Report
Of
Sub Group on
Land Related Issues

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Submitted to:
Working Group on
Gender Issues, Panchayat Raj Institutions, Public Private Partnership,
Innovative Finance and Micro Finance in Agriculture
For the Eleventh Five Year Plan (2007 – 2012)

Planning Commission
January 2007
Report of the Sub Group on Land Related Issues

I

Introduction

1.1 Terms of Reference

The main terms of reference (TORs) of the Sub-Group are:

1. To take a fresh look at land reforms in order to draw inference for promoting agricultural productivity.

2. To estimate the land going out of cultivation for different reasons and recommend measures or a set of guidelines in this context.

3. To review the relaxations introduced in the land market that enable purchase of land by private corporations / companies etc. and suggest measures keeping in mind agricultural productivity and equity.

1.2 Methodology

Since the constitution of the Sub-Group was fairly at a later stage and since there was realization of the time constraint early on, it was decided at the very first meeting to resort to a kind of division of labour. Four major issues under the purview were identified and on each of these four issues, an expert member was identified and assigned the task of preparing a draft paper. Except for the field data that comprised of part of the on-going research of some of the experts who were assigned the responsibility of preparing the draft papers, all the papers relied largely on the review of literature and the secondary sources of data. These draft papers were discussed at a meeting of the members and other invited experts. These papers and discussions served as the background for the preparation of this draft report.

Besides the brief introduction, the report is divided into four parts, each part focusing on one of the four ‘land issues’ referred to the Sub-Group viz. women and access to land and other assets, land reforms and agricultural productivity, implications of relaxation of land reform legislation, and land going out of cultivation. Each of the four sections incorporate relevant recommendations at the end of respective sections.

It may be necessary to mention here, that the terms of reference (TORs) of the Sub-Group as mentioned above do not specifically refer, the issue of “women and access to land other assets” has been mentioned repeatedly under “land issues” in the minutes and discussions. Hence, even at the risk of important repetition or overlap of the work of other sub-groups, this issue is discussed here.
II
Women and Access to Land Other Assets

2.0 It is customary by now to begin any analysis of the principles of gender equality and equity and protection of women’s rights with a reference to the provisions of the Constitution of India. True, Article 14 confers equal rights and opportunities on men and women. Article 15 prohibits discrimination several grounds including sex, and Article 15(3) empowers the State to make affirmative discrimination in favour of women. Among others, Article 39 provides for the state to direct its policy towards providing to men and women equally the right to means of livelihood and equal pay for equal work. And there are similar constitutional protection to ensure first and humane work and maternity relief (Article 42) and provisions against practices derogatory to the dignity of women (Article 51(A)(e)). Flowing from the Constitutional provisions there were a number of legislative measures like. But there persisted a wide gap between the de jure constitutional provisions and de facto situation of women’s social and economic status with persistence of inequalities, indignities and violence against women.

In the earlier phase of developmental planning, especially from the first to the fifth plan (1951-1979) justice and equality of rights of women was mainly ‘welfare’ oriented and clubbed with the welfare of other disadvantaged groups. There was a shift in the Sixth Plan (1980-85) from ‘welfare’ to what is claimed as ‘development’ by placing more emphasis on health, education and employment. The Seventh and Eighth Plan (1985-97) continued this ‘women in development’ strategy with focus on employment, including self-employment, and human development. The Ninth Plan (1997-2002) made a significant change from development to ‘empowerment of women’ with a thrust on creating an enabling environment where women could freely exercise their rights both within and outside home. A series of initiatives were introduced for effective action towards equality and empowerment for women during the Ninth Plan.

2.1 Women and Agricultural Land
Besides celebrating 2001 as ‘Women’s Empowerment Year’, Ninth Plan witnessed certain concerted efforts to mainstream women’s rights as a part of the national policies like the National Health Policy, (2001) National Population Policy (2000), National Policy for Empowerment of Women (2001) etc. More significant is the first National Agricultural Policy (July 2000) which sought to mainstream gender concerns in agriculture. It promises to initiate appropriate structural, functional and institutional measures to empower women, build their capabilities and improve their access to inputs, technology and other farming resources. The policy initiative recognizes that 75 percent of all women workers and 85 percent of rural women workers are employed in agriculture, and with 30 to 40 percent of total agricultural workers being women, women need to be recognized as independent farmers and producers in their own right. And
recognizing their rights would enable them to access credit and other resources better and contribute to agricultural growth through increased productivity. But this initiative had a stumbling block in the form of the then existing Hindu Succession Act 1956 (HAS 1956) and the Muslim Personal (Shariat) Application Act 1937 which denied both Hindu and Muslim women right to inherit landed property.

The National Commission on women reviewed 41 legislative measures relating to women and recommended 32 Acts, including HAS 1956, for appropriate amendment or modification. Similarly the Planning Commission’s Task Force on Women and Children (2000) recommended 22 Acts for review. It was in this background that 174th Law Commission Report recommended amendment of the HAS 1956. But the HAS (Amendment) Bill as it was introduced in Rajya Sabha on 20 December 2004 retained gender discriminatory clauses relating to agricultural land and Mitakshara joint family property. But civil society initiatives largely by the women activists, intellectuals and women’s organizations with the grassroots support of women worked towards withdrawal of the discriminatory clauses and enable women to achieve equal rights over agricultural land and joint family property including dwelling house. “Concerted efforts made by individuals and groups committed to women’s rights, land rights, and human rights, through memorandums, depositions, and lobbying’ the openness of the Standing Committee on Law and Justice to civil society inputs; the support of some lawyers and MPs, all contributed to the shift from the limited 2004 Bill to the wide-ranging 2005 Act” (Agarwal B, 2005). In fact, there was specific demand by women for independent ownership of land and not joint ownership, be it with husband, father, brother or son (Jyoti Gupta, 2002).

2.2 Landmark Amendment

The Hindu Succession (Amendment) Act (HSAA), 2005 is a landmark correcting gender inequality in property right over land. The 2005 Act covers inequalities on several fronts: agricultural land, Mitakshara joint family property, parental dwelling house and certain widow’s rights. The following statement shows the basic changes in property rights women relating to joint family property, agricultural land, and dwelling house.
## Table 1: Essential Changes Between HSA 1956 and HSAA 2005 Compared

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Hindu Succession Act 1956</th>
<th>Hindu Succession (Amendment) Act 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Mitakshara Joint Family Property (Section 6)</td>
<td>Modified Section 6</td>
</tr>
<tr>
<td></td>
<td>Section 6</td>
<td>Sons and daughters both have independent birth rights (and liabilities) as coparceners in joint family property. (These shares cannot be willed away by the father)</td>
</tr>
<tr>
<td>2</td>
<td>Agricultural Land (Section 4(2))</td>
<td>Inheritance rights in all agricultural land are subject to the HSAA (overriding State laws inconsistent with the Act) and so effectively are now gender equal.</td>
</tr>
<tr>
<td>3</td>
<td>Family Dwelling House (Section 23)</td>
<td>Section 23 is deleted. Now daughters (unmarried or married) have the same rights as sons to reside in and to claim partition of the parental dwelling house.</td>
</tr>
</tbody>
</table>


The HSAA 2005 brings all agricultural land on par with other property and makes Hindu women’s inheritance rights in land legally equal to men’s across States, overriding any inconsistency in State laws. This can benefit millions of women dependent on agriculture for survival. Agricultural land includes land under tenancy as well. Women tenants will have as much right to inherit land under tenancy as men had earlier. The second major achievement lies in including all daughters, especially married daughters, as coparceners in joint family property. Third, the Act by deleting Section 23 of HAS 1956, gives all daughters (married or not) the same rights as sons to reside in or seek partition of the family dwelling house. However, although the majority of women in the country, the Hindu women stand to gain from the HSAA 2005, this still leaves Muslim women’s right to agricultural land in an unequal state.

The HSAA 2005 can have far reaching implications not only for women’s status but also for agriculture. There is considerable evidence to show that the lack of assets...
enhances vulnerability and also poverty. Assetless women are subject to threats of violence and allocational inequalities within the household. A study in Kerala showed that among propertyless women, 49% experienced psychological violence. In contrast, those who owned both land and house reported dramatically less violence – physical and psychological – 7% and 16% respectively. (Panda and Agarwal 2005) If one sees empowerment as a process moving towards equality, from welfare and access through conscientisation to participation to control, the conferment of equal rights to inheritance of agricultural land denotes a control over decision-making process at par with men. (Nitya Rao 2005) Bina Agarwal’s studies have brought out a number of positive effects of conferring inheritance right over agricultural land (Agarwal, B 2005). First, gender equality in agricultural land can reduce not just a women’s but her whole family’s risk of poverty, increase in livelihood options, enhance prospects of child survival, education and empower women. (Agarwal, B 2005). Second, land in women’s hands can also increase agricultural productivity, given male outmigration and growing female-headedness. Third, there is no room for apprehension that gender-equal inheritance laws can only benefit a few women. Millions of women stand to benefit because NSS data show that 78 percent of rural families own some land and if we include homestead plots, 89 percent own land. Though tiny, access to these small fragments of land too provides supplementary earnings. There are studies (Lokesh, SB and Tin Hanstad, 2003 noted in RDI, undated) which show that a small well developed plot of 7 cents of land can provide enough vegetables, fruits and milk for home consumption as well as earning of reasonable supplementary income. Further, the West Bengal’s land reform experience shows that the average size of surplus agricultural land distributed was about 0.4 acres and a large proportion of beneficiaries received about 0.25 acres, which not only improved the bargaining power of these households but also enhanced their productivity. Fourth, the criticism that property right in land to daughters would increase fragmentation again is baseless because most of the fragments even if individually owned, are often cultivated collectively by the families.

2.3 Recommendations

- The HSAA 2005 removes all the hurdles in extending the benefits of land assignment to women. As a first step, at least one women in each rural poor landless household should be allotted a homestead micro-plot of land of at least 10 cents. This land could be ceiling surplus land, Bhoo dan land, government land or private land purchased for this specific purpose.
- Priority should be given to women-headed households in the allotment of ceiling surplus or Bhoo dan government or purchased land to rural poor.
- Women headed households should get pattas in the allotment of ceiling surplus or government land or private land purchased for distribution among rural poor.
- There should be special programme to extend extension, credit and other inputs to women land beneficiaries by encouraging them to organize themselves into groups or collectives.
III
Land Reforms: Experience and Way Forward

3.0 Rural India, on the eve of Independence, was characterised by feudal and semi-feudal agrarian relations. The peasantry under all varieties of land settlements was exploited in terms of rack renting, insecurity of tenure, forced labour, usury, and so on. This resulted in the impoverishment of peasantry and stagnation in agricultural production. The above noted agrarian affairs entailed a complete restructuring of agrarian relations in the interest of emancipation of peasantry from the semi-feudal production relations and fostering agricultural development. According, immediately after Independence, comprehensive agrarian reforms were initiated to accomplish the desired objectives. Four types of legislative measures were undertaken: legislation for the abolition of intermediaries, tenancy legislation; legislations for land ceiling and consolidation of holdings (Sharma, 1992a). Since abolition of intermediaries is a legislation with a time bound implementation that was accomplished decades ago and since consolidation of holdings was completed in regions where topography and institutions permitted, in the present paper, we review the actual implementation of only two of the reforms viz. land ceilings and tenancy legislation and their implications for agricultural productivity as experienced so far.

3.1 Ceilings on Land Holdings

Ceilings laws were enacted in two phases: Phase I covered the ceiling laws during the late fifties and the sixties, and Phase II came only around early 1970s when more stringent ceiling laws were enacted basically to plug the loopholes of the earlier laws. In fact, the ceiling laws of Phase I remained, both theoretically and practically, a nebulous item in the scheme of agrarian reforms; these were at best an expression of a vague politico-economic concept which promised practically nothing to the landless and the small, uneconomic holdings.

i. Ceiling Surplus: Low Proportion to NSA

Although the ceiling laws of the early seventies were more radical, both in form and content, yet in implementation, they too failed in most parts of rural India. For example, at the national level, area cumulatively declared surplus till March 2001 did not make up more than 2.0 per cent of net operated area. As on 30-06-2006, the total land declared surplus in the entire country is 68.61 lakh acres, out of which about 60.15 lakh acres have been taken possession of and 49.87 lakh acres have been distributed to 53.98 lakh beneficiaries of whom 38.94 percent belong to Scheduled Castes and 15.87 percent belong to Scheduled Tribes. An area of 8.56 lakh acres has been involved in litigation. The failure is manifest at each stage of implementation, practically in all states. Firstly, it is only in West Bengal, Andhra Pradesh and Assam that the surplus area actually distributed improved the land base of the farmers by more than the national average; the remarkably superior performance of West Bengal stands out atop in this regard. In Andhra Pradesh, Bihar, Kerala, Maharashtra, and Punjab, ‘area declared surplus so far’
makes up just about 2.0 per cent of net operated area. In many other states, it is 1.0 percent or less. In total terms, in most part of Indian agriculture, the maximum potential addition to the net operated area with marginal/small farms through the process of land ceiling has been ridiculously small. Secondly, out of whatever small ‘area declared surplus’ was notified in each state, a fairly high proportion has not been available for distribution. This was so largely because a very high proportion has been involved in litigation, including that in West Bengal and Kerala; a small proportion of ‘area declared surplus’ is also not available for distribution because it has been allotted/ transferred/reserved for public purposes while some area is just unfit for cultivation. The least that can be done, even at the present juncture, is that the judicial procedures connected with land disputes, may be straightaway simplified, ostensibly in favour of the small and marginal litigants. It is a pity that the recommendation of the Chief Ministers Conference, held as far back as 1992, that 75 per cent of the land under litigation should be taken out of the courts, has not made any headway. Thirdly, the ‘distributable surplus area as a per cent of net operated area is less than one per cent in most of the states except Assam, Kerala, Punjab and West Bengal; in Himachal Pradesh it was significantly high i.e. 22.23 per cent.

ii. Ceiling Surplus: Inferior Land and Need for Land Development

Yet another problem is the allotment of inferior unproductive, barren and wasteland land to landless households who have not been able to benefit from it in the absence of substantial financial help. The schemes available in this regard need to be implemented more seriously. Also, it is reported that, in many cases, the allotted land has been sold out by the original allottees, largely because the wherewithal for putting the land under plough is not available, most ostensibly because of weak and biased financial institutions at the grassroots. It needs to be underlined that West Bengal’s record in this area of institutional reforms stands out as the most authentic, and more creditable. It is indeed not a trivial fact that one-fifth of India’s declared surplus area and more than half (52.73 per cent) of ceiling surplus land beneficiaries, are from West Bengal alone. Further, as many as 56 per cent of West Bengal’s ceiling surplus land beneficiaries are Scheduled Castes and Scheduled Tribes. Again, as many as 45 per cent of India’s Scheduled Caste and Scheduled Tribe beneficiaries are from West Bengal alone while not more than 10 per cent of rural India’s Scheduled Castes/Scheduled Tribes reside in West Bengal.

iii. Ceiling Surplus: Less Impact on Land Concentration

Despite several deficiencies in the actual implementation of land ceiling laws and the fact that these have not been very effective in reducing land concentration, the enactment of ceiling laws have halted the expansion of large holdings and kept the process of proletarianisation of rural peasantry under check. The ceiling laws on landholdings should, therefore stay as such; neither raised nor lowered. On consideration of equity too, the removal of land ceilings cannot be justified as in many parts of India, the small farmers continue to be more productive as compared to their large counterparts most ostensibly in terms of productivity per acre of net operated area, primarily because
of higher cropping intensity and more intensive use of family labour. The removal of land ceilings and development of capitalist agriculture is not the only way to accelerate development of agriculture as even under the existing dispensations, Indian agriculture has registered a fairly high growth rate, which compares reasonably well with most of the East Asian, African and Latin American countries. Again, in the socio-cultural milieu prevailing in our countryside, where attachment to land continues be very high and future livelihood not being so secure, not much land is expected to be offered for sale even if adequate credit for buying the same is made available. Likewise, the lowering of ceiling limits may not be of much use. Even assuming that lower ceiling levels are politically and administratively pushed through, such an exercise is unlikely throw a significant amount of surplus land and is more likely to affect agricultural production adversely.

iv. Land Distribution and Productivity

Insofar as the impact of land allotment on agricultural productivity and socio-economic conditions of the land allottees is concerned, there is a relative dearth of studies. The results of an empirical study conducted by Lal Bahadur Shastri National Academy of Administration, Mussoorie show that in sample villages in Bihar, Haryana, Kerala and West Bengal the impact of allotment of land on the socio-economic conditions of land allottees has been positive and significant. In some states like Andhra Pradesh, Assam, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa and Rajasthan land allotment has not made any significant impact in most of the studied villages. In other states like Karnataka, Maharashtra and Uttar Pradesh the results were mixed: in about half of the sample villages the impact was positive and significant while in the remaining villages land allotment did not make any impact. The important reasons for poor impact, among others, were allotment of barren and unproductive land and non-availability of financial assistance to make improvement on land. Yet another study in Himachal Pradesh does show that land allotment led to a significant improvement in agricultural productivity and socio-economic conditions of beneficiaries of land allotment (Sharma, et al, 2006).

3.2 Tenancy Legislation

i. Rigidity of Tenancy Laws and Informal Tenancy

Perhaps no other legislative measure has such wide nitra and inter-state variation in the nature and content of application as the tenancy laws in the country. Most of these laws are known to have de facto driven tenancy underground or informal. This can be appreciated from a brief review of the provisions of tenancy laws in different States. According to the provisions in tenancy legislations, major states can be classified into following broad categories. First, Kerala, Jammu & Kashmir and Gujarat have legally banned leasing-out of agricultural land without any exceptions whatsoever. Second, in Telangana region of Andhra Pradesh leasing out of land by large holders is prohibited. Smallholdings are allowed to lease out land for a period of five years. In Andhra region, leasing is permitted but regulated. Third, Karnataka, Himachal Pradesh, Bihar, Gujarat
and Uttar Pradesh have legally prohibited leasing out of agricultural land excepting by certain disabled categories like widows, minors, armed personnel, etc. Fourth, Punjab, Haryana, Maharashtra and Assam have not banned leasing. However, while in Punjab and Haryana tenants acquire right to purchase land after six years of continuous possession, in Maharashtra they acquire the right to purchase the land within one year of the commencement of tenancy. Leasing is also permitted in Tamil Nadu but the law stipulates that every contract should be in written form and in triplicate. A copy of the document is required to be deposited with the revenue officials. In Rajasthan, the landowners can lease out land for a non-renewable period of five years. Fifth, in Orissa all future leases were prohibited. However, past leases continue after surrendering half of the leased land to the landlords or rayat. In Madhya Pradesh, past leases were abolished but the future leases were permitted. Sixth, in scheduled tribe areas of Andhra Pradesh, Bihar, Orissa, Madhya Pradesh and Maharashtra transfer of tribal land to non-tribals even on lease basis, can be permitted by competent authority.

### Summary of Four Broad Categories of States Based on Legal Restrictions on Leasing of Land

**A. Leasing of land is totally prohibited irrespective of any category:**

2. J & K - Leasing is prohibited.
3. Manipur - Leasing is completely prohibited.

**B. Leasing of land is permitted to the following category of persons:**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of State</th>
<th>Sections under which Leasing is Permitted</th>
<th>Category of Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh (Telangana Area)</td>
<td>The Andhra Pradesh (Telangana Area) Tenancy and Agriculture Lands Act, 1950, (Section 7)</td>
<td>Disable; Armed Forces Personnel; and those land owners who own not more than three times a “family holding” may lease out.</td>
</tr>
<tr>
<td>2</td>
<td>Bihar</td>
<td>Bihar Land Reforms Act, 1961</td>
<td>Disabled; Armed Forces; SC/ST/OBC; may lease out.</td>
</tr>
<tr>
<td>3</td>
<td>Karnataka</td>
<td>Karnataka Land Reforms Act, 1961 (Section 5)</td>
<td>Soldiers of Seamen</td>
</tr>
<tr>
<td>4</td>
<td>Madhya Pradesh</td>
<td>Madhya Pradesh Land Revenue Code, 1959</td>
<td>Disabled, Armed forces personnel; or those imprisoned; others may also lease out for one year in any three years.</td>
</tr>
<tr>
<td>5</td>
<td>Uttar Pradesh</td>
<td>Uttar Pradesh Zamindari Abolition and Land Reforms Act (Section 157)</td>
<td>Disable; Armed forces personnel, imprisoned, or bona fide students.</td>
</tr>
<tr>
<td>6</td>
<td>Himachal Pradesh</td>
<td>Himachal Pradesh Tenancy &amp; Land Reforms Act, 1972</td>
<td>Minor unmarried women, widow, divorce, disabled or defence personnel</td>
</tr>
</tbody>
</table>

**C. States where there is no general restriction on leasing of land:**

Andhra Pradesh (Andhra Area), Orissa, Rajasthan, Haryana and Punjab.

**D. States where leasing is permitted but the tenant acquires right to purchase land:**

i) Assam: An ordinary tenant acquires right to occupancy after three years continuous possession and an occupancy tenant has a right to purchase leased land.
ii) Gujarat: Every tenant has a right to purchase leased land within one year of tenancy.
iii) Haryana: Tenant acquires right to purchase leased land after six years of continuous occupation.
iv) Maharashtra: Every tenant has a right to purchase leased land within one year of tenancy.
v) Punjab: Tenant acquires right to purchase leased land after six years of continuous occupation.

evidence from micro studies from different states/regions of the country shows that the proportion of leased-in land is significantly higher than reported by both NSS and Census Data. In some cases, it is as high as 20-25 per cent of the gross cultivated area. Tenancy contracts are oral and for a short period. The proportion of leased-in land is higher in agriculturally developed regions compared to backward regions. All classes of households participate in the lease market both as lessors and lessees. However, while in backward agricultural regions, the traditional pattern is more common wherein the small and marginal farmers dominate the lease market as lessees and large and medium farmers as lessors, in agriculturally advanced regions, the lease market is in a state of transition where all classes of households participate. The trend towards reverse tenancy is more pronounced in these regions. Among crops, the proportion of leased-in area is very high in case of non-food grain crops compared to food crops. More recent studies also show that the small and marginal farmers have started leasing-out land primarily due to an increase in the cost of production, growing scarcity of water, falling returns and increasing uncertainty on account of erratic weather conditions. There is also an anecdotal evidence to suggest that many farmers, including small and marginal ones, are leaving their land fallow in view of restrictive tenancy laws.

Thus there is widespread prevalence of concealed tenancy despite enactment and implementation of radical tenancy legislations in different states. Going by the experiences of the actual implementation of tenancy laws in different states during the past forty years, the stringent implementation of these laws seems a remote possibility. Among other options, it has also been suggested in the literature that the entry to lease market should be permitted only to petty peasants and medium and large farmers should be banned from leasing-in land. This also seems to be an impractical suggestion.

iii. Reforming Tenancy Laws

Thus, in view of the past experience in implementation of tenancy legislations and the prevailing socio-economic realities in the countryside, there is a strong case to legalise tenancy and allow leasing-in and leasing-out land with adequate safeguards to protect the interests of small and marginal farmers. Liberalisation of lease market does not mean abrogation of existing tenancy legislations. In today’s context, it means suitably amending these laws allowing leasing-in and leasing-out land incorporating provisions like making ownership rights non-alienable and secure, fixing the tenure of lease, recording of lease and, more importantly, allowing landowners to resume land for cultivation after the expiry of lease. In fact, the need of the hour is to divorce the ownership rights from the use rights. While the ownership rights should be non-alienable and protected, use rights should be allowed to be purchased and sold in the market subject to the conditions mentioned above (Sharma, 2006b).

Reforming tenancy laws shall allow all sections of rural population to participate in the lease market depending upon their resource endowment. In some states like Punjab and Haryana, the small and marginal farmers may be tempted to lease out and medium and large farmers to lease-in land. The studies have shown that large and medium farmers who had leased-in land from small and marginal farmers had been able to invest in modern inputs, reap the scale economies and raise their level of productivity. In a similar
vein, the marginal and small farmers who had leased-out their land also gained in terms of their occupational mobility and realizing higher annual income. In other states like Bihar and Orissa, where wages are low and adequate employment opportunities are not around, the small and marginal farmers shall be in a position to enlarge their holding size and thus afford a reasonable level of living with all attendant benefits of tenancy like borrowing from financial institutional agencies. The medium and large farmers in these states are likely to migrate to urban areas to take non-farm employment opportunities without any risk of losing their land. In fact, legalisation of tenancy shall provide incentives to such farmer households to move out of agriculture without the risk of losing their land. Such households over the years, when their livelihoods become secure in the non-farm sector, are expected to sell their land. There is enough evidence to show that today’s lessors in large parts of country are different from their predecessors in the fifties, sixties and the early seventies when many amongst them did not take any interest in the agricultural operations and were leasing out land to keep control over tenants by exploiting them. They take active interest in agriculture in terms of input cost sharing and assume greater risk and uncertainty.

The amendments of the existing laws allowing leasing-in and leasing-out with explicit provisions for protection of ownership rights, fixed tenure of lease, recording of lease and allowing landowners to resume land for self-cultivation after the expiry of lease shall enable the tenants to obtain credit from the financial institutions. The protection of ownership rights shall provide incentives for different categories of farmer households to move out of agriculture and seek employment elsewhere without the fear of losing their land. It shall also help in consolidation of holdings as the farmers shall prefer to lease out rather than sell the piece of land that is inconveniently located. The legalisation of tenancy is expected to give rise to long-term tenancy contracts, which have important implications towards improving agricultural productivity. Given other things, long term tenancy contracts offer more incentives to the tenants for undertaking productivity enhancement measures.

3.3 Contract Farming

The legalization of tenancy shall also promote contract farming. In today’s context, contract farming that makes industry a partner in stakes of agricultural production, is emerging as a remedy against the scale infirmities of small farm in India. From the farmers’ perspective, it will help small and marginal farmers to diversify to high value cash crops like vegetables, gaining access to latest agricultural technology, adequate capital and assured market at an agreed price. The experience of contract farming in Punjab, Haryana, Andhra Pradesh, Karnataka, Gujarat, and other states has, however, not been an unqualified success. The available studies show that in the absence of any law to govern the contracts between farmers and the corporate agro-processing sector, the contracts are heavily biased against the farmers. In real terms, in some cases, they have received poor technical assistance, besides suffering from delayed payments, cheating and even manipulation in contracts (Singh 2000). The experience so far is thus an amalgam of cheers and disappointments. The studies show that contracts are always not well understood with prices, quality stipulation and respective responsibilities remain
the main areas of confusion. The farmers firmly believed that buyers were responsible for disputes underlining the antagonistic nature of the contracts.

In brief, the tardy progress on this front has kept marginal and small farmers in many states devoid of numerous production benefits. In this behalf, the Punjab-Haryana areas, which completed the consolidation work as far as back 1966-67, have many lessons to offer for other states. Among them, the most striking is that it is through the blessings of consolidation of holdings that some among the marginal and the small farmers in Punjab ventured to invest in a tube well. While the importance of consolidation of holdings needs no emphasis in the general context of Indian agriculture, yet for certain areas, the psychological, physical and institutional impediments such as lack of legal provision for compulsory consolidation of holdings in some states, problem of proper valuation of land, fear of eviction of tenants and small and marginal farmers, inadequate availability of trained staff, lack of up-to-date land records, lack of financial resources, etc., need to be removed. Consolidation work cannot be carried out equally effectively everywhere, and if recklessly enforced, it might even harm the interest of marginal/small farmers. The moot point, therefore, is that areas in which no special constraints are visualised, this extremely important beneficial organisational reform must be carried out expeditiously especially in areas where holdings of small and marginal farmers are large in numbers. The involvement of panchayat institutions should help expediting the work of consolidation of holdings, most hopefully in the post 73rd amendment era.
Relaxation of Land Reform Legislation

Though much has been debated on the relaxation of tenancy and ceiling laws in the present context of liberalization, there is not much information available on such changes. One such early effort to relax land reform laws was made by Karnataka, which is briefly discussed here. Even in this case little is known on the impact.

The Karnataka Land Reforms Amendment Act 1995 has brought a major change in agrarian relationship. The Land Reforms Act prior to 1995 did not allow land leasing. However, after this Amendment the Government has permitted leasing out land up to 40 standard acres for aquaculture, 20 standard acres for industrial development, 4 standard acres for educational institutions recognized by the State, 20 standard acres for housing project; and 20 standard acres for horticulture including floriculture and agro-based industries. These changes are indicative of the transformation in the ideological base of Land Reforms of the earlier shade. The result of these amends caused a shifting the land use especially in the urban fringes and in semi-urban areas; where in absentee landlords are promoting floriculture / horticulture. In fact, instead of leasing out land, farmers have resorted to total sale of their land, and this has resulted in many cases farmers becoming tenants on their own land, due to poor portfolio management.

1. Made provision to lease in the agriculture land for aquaculture for a period of 20 years in the districts of Dakshin Kannada & Uttar Kannada up to 40 units (around 220 Acres).
2. Agricultural land can be bought or inherited by any one whose income from non-agricultural source is below Rs. 2 lakh.
3. Up to 108-acre of agricultural land can be bought for industrial development purpose.
4. Up to 28 acres for educational institutions.
5. Up to 54 acres for places of worship.
6. Up to 54 acres for a housing project.
7. For horticulture including floriculture and agro-based industries up to 108 acres.

The main purpose of the Amendment was to supplement the objective of new agricultural policies of Government of Karnataka and augmenting the process of liberalization and globalisation initiated by Government of India. The other problems remained unattended.

There are some references to other States which have already modified their ceiling laws to exempt orchards, fish ponds etc, but, the results are far from satisfactory in the absence of necessary reforms and support. Besides, a generalized relaxation of ceiling laws in all the cases, may neither be socially desirable nor politically feasible, as the resultant landlessness may cause unmanageable tensions in rural areas in the absence of adequate employment opportunities. (Haque 2003) In fact, in view of huge State investment in major and medium irrigation projects over the years, the area irrigated has
spread to new regions, which were hitherto unirrigated. In most of the cases there was no review of these holdings for extending ceiling laws to these holdings as irrigated holdings and this potential for surplus land be explored.

The general demand for relaxation of ceiling laws doesn’t seem to have much of a basis in a rural society, which is predominantly based on small farmer economy. Some argue that commercialization of agriculture, particularly for export promotion, requires the size of land holding to be reasonably large so that economics of scale as well as quality of produce could be maintained. Some go to the extent of arguing that to keep the pace of overall growth of the Indian economy, at around 9 to 10 percent agriculture should attract FDI to achieve at least from percent growth and hence the need for relaxing ceiling and tenancy laws. These fancy arguments do not have proper comprehension of the Indian agrarian conditions. In reality these arguments are misplaced because countries like China and Vietnam with smaller size of land holdings do influence the international export markets today in a significant manner. (Haque 2003) Small-marginal farmers because of ability to provide intensive care to crops can become internationally cost-competitive. They need transfer of cost-effective high yielding technologies. What is probably more important in this context is that there should be strengthening of public investment in farm support systems to enable small farmers to produce commodities on demand in global markets and enable them to access these markets.

4.1 Recommendations (Relating III and IV Sections)

On the basis of the review of the actual implementation of existing land legislations, the available macro and micro evidence from different parts of rural India and their implications towards agricultural productivity, following changes measures are recommended to encourage more productive use of land resources to foster agricultural productivity and promote equity.

- In view of very high population pressure on land, lack of alternative employment opportunities and agriculture still being a safety net for the rural population, the land ceilings should be neither raised nor lowered. However, there has been a significant increase in the area under irrigation since the early seventies when the revised ceiling laws were introduced. The additional area under irrigation should be brought under ceiling limits and surplus area should be taken over and distributed among eligible beneficiaries. As mentioned above, an area of 8.33 lakh acres has been involved in litigation. Efforts should, therefore, be made to take this land out of courts purview and distribute to eligible beneficiaries.

- It has been estimated that, at the national level, 15 million hectares of culturable wasteland and 26 million hectares of fallow land can be acquired, reclaimed and distributed among the landless households.
With exception of ‘Operation Barga’ of West Bengal, tenancy laws in almost all states leave much to be desired. Prohibition of tenancy or rigidity of tenancy laws have driven most of the tenancy to assume informal or unregistered nature much to the disadvantage of small tenants. In the light of growing marginalization of holdings and growing evidence of rise in informal tenancy there is urgent need for reforms in tenancy laws. Tenancy legislation should be amended with provisions, which neither threaten the loss of ownership and control of the landholder nor would discourage the tenant from investment because of frequent changes. Formalised tenancy with a ceiling on leasing-in up to three times the ceiling limit would facilitate registered tenancy and would enable landless or small farmer tenants to access institutional credit, insurance and other benefits.

The state must create appropriate legal and regulatory system for contract farming, and create support systems to enable small-marginal farmers, individually or collectively participate in the system.

The regulatory system, besides ensuring fair deal to the small-marginal farmers, should also ensure that contract farming would not result in excessive monoculture that harms biodiversity and agricultural ecology.

Contract farming in the Indian context of small-farmer based agriculture should be specified as the one that does not involve purchase or lease of land but only assured buying of farmers’ produce. This policy specification is essential to avoid mixing up contract farming with corporate farming.
5.1 **Introduction**

Expansion and growth of urban areas imminent as well as a sign of growth in developing countries like India. Urban expansion in a normal course results in conversion of agricultural lands in the fringe areas for non-agricultural purposes. Such expansion is often associated with positive as well as negative impact on the rural populations in the fringe areas. Literature on urban development indicates that the growth of urban centres in to peripheral rural areas results in economic gains in terms of diversified livelihoods, higher wages and incomes, rural communities suffer in terms of degradation of micro environment in terms of basic amenities, pollution, etc (Bentinck, 2000). While such observations are valid in a normal process of urbanisation, they may not hold good in the context of land acquisition by government as well as private enterprises for speculative profits. In the absence of regulation land alienation from agriculture is taking place much before (with a lag of a decade and more) the real urban development takes place. The result is that the primary stakeholders (the original farmers and land owners) are left high and dry, as they lose their esteemed livelihoods and pushed in to menial jobs, as they lack skills to get in to white or blue-collar jobs. They become mere spectators, as their own lands are up for grabs at very high premium (10 times and more)1.

Recent years have seen conversion of large tracks of agricultural land for the purpose of commercial and real estate purposes. Though these conversions are yet to be recorded in the official statistics, the issue of declining net sown area has been highlighted as a major concern of Indian agriculture in recent months (Alagh, 2006). Though net sown area fluctuates along with rainfall, it is argued that the recent decline of about one million hectares during 2003-04 is unprecedented. Even severe droughts during 1980s have not experienced such a decline. The over all agrarian distress could be one of the reasons for poor sowing operations in the event of below normal rainfall. For agriculture in general has become unviable even during normal rainfall years, hence farmers may be shunning away from taking greater risk in a below normal rainfall years. Other important reasons could be i) degradation of land and ii) allocation of land for more remunerative purposes like real estate, development activities, special economic zones, etc. iii) corporate agriculture is also growing though it would not alienate land from agriculture. Here we examine the trends in land use over the years and explore the possible explanations and future trends. We argue, based on the primary data collected from the fringe areas of Hyderabad and selected case studies of farmers, that the trends in unrecorded decline in net sown area is more alarming than the decline in the recorded sown area. For, the magnitude of unrecorded decline is not only much higher but also

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1 A case in point is: Andhra Pradesh government had acquired about 100 acres of land from small and marginal Dalit farmers in Medak district (about 40 km from Hyderabad) during April 2006 with a promise to set up a beverage factory. Land-owners were paid Rs. 1 lakh per acre and a job in the factory. While offer was attractive at that time, the present value of the same land is Rs. 20 lakhs per acre. More over, the promised factory is not in sight (The Hindu, 25th November, 2006).
adversely affects the livelihoods of farmers in a permanent way. After examining the trends in land use at the all India level, an attempt is made to understand and assess the impact of land alienation and acquisition on the local communities. The assessment is based on case studies and focus group discussions in selected villages on the fringes of Hyderabad city.

5.2 Trends in land Use

Trends in land use over the last 50 years in India indicate that net sown area has stabilised around 140 million hectares from 1980s onwards. The decline in NSA during 2002-03 is not unique as similar decline is experienced during 1988 as well (Fig. 1). These declines may be attributed to the rainfall. Both these years recorded low average rainfall. On the other hand area under non-agriculture use is on the rise especially during 1990s. This is accompanied by the decline in uncultivable lands.

The decline in net sown area is associated with an increase in fallows, especially current, in both the years. This clearly indicates the whether induced changes in land use. Extent of current fallows is directly dependent on year on year rainfall (Reddy, 1991). The increase in area under irrigation during the 1990s was not effective in checking the decline in NSA (Fig. 2). In fact, even the area under irrigation has declined during 2002-03. While area under canal irrigation has declined in the recent years, well irrigation also declined during 2002-03 (Fig. 3). This further emphasises the role of rainfall. Increasing dependence on groundwater during the 1990s is making agriculture more vulnerable to weather. This is mainly due to the decline in tank systems, which are the replenishing mechanisms for groundwater.
i. Land Degradation

Degradation of land is another factor that could adversely affect the area under NSA in the long run. Declining land quality makes agriculture unviable. About 6 lakh hectares are degraded in India. Recent estimates, however, indicate that there is a decline in the extent of degraded land in the country (Fig. 4). The NRSA estimates of 2000 and 2003 indicate that extent of land degradation declined from 20 percent of the geographical area to 17 percent over a period of 15 years (Fig. 5). The decline has taken place in all the states and in all forms of degradation. This could be attributed mainly to the land and water conservation activities under the national watershed programme during the 1990s. Between 1995 and 2004-05 more than 19 million hectares have been
covered under watershed development under various programmes like DPAP (6.5 million ha.), DDP (4 million ha) and integrated wasteland development (8.5 million ha.) (DoLR, 2006).

However, we need not be complacent about the degradation problem, as it depends mostly on the effectiveness and sustainability of the watershed development. The experience and evidence in this regard is not encouraging. Watershed development programmes are marred with implementation problems. There is need for addressing and correcting the implementation anomalies in order to make the programme effective and sustainable (Reddy, 2006). As per the official estimates, there appears to be no warning signals or reasons to panic about the declining net sown area in the country. But, there could be a latent danger of loosing large track of agricultural land to the so-called development activities. Both state and private enterprises are active in land acquisition in and around important urban centres. The following section examines this aspect in the context of Hyderabad, which is among the fastest growing cities in Asia.

![Fig. 4: Extend of land Degradation in India](image-url)
ii. Land Acquisition for Infrastructure Activities and SEZs

The unprecedented growth and economic boom in recent years has a multiplier effect on the development activities such as infrastructure like roads, ports, airports, housing, etc. Acquiring land for these activities has an externality i.e., increase in speculative demand for land surrounding these activities. Speculative demand for land goes up as soon as the site location for the new activity is identified. While the actual requirement of land for the development activities is not substantial, the speculative demand would be in multiples of ten and more.

Added to this is the new Special Economic Zone Act in 2005 and the rules were notified in February 2006. This has triggered a sort of gold rush for land. Since the notification of rules more than 400 applications were filed to set up SEZs. So far the government has approved 267 proposals, of which about 160 have got the formal approval and the remaining in principle. It is estimated that the land required for all the 267 SEZs approved is 1129000 hectares (India Today, 2006). This is despite the fact that most of the SEZs are small in size when compared to China. While debate is on how far SEZs are beneficial to Indian economy, the new policy has attracted more of real estate enterprises than the manufacturing or other entrepreneurs (Aggarwal, 2006). For instance AP has got 43 out of the 160 approved SEZs in the country. Other major states include Karnataka (36), Maharastra (26) and Tamilnadu (20). About 35 percent the proposals pertain to IT and related activities. In recently cleared list of SEZs from AP (16) majority of the proposals (more than 90 %) are from real estate companies and all except one are located around Hyderabad. And more than 90 percent of them are in the IT sector. It appears that the serious entrepreneurs have got the clearance in the first list and now the turn of the real estate people. SEZ policy is not clear on the location of the SEZs and the process of land acquisition. Land acquisition is left to the state governments and land alienation is taking place at a much faster rate in states like AP and Karnataka where speculative demand for land is more.
While the need and rationale for SEZs in their present form are questionable, restricting their location to degraded lands and backward areas would be more appropriate. Such a policy would help in developing the backward areas without adversely affecting agriculture production. In the absence of such restrictions fertile lands will be up for grabs in the areas surrounding SEZs, which would be much higher than the actual land required for establishing the SEZ.

iii. Corporate Agriculture

Corporate farming is expected to shift the cropping pattern towards exportable cash crops and change the farm management into a business mode. Often contract farming is confused with corporate farming. While contract farming does not change the land ownership pattern, corporate farming would result in concentration of land in the hands of business houses. As of now there are not many ventures in corporate farming. While ITC has traditionally grown tobacco in AP for its cigarette business, the company is now exploring the possibilities of entering the spice trade. Pepsi co started with contract farming in the nineties as part of its mandatory export obligation, and now grows potatoes, tomatoes, chilli and rice in Punjab, Maharashtra, Karnataka and West Bengal.

The latest and the biggest entry into corporate agriculture is the Mittals. Staring with 63 acres in May 2005, they are now the biggest corporate agriculturists in the country with a production of 30,000 tonnes of various agricultural products. Their short and medium term target is to cultivate 40,000 acres. They are collaborating with Rothschild, an investment bank from UK.

Corporate agriculture was initiated in Tamilnadu during 2002 in an innovative manner under the wasteland development programme. Corporates were encouraged to take land on 30 years lease for producing commercial crops like cotton, flowers, fruits, vegetable, spices, etc. We do not have information regarding the current status of this initiative.

iv. Land Speculation and Displacement

So what is wrong with developmental activities as they are apparently benefiting the local communities with higher prices for their lands? It is true that in number of instances it is observed that poor farmers are becoming millionaires overnight due to the increase in their land values. As long as these befits directly go to the primary stakeholders or the original farmers, it may be considered as befit to the community. Even if the benefits are accruing to the primary stakeholders, will they sustain in the absence of reinvestments in productive assets like land, business, etc. Often local communities lack such skills, especially when the developments take place overnight. Communities are observed to be well prepared in the fringe areas of Delhi, where urban expansion has resulted in the shift of local communities into urban jobs (white as well as blue collar). For the development has taken place over a period of time, which helped improving the awareness of rural communities in terms of investing in education and smooth integration with the urban culture (Bentinck, 2000). On the other hand, the recent (past two years) avalanche of developments has caught the rural communities unawares in the fringe areas of urban centres.
5.3 Strategies for Displaced

It is evident from some case studies at different locations and experiencing different stages of development process, there are significant material gains for the farming communities. This is more so in the context of agriculture becoming increasingly unviable. But in all the cases the primary stakeholders are not the main gainers. For them land alienation took place much before the land prices have started peaking. Compared the margins of the middle men the earnings of the farmers are meagre. Only the big and well-to-do farmers were able to reinvest the money and make sustained earning. Most of the poor and vulnerable sections appear to be the main victims of development. These people are either displaced from their actual locations with little or no compensation. In fact, while the so called developmental activities like establishing SEZs have targeted the weaker and vulnerable groups for land acquisition, other communities, especially the realtors benefited from such activities in terms of increase in land prices.

Of late all the government activities ranging from road widening to establishing SEZs to allocating land to private companies as incentive are termed developmental. In the real sense developmental activities are those that benefit the communities at large, such as public hospitals, schools, roads and other infrastructure like irrigation projects. Supporting or establishing profit making ventures, though they create employment, do not come under developmental activities. Of late, even the irrigation projects are facing serious hurdles in getting the approval in the absence of proper rehabilitation and resettlement policies. On the contrary the displacement of rural communities in the name of development is going largely unnoticed in the absence of proper land acquisition policies.

While the rich farmers are able to protect themselves from this onslaught due their awareness and resource strength, poor and weaker sections are loosing out in the bargain, as they are not capable enough to reinvest their little gains in a sustainable manner. In fact, some of them were deprived of their lands in the absence of proper pattas. There are not even a position to get a foothold in the urban job market due to lack of education and skills. On the other hand, the rich could gain a better share in the process when compared to their counterparts.

5.4 Crux of Land Going Out of Agriculture

The problem of decrease in land available for agriculture has several dimensions as discussed above. But one clear dimension is that there will be growing demand of non-agricultural use on agricultural land because of two reasons viz. i. there is bound to be increase in the share of industry in the overall GDP of the country, and ii. there is bound to be much faster pace of urbanization than in the past in India.

Table 2 shows that over four decades since 1960, the share of industry in the overall GDP in India changed marginally and still at a very low level in comparison to
Table 2: Changes in the Share of Secondary Sector in GDP in India and Comparable Countries, 1960-2002

<table>
<thead>
<tr>
<th>Country</th>
<th>1960</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>China</td>
<td>49</td>
<td>51</td>
</tr>
<tr>
<td>Indonesia</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Thailand</td>
<td>19</td>
<td>43</td>
</tr>
<tr>
<td>Philippines</td>
<td>28</td>
<td>33</td>
</tr>
<tr>
<td>Malaysia</td>
<td>18</td>
<td>47</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>20</td>
<td>41</td>
</tr>
<tr>
<td>Pakistan</td>
<td>16</td>
<td>23</td>
</tr>
<tr>
<td>India</td>
<td>16</td>
<td>25</td>
</tr>
</tbody>
</table>


countries at about similar levels of development. The present growth of the country, though driven by services, cannot be sustained until the contribution of the industrial sector increases substantially. There will be shift of workers from agriculture to industry and shift from rural to urban locations at a pace much higher than in the past. Similarly, the pace of urbanization in the past, as seen from Table 3, was too slow for any developing country. It took almost half a century from 1950 to 2000 to experience an increase of ten percentage points of urbanization from 17.3 percent to 27.7 percent. But, the next ten percentage points of increase in urbanization from 27.7 to 37.5 percent is likely to happen exactly in half that time in 25 years, between 2000 and 2025. Further, it is not that urbanization in India is already high and that pace of growth could be reduced.

Table 3: Pace of Urbanization in India: Past and Future

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Population in Urban Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>17.3</td>
</tr>
<tr>
<td>1960</td>
<td>18.0</td>
</tr>
<tr>
<td>1970</td>
<td>19.8</td>
</tr>
<tr>
<td>1980</td>
<td>23.1</td>
</tr>
<tr>
<td>1990</td>
<td>25.5</td>
</tr>
<tr>
<td>2000</td>
<td>27.7</td>
</tr>
<tr>
<td>2010</td>
<td>30.3</td>
</tr>
<tr>
<td>2020</td>
<td>34.7</td>
</tr>
<tr>
<td>2025</td>
<td>37.5</td>
</tr>
<tr>
<td>2030</td>
<td>40.1</td>
</tr>
</tbody>
</table>

Source: www.un.org/population/publications

Table 4 shows that India still is one of the least urbanized country and the present rapid pace of integration the Indian economy into the global economy is bound to increase the process of urbanization.
Table 4: Percentage of Urban Population in India and Major Regions of the World 2000-2020

<table>
<thead>
<tr>
<th>Country / Region</th>
<th>2000</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>27.7</td>
<td>34.7</td>
</tr>
<tr>
<td>World</td>
<td>47.2</td>
<td>55.9</td>
</tr>
<tr>
<td>Africa</td>
<td>37.2</td>
<td>47.9</td>
</tr>
<tr>
<td>Eastern Africa</td>
<td>24.5</td>
<td>36.3</td>
</tr>
<tr>
<td>Western Africa</td>
<td>39.3</td>
<td>54.5</td>
</tr>
<tr>
<td>South Africa</td>
<td>56.9</td>
<td>69.6</td>
</tr>
<tr>
<td>Asia</td>
<td>37.5</td>
<td>48.7</td>
</tr>
<tr>
<td>Eastern Asia</td>
<td>41.6</td>
<td>57.2</td>
</tr>
<tr>
<td>China</td>
<td>35.8</td>
<td>53.4</td>
</tr>
<tr>
<td>South-Eastern Asia</td>
<td>37.5</td>
<td>51.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>41.0</td>
<td>58.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>73.4</td>
<td>77.6</td>
</tr>
<tr>
<td>Europe</td>
<td>73.4</td>
<td>77.6</td>
</tr>
<tr>
<td>Latin America</td>
<td>75.4</td>
<td>81.8</td>
</tr>
</tbody>
</table>

Source: www.un.org/population/publications

The present scenario presents an anomalous situation where there is hardly any nation policy or fair strategy of land acquisition except the 19th century law. In the light of these facts what is needed is a clear strategy towards dealing with the decline of land available for agriculture. First, clear mapping of the non-agricultural land that can be put to industrial and urban uses is the top priority. Of equal importance is to reckon with the fact, with all the non-agricultural land that could be used for urban and industrial purposes, there is bound to be expansion of areas non-agricultural operations that would make demands on agricultural land and some of which may have to be parted. Second, evolving a strategy of agricultural land acquisition that is not only fair and just in terms of compensation but also proactive in ensuring a share in the gains of the urbanization and industrialization becomes essential.

5.5 Recommendations

The following strategies need immediate attention of policy in order to facilitate a better deal for the displaced rural communities.

- There should be National Guidelines on developmental activities for the purpose of land acquisition. No profit making activity should be termed as development activity and hence do not deserve land allocation on priority or concessional rates.

- Land acquisition policies should prioritise in such a way wastelands will be acquired first and lands of poor, irrespective of its quality, should be acquired last.
The policy should make the primary stakeholders partners rather than one time beneficiaries. The recent policy of Andhra Pradesh proposes a 10 percent share to the landowners in the future value addition to the land. This share is too small considering the rise in land prices after the acquisition. The share should be in proportion to the land of the dispossessed. It could be 25% for those with less than two hectares and progressively go down to 10% for those with more than 5 hectares.

The SEZ Act should come out with clear and appropriate land acquisition policy so that it would not become ‘Special Real Estate Zone’ Act. There should be clear National Guidelines evolved by the Centre and implemented by the States.
References


India Together (2006), “Special Exploitation Zone”, October, 16.


