorized by the law from the individual landowner after paying some compensation in lieu of losses occurred to land owner due to surrendering of his/their land to the concerned government agency. The land acquisition Act of 1894 is legal Act in India which allows the government of India to acquire any land in the country. Government will amend land acquisition Act, in recently 29 August 2013 passed the land Acquisition, Rehabilitation and resettlement Bill,2011.Family or Whose land and other immovable properties have been acquired face many problems. These land acquisition act is Harmful for farmers and their family. We find out the solution of this problem which is harmful not now but in coming period also.*

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## **INTRODUCTION**

Indian economy has traditionally been an underdeveloped economy, Where 70% of the population is dependent on agriculture as their primary source of livelihood. Significantly land is also the most essential asset for the development and growth of any nation, particularly in the infrastructure sector .To fulfill this said objective, the Government has to acquire land under the land acquisition Act, 1894 and 18 other special Acts, Which are applicable to various other sectors including Highways, Railways and Ports. Land Acquisition and compensation have always been an emotional and highly contentious issue between the government and landowners. Recent agitations and protests by farmers and landowners against the Government for Unfair compensation and forcible acquisition of land of farmer.

## **THE LAND ACQUISITION ACT IN INDIA**

The land Acquisition Act of 1894 is a legal Act in India which allows the government of India to acquire any land in the country. As per Constitution of India land belongs to some individual or group of individuals have legal right to own the land. These individuals are free to use their land is needed for some community purpose, like roads canals, Government offices, military camps, SEZ, etc. Government can acquire the individuals land. Land Acquisition Literally means acquiring of land some public purpose by the Government agency as authorized by the law from the individual landowners after paying some compensation in lieu of losses occurred to landowner due to surrendering of their land to the concerned Government. Acquisition of land by the government for public purpose or for the companies is governed by the Land Acquisition Act, 1984; Appropriate Government would mean the central Government if the purpose for acquisition is Union and for other purpose it is the State Government. It is not necessary that all the acquisition has to be initiated by the government alone. Local authorities, societies registered under the Societies Registration Act, 1860 and Co-Operative Societies establish under the Co-operative Societies Act can also acquire the land for developmental activities though the government.

## **HISTORY OF LAND ACQUISITION ACT**

In India in 1824 British government for the first time enacted regulation of 1824. Its application was throughout the whole of the Bengal provinces immediately subject to the presidency of Fort

William. The Rules empowered the government to acquire immovable property at a fair and reasonable price for construction of roads, canals or other public purpose. In 1850 some of the provisions of regulation I of 1824 were extended to Calcutta through Act I of 1850, with a view to confirm the title to lands in Calcutta taken for public purpose. At that time railways were being developed and it was felt that legislation was needed for acquiring land for them also. Building act XXVII of 1839 and act XX of 1852 were introduced to obviate the difficulties to particular cities of Bombay and Madras. Act VI of 1857 was the first full enactment, which had application to the whole of British India. It repealed all previous enactment relating to acquisition and its object, subsequently act X of 1870 came in to effect which was further replaced by land acquisition act 1894 in order to purge the flaws of act of 1870 “LAND ACQUISITION ACT-1894” is a well defined, self contained efficient act for facilitating land acquisition process. After independent in 1947 Indian government adopted “LAND ACQUISITION ACT-1894” as a tool for land acquisition .Since then various amendments have been made to the 1894 act from time to time. Despite these amendments, the administrative procedures have remained same since 1951, the Government started, through the 1<sup>st</sup> and 4<sup>th</sup> amendments, to incorporate various land reform acts. This it did by incorporating schedule 9 of the constitution. Time again, the government felt that the right to property. It did so in the year 1978 by the amendment to constitution of India.

### **GOVERNMENT AMEND LAND ACQUISITION**

The Supreme Court has sought amendment of a century-old Land Acquisition Act to alleviate the hardships of the original owners of the mechanism to be adopted for acquisition of land for commercial purposes. The bench recommended a model acquisition of large scale land for planned urban development by forming residential layouts. Several efforts were made in past to amend the Act in favour of land owners. Some clauses were changed but could not bring the desired relief to poor farmers and people who were displaced due to acquisition. The NDA regime, in 2003, brought a Rehabilitation and Resettlement Bill but, it lapsed. Another Bill brought By the UPA government in 2007 met the same fate. In May 2011, the National Advisory Council recommended combining the provisions of land acquisition and R&R within a single Bill. In July 2011, the Ministry of Rural Development for public comments published the Draft Land Acquisition, Rehabilitation, and Resettlement Bill. In September 2011, the government

introduced the Land Acquisition, Rehabilitation, and Resettlement Bill in Loksabha. This Bill will replace the act 1894.

The Loksabha on 29 august 2013 passed the Land Acquisition, Rehabilitation, and Resettlement Bill ,2011, also called th Land Acquisition Bill. The bill was passed by a majority of 216 votes out of 235 votes,19 members voted against bill. The aim of bill is providing fair compensation to people Whose land has been taken away for setting up the building or factories. The aim of bill is to bring in more transparency to the process of land, provides for generous compensation and rehabilitation of those affected by the takeover. Under the new legislation, compensation for the owner of the acquired land will be four times the market value in rural areas and twice in urban areas. It also stipulates that the land cannot be vacated until the entire compensation is awarded to the affected parties. The law has the provision that the companies can lease the land instead of purchasing it. Besides, the private companies will have to provide for rehabilitation and resettlement if land acquired through private negotiations is more than 50 acres and 100 acres in urban and rural areas, respectively.

## REVIEW LITERATURE

**Ashan.E,Ashan.R, Hussain S.H, Kemper R. V and Wallace B.J** (1989 )studied those problem of land acquisition, ownership, and transmission plague agriculturalists throughout Bangladesh. Their studied based on detailed examination of 68 household in two communities Kalampur and Jalsha. They consider the relationship among agricultural practices and land use for three categories of farmers in terms of their land holding. Significant alternatives to land ownership include sharecropping, leasing and mortgaging. Patterns of land use are modified from generation to generation through the mechanisms of household's formation and inheritance, as well as the practices of dowry, gift and purchases related to the limited supply of land.

**Fernandez. Walter (1998)** Studied 'public purpose' behind land acquisition and short-circuiting the need to gain people's consent, the Land Acquisition Bill, 1998, instead of protecting the rights of displaced and project-affected people, makes land acquisition easier for private interests: In this sense, the bill is anti-people and has to be rejected.

**Guha Abhijit (2004)** studied that the process of land acquisition for industrial development started since the mid-1990s in West Bengal's Paschim Medinipur district threatens to undermine the pro-peasant policy of the Left Front government. Moreover, the government continues to

depend on the Land Acquisition Act enacted by an earlier colonial regime for such purposes. While agricultural land following acquisition now lays waste, there has been an increase in the number of the landless and, small and marginal farmers.

**G. Maitreesh and M. Dilip (2011)** analysis of compensation arrangements for incentives of concerned parties to invest in productivity-enhancing investments or actions, raise the question how farmers displaced by acquisition of agricultural land for the purpose of industrialization ought to be compensated. Prior to acquisition, the farmers were leasing in land from a landlord, either a private owner or a local government. There were three sets of relevant incentive effects in the model: the decision of the landlord to sell the land ex post to an industrial developer, and ex ant incentives of tenants and landlord to make specific investments in agricultural quality of the land. Their main result is that under a broad class of circumstances, efficiency considerations require farmers be over-compensated for their loss of agricultural income in the event of conversion.

**G.Maitreesh and G. Parikshit (2011)** analysis new Bill on land acquisition recently tabled in Parliament is well intentioned but seriously flawed. This will guarantee neither social justice nor the efficient use of resources. The Bill also places unnecessary and severe conditions on land acquisition, such as restrictions on the use of multi-cropped land and insistence on public purpose, all of which are going to stifle the pace of development without promoting the interests of farmers. They present an alternative approach that will allow farmers to choose compensation in either land or cash, determine their own price instead of leaving it to the government's discretion. There exist much better ways of converting agricultural land for industrial use or infrastructure building. Their proposed method involves a land auction covering not only the project site but also the surrounding agricultural land.

**S.S.Surjit and Kaushik. S.P. (2011)** studied the land use changes are very dynamic in nature and needs to be monitored at regular intervals for sustainable development. Their study analyzed land use/land cover changes over a period of 35 years in Haryana sub-region, Chandigarh periphery. Their study was primarily based on multi-temporal like as 1972, 1990 and 2008 Land sat (MSS and TM) satellite imageries of 30mspatial resolution and survey of India top sheets, interim master plan (1990) and field data. Land use analysis for different time periods had been

done by using visual interpretation, ground verification, on screen digitization and overlay analysis using Arc GIS 9.1 and Eras Imagine 8.5 software.

### **Impact of Land Acquisition Act on our Economy:**

#### **Infrastructure Development:**

Infrastructure projects will be worst affected. Investors in these projects yield the projects executable from rise in input costs, but due to pressure on infrastructure projects especially those in rural areas it is difficult to monetize these. And this results in diminished interest of private sector in infrastructure projects. Infrastructural development plays a vital role in country's growth and this can be possible only with joint efforts of government and private sector. Due to the consent clause, there will be delay in commencement of the project, which will further make it difficult to get required returns from the project.

#### **LAND PRICES INCREASE**

In coming years the land acquisition is very fast day by day, which affect the land prices of land nearby acquired land. In these areas the private investor came outside and bought the remaining land for their profit and land price per hectare increase rapidly. These high price encourage the farmer for sale their land, they don't proper use of the money. Misuses of money increase in rural areas they use money for construction new houses, vichale, marriages, gift etc. Thus land prices increase as well as misuse of money also rise.

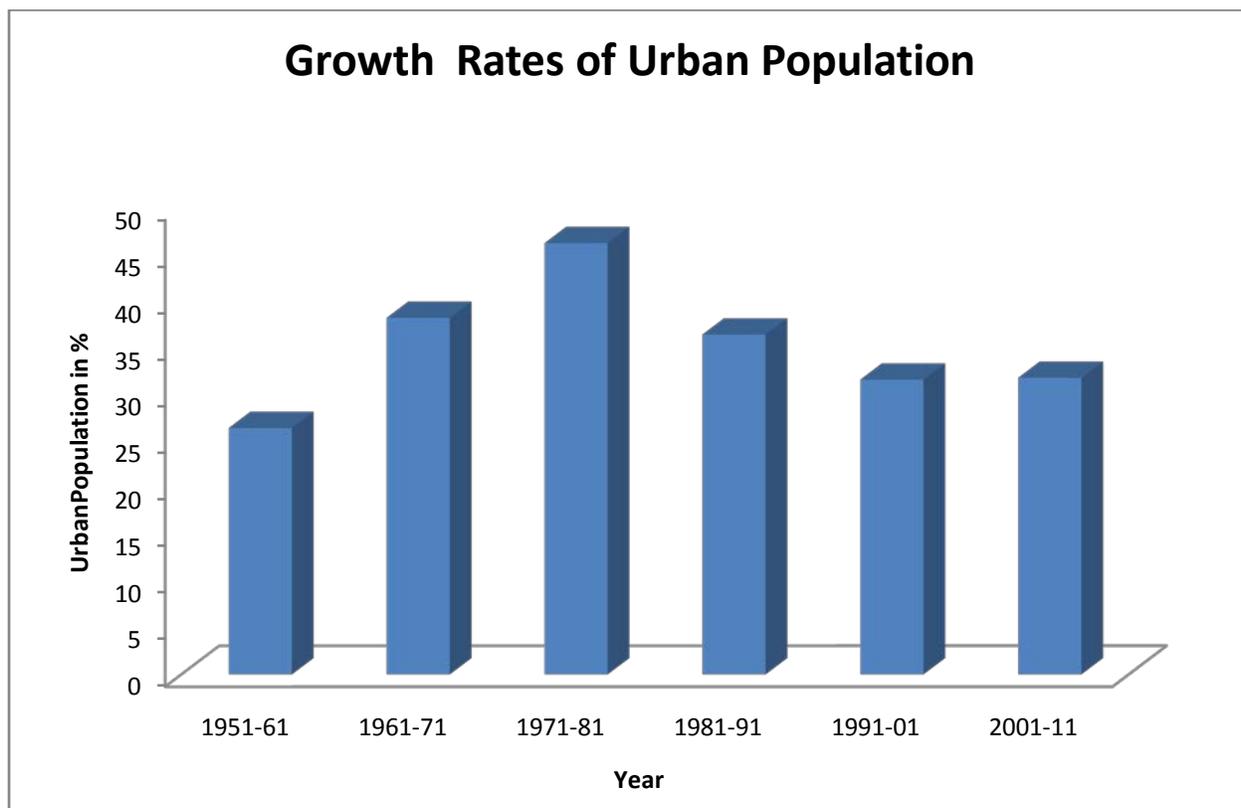
#### **Entrepreneurship Efforts:**

The adverse effect of land acquisition on farmers is currently debated. During the passing of Land Acquisition Act 1894, it is widely accepted fact that law does not take into account the problem of landowners. It is partial towards the state. Through this law building new infrastructure would be 'Promoted'; Act doesn't helpfully for farmers that are far from true.

#### **Urbanization:**

Augmented migrations Rate as well as increased population in urban areas result in elevated property demand a highlight need of new cities. Small townships an dependent on parent city for many things such are employment and social infrastruc0ture, while the situation demands for self- sustained townships and urban centers. With this new bill, it is very difficult to develop cities at large scales due to the clauses of acceptance from the land acquire. The Acquirer will

not only have to pay a premium price for land which will aggravate the overall Budget to High level. All towards a Fast paced urbanization and increased demand for land non agriculture purpose. This condition shows the competition for land between agriculture and non-agriculture uses and a trade-off between food securities and high growth sectors. If every state adopts the same strategy of land acquisition, not concern about the food security at the state level, this will causes of national crisis. Land uses for non agriculture are causes for decline the productivity of agriculture and scarcity of food grain arise.



**Source-Census of India (2011)**

With the help of the diagram show that percentage of urban population increase from 1951 to 2011. In 1951-61 it was 26.41%, 1961-71 growth rate of urban population increase very fast it was 38.23%, in next decade it was so high 46.24% and 1981-91 it was goes down at 37.44%. In 1991 -01 at time of new economy reform and later period the urban population growth was lower at 31.6% and in 2001 -2011 it was 31.8% almost same as the previous decade. This growth rate shows land use for colony, casabas and industrial propose rapidly. So that farmers are pay for that, they lose their land, which is also the source of food for farmers and their employment.

**Landowners:**

Family or whose land and other immovable properties have been acquired face many problems. The most commonly problem is low compensation given to they argue the landholders. They argue that the land acquired by the government should be giving the same compensation as the nearby land that has become much costlier than its earlier rate. The problems faced by the local people were that they are unaware of the present status about the land acquisition bill. They were ignorant about the plans and procedure incorporated within land acquired. The land acquired under the land acquisition act is agriculture land, which will lose permanently. Similarly, they complained the loss of livelihood due to deprivation of land and compensation.

**EXCLUSIONS**

Absence of R&R provisions for some acquisitions- The Bill specifies 16 Acts such as the Atomic Energy Act, 1962, and the National Highways Act, 1956 that will be exempt from its provisions. The central government has the power to modify this list. The compensation and R&R provisions under some of these Acts are different from this Bill. For example, the National Highways Act and the Atomic Energy Act provide that the compensation based on the market value of the land on the date the notification published. Both these Acts do not stipulate any R&R provisions

**Purchase of land by private companies:**

The Bill provides that R&R provisions are mandatory for all private purchases through private negotiations if the land purchased is over 100 acres in rural areas or 50 acres in urban areas. This raises two issues.

(I) jurisdiction of Parliament to makes laws on purchase of land; and (ii) possible circumvention of R&R provisions

Jurisdiction of Parliament to make laws on purchase of land -It is not clear whether Parliament has jurisdiction to require R&R on purchase of agricultural land through private negotiations. Parliament derives its power to make laws on „acquisition and requisition of property from Item 42 of the Concurrent List. Further, „transfer of property, other than agricultural land, registration of documents and deeds is included in the Concurrent List (Item 6). However, „transfer and alienation of agricultural lands included in the State List (Item 18). If it is interpret that the R&R arises out of transfer of agricultural land, the issue may fall within the sole

jurisdiction of state legislatures. On the other hand, if the interpretation is that this subject is primarily relate to R&R, which is not specified in any of the three lists, then it may fall within the ambit of the residuary power of Parliament specified in the Union List (Item 97). Possible circumvention of R&R requirements - A private company that acquires or purchases more than 50 acres of land in urban areas or 100 acres in rural areas is required to rehabilitate and resettle affected families. A private company can circumvent this threshold by purchasing multiple parcels of land, each under the prescribed limit, through other entities.

### **Impact on Real Estate:**

Cost of development would go up for real estate developers. They would also budget for sharing the developed land or the appreciation benefit with the effected families. These entire factors would impact housing prices as well as the profitability of developers, depending on the ability of market to absorb the price increase. Players with already built up land banks will be in an advantageous position. Co-development of projects with the landowner under a Joint Development Agreement (JDA) is another important option whereby the developer markets and develops the project and shares a part of the area/profits with the land owner. However, this would be feasible for projects where limited land or landowners are involved. In the long run, permitting higher Floor Space Index (FSI) would become imperative to contain the real estate prices.

### **Impact of land acquired on local people:**

#### **1) Large employment potential:**

Through the land acquired for some community purpose, like roads, canals, government offices, military camps, SEZ, etc. will provide large scale employment to the local people not only up to the completion of these projects but also afterwards.

#### **2) Connectivity through high speed transportation:**

Where land acquired for roads and other transport facility in rural areas; the people of the region connect with the urban areas; there is easily transportation to access the goods service, education, employment and avail health facilities.

#### **3) Provide flood protection to sensitive areas:**

The construction of the expressway project through the land acquisition will make an embankment on the banks of the River like Ganga Yumana, thus preventing the flood and

subsequent loss of life and property. Construction of dams in flood affect areas is helping the rural people and it's also helpful in good agriculture production in these areas.

#### **4) Development of food processing industries:**

Establishment of food and agro processing industries will be another benefit to local people, which may beneficial to the farmers as they got an individual set up for their agro-produce. A farmer gets the proper price of their production, their income increase which encourages the farmer for more agriculture production.

#### **5) Increase workload of adult:**

Workloads among the adult male and female members of the family are increase. Mainly women who earlier did not work outside the home for economic earning, now they go for work.

Men also more burden of their family they go outside (urban areas) of their home. This is one of the causes of urbanization.

### **CONCLUSION**

It is therefore important to democratize the acquisition process, first, by involving the people who are to be affect and then by taking the help of specialists, trained to soften the social, economic, psychological and ecological impacts of acquisition. Today, it is becoming clear that the colonial pattern with its anti-people character is bound to fail. It fails, if people who are displace or affect are impoverished, and it fails, if the requiring bodies are not able to get the land they desire because of people's resistance. We try to improve the exits pattern of land acquisition. This is therefore to see to it that necessary land is available for 'genuine' public purposes and in the process. In this way we say that land acquisitions have both effects positive as well as negative which is also affected the farmer as well agriculture production level and urbanization also increase day to day. It presents new opportunities for intensification of land use, employment levels and also highly the income base and purchasing power among the rural people. On another hand land use for agriculture is decline and industrialization increase, that is why agriculture productivity is rapidly decline and shortage food grains arise.

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