



EFFECTS OF LAND ACQUISITION POLICY ON FARMERS IN HARYANA

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Abstract: *Recently the issue of land acquisition and compensation payment has assumed a very serious dimension in the state of Haryana. On the basis of primary data, this study analyses the effects of land acquisition policy on farmers in Rohtak district of Haryana. The effects of land acquisition identified, included changes in income levels, land ownership structure, land utilization, farming practices, cultural and social values. In this paper quantum of land lost by the farmers, the amount of compensation paid to them, adequacy and utilization of compensation money, change in income level and living conditions has been discussed. In the light of various problems faced by the farmers and their demand of higher compensation, the Land acquisition Act 1894, Rehabilitation and Resettlement Policy-2007 and 2010 of the government of Haryana have been examined. Some suggestions are also made as to how the process can be improved in future.*

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INTRODUCTION

Land Acquisition “literally means acquiring of land for some public purpose by Government/Government Agency, as authorized by the law, from the individual landowner(s) after paying government fixed compensation in lieu of losses incurred by land owner(s) due to surrendering of his/her land to the concerned government agency.

The development projects require large parts of non-developed land. Availability of such land near big cities is not possible which means that most of the planned projects have to be setup in rural or semi-rural areas. In such areas which mostly comprise villages, the main occupation is agriculture and the main source of income is from land. This is where the need of agricultural land acquisition comes in.

Moreover, fertile agricultural land has been the cultural and social heritage for generations of land owners and landless people in rural India (Sharma 2008). Despite the good cause of land acquisition, it redefines the pattern of land ownership and its usage. Frequently the exercise results into harmful outcomes. Loss of land, loss of means of livelihood, disruption of economic activities, persistent land related disputes, inadequate and late compensation are some of the negative outcomes (Kausilka et.al).

Land acquisition whether for state-sponsored development or for private business projects has always been faced opposition. The reason for opposition has become more broad based in the last four and half decade (1970 onwards) has identified three distinct reasons for opposition namely environment concerns, social well being concerns and benefit sharing concerns (Tata & Kakani,2008).

Farming does not make peasants rich, but it generates sufficient income to support a minimum level of livelihood and security. Without appropriate training and skills in managing their lump sum payment and without appropriate investment channels (if their compensation is sufficient to make any investment at all), it is common for peasants to end up with no land to farm, no income stream to support themselves and no job skills to compete in tight urban job markets (Ding, 2004). The above factors explain why people are ready to face the bullet to save the land, even though agricultural profitability and real wages are at an all time low level and declining by the day.

The Tata Nano Project in Singur ,West Bengal during October 2008, Posco project in orissa, Reliance Power’s Dadri project Uttar Pradesh, 2009, Sterlite Industries project in Orissa,



the project of Tata Steel, Arcelor Mittal, Coca-Cola, Enron and the Yamuna Expressway Project in UP in September 2010, are the innumerable examples of agitations by the farmers against land acquisition. This paper has tried out to analyse the effects of land acquisition policy in Haryana.

LAND ACQUISITION ACT

Land acquisition act 1894 was framed in 1894 and the Indian government adopted it in 1947 as a tool for land acquisition. This act was created with the expressed purpose of facilitating the government's acquisition of privately held land for public purposes. The word "public purpose" as defined in the act, refers to the acquisition of land for putting up educational institutions or schemes such as housing, health or slum clearance, apart from the projects for rural planning or formation of sites. The word "government" refers to the central government if the purpose for acquisition is for the union and for all other purposes; it refers to the state government. It is not necessary that all the acquisition have to be initiated by the government alone. Local authorities, societies registered under the Societies Registration Act, 1860 and Co-operative Societies established under the Co-operative Societies Act can also acquire the land for developmental activities through the government. Various amendments have been made to the 1894 act from time to time. Despite these amendments the administrative procedures have remained same. The Act was revised in 1984 and latest amendments in this bill were made in 2007. The Land Acquisition (Amendment) Bill - 2007 amended The Land Acquisition Act - 1894.

- The Bill redefines 'public purpose' as land acquired for defense purposes, infrastructure projects or for any project useful to the general public where 70 per cent of the land has already been purchased. The Bill bars acquisition for companies except under the 70 per cent condition.
- For acquisition resulting in large-scale displacement, a social impact assessment study must be conducted. Tribal, forest dwellers and those with tenancy rights are also eligible for compensation.
- Acquisition costs will include payment for loss or damages to land and costs related to resettlement of displaced residents.
- While determining compensation, the intended use of land and value of such land in the current market is to be considered.



- The Bill establishes the Land Acquisition Compensation Disputes Settlement Authority at the State and Central levels to adjudicate disputes resulting from land acquisition proceedings.

LAND ACQUISITION POLICY OF HARYANA

Apart from the Central Land Acquisition Act, there are a large number of state specific laws. Haryana is one of the first states to frame Land Acquisition Policy in 2005 and made it better for farmers by amending it and announced on December 07, 2007. Some of the policy initiatives are as:

Minimum Floor Rates: The lump sum compensation is decided on the basis of floor rates- minimum rates that are paid to land owners fixed by the government. This policy is dividing the state into three zones having floor rates as Rs. 20 Lakh per acre, Rs 16 Lakh per acre and Rs. 8 Lakh per acre (as given in Table- 1).

Royalty for 33 years: The royalty is for a period of 33 years over and above the usual land compensation starting with Rs. 15,000 per acre per annum and with an annual hike of Rs. 500 every year. For land acquired for setting up of SEZs/ Technology Cities, Technology Parks, the annuity is Rs. 30,000 per acre per annum to be paid by private developers with an annual hike of Rs. 1,000 every year. The annuity has been incorporated into the policy as a farmer earns Rs. 10,000-15,000 per annum per acre from his/her land if given on contract. It is only humanistic that he/she is compensated for the loss of livelihood.

Everyone gets plot: The R&R Policy also provides for allotment of plots by HSIIDC/HUDA, depending upon an owner's share in the land acquired and if 75 per cent or more of the land owned by his/her dwelling unit is acquired. The policy entitles a minimum of 50 square yard plot and a maximum plot size of 350 square yard depending on the size of land or house acquired.

Building infrastructure: The R&R Policy puts an obligation on developers, including HSIIDC/HUDA for creation of social infrastructure in the villages falling within the acquired land. HSIIDC which had been earmarking about 1 per cent of the total cost of the project for development works for public benefit in such villages. It has now doubled the funding for Village Development Scheme to 2 per cent.

Skill development: This is a part of the R&R Policy wherein developers are required to undertake programmes of skill development for persons whose land has been acquired.



Some of private consultants are undertaking socio-economic impact assessment studies to upgrade the skills of land owners and improve their employability.

REVISED LAND ACQUISITION POLICY – 2010

The Haryana Government has revised Land Acquisition Policy - 2007 on November, 2010, the new initiatives and provisions taken under it are effective from September 07, 2010. It is known as Rehabilitation and Resettlement Policy - 2010.

Floor Rates: The revised floor rates are as per five different zones (as given in Table- 1) with Rs. 40 Lakh per acre as maximum and Rs. 12 Lakh per acre as minimum amount.

No Litigation Incentive: If a farmer accepts the compensation amount and executes an agreement to this effect he /she is entitled to get No Litigation Incentive which is equal to 20% of the amount of the basic rate.

Annuity Scheme: The eligible land owners will be paid annuity @ Rs. 21,000 per acre per annum for a period of 33 years over and above the usual land compensation. The annuity amount of Rs. 21,000 will be increased by a fixed sum of Rs. 7,50 every year. In respect of land acquired for setting up of SEZs, Technology Cities, Technology Parks, a sum of Rs. 42,000 per acre per annum will be paid for a period of 33 years by private developers and annuity amount will be increased @ Rs. 1,500 every year.

Indicative Total Amount Payable to Landowners (Table-1)

Sr. No.	Particulars	Mini. Floor Rate (Pre-revision)/ acre	Mini. Floor Rate(revised)/acre w.e.f. 07.09. 2010	Solatium @ 30%	Amount under Section 23(1A) For 30months	No Litigation Incentive @ 20% Of the floor rate	Total Amount/ Acre
1	Land Situated within the notified limits of Gurgaon Municipal Corporation	20 lakh	40 lakh	12 lakh	12 lakh	8 lakh	72 lakh
2	Land Situated within the notified limits of Faridabad and Panchkula Municipal Corporations: Areas forming part of the development plans of Gurgaon - Manesar urban complex(excluding the areas falling within the limits of municipal corporation Gurgaon) Sohna and Sonapat Kundli Urban Complex.	16 lakh	30 lakh	9 lakh	9 lakh	6 lakh	54 lakh
3	Area Situated within the Development plans of: Bahadurgarh, Rohtak, Rewari, Dhruhera, Bawal and Panipat Towns	16 lakh	25 lakh	7.5 lakh	7.5 lakh	5 lakh	45 lakh



4	Rest of the NCR, Areas situated outside the limits of Panchkula Municipal Corporation in Panchkula District and the land situated within the development plans of all other districts headquarters outside the NCR	16 lakh	20 lakh	6 lakh	6 lakh	4 lakh	36 lakh
5	Remaining Parts of the state	8 lakh	12 lakh	3.6 lakh	3.6 lakh	2.4 lakh	21.6 lakh

Source: Haryana Government Gazette (Extra), November, 2010, p.7586.

Other benefits include:

- In case 75% of his/her land in revenue estate has been acquired for government infrastructure projects other than those for HUDA, HSIIDC or HSAMB subject to a minimum of two acres, his/her one dependent would be considered for a job
- Allotment of Residential plot on account of acquisition of land under the land “Oustee Scheme” and acquisition of self occupied residential house.
- Allotment of a commercial site/industrial plot in case 75% of land in a revenue estate, subject to a minimum of one acre has been acquired by HUDA, HSIIDC or HSAMB.
- Alternate electric tube well connections in his/her un-acquired land or over the agricultural land that he may purchase elsewhere in the state within a period of two years of the Award.
- Exemption of stamp duty & registration charges on purchase of alternate agricultural land within state of Haryana within a period of two years from the Award.
- Scheme for landless persons and artisans: Free technical education to the dependents in Government run Industrial training institutes and polytechnics. Fund equal to 1% of the compensation amount for creating skill-sets. Preference to these people in employment in industrial projects.
- Investment advisory services, Social & Community infrastructure facilities etc.

OBJECTIVES OF THE PAPER:

To study the problem, the specific objectives are as:

- 1 To examine the recent modifications in the LAP of state government of Haryana and its ramifications for land acquisition and compensation payment.
2. To assess the loss of land to the farmers through its acquisition and the adequacy of the compensation received by the farmers.



3. To analyze the uses of compensation money by the farmers.

RESEARCH METHODOLOGY

To fulfill the objective, the study is based on the primary as well as secondary data. The land acquisition is actively involved in many districts of Haryana. But in present study, only one district i.e. Rohtak is taken to see the impact of this policy. Therefore one village named Baliyana is selected for the field survey. In order to find out empirical information sample survey has been carried out. A sample of 50 households from one village has been selected randomly. A sample survey was administered to elicit the needed information by the researcher herself. The analysis has been done through tabulation and percentage techniques. Secondary data has been collected from various sources like Statistical Abstract of Haryana, Haryana Government Gazette, HSIIDC (Haryana state infrastructure and industrial development corporation) Office Records, etc.

FINDINGS

Under the Industrial Development Project, 731 acres of land acquired of this village, against the lost land of 731 acres the villagers received total Rs.1651701120 as compensation and per acre compensation amounted to Rs.2259509 only. All the 50 sample households have received full compensation through bank cheques.

Opinion of Farmers about Compensation Payment (Table-2)

Response	No. of households
Adequate	5 (10%)
Not Adequate	45 (90%)
Total	50
If no, they would have expected	
Response	No. of households
Double the amount	32 (71.1%)
Three times the amount	5 (11.1%)
Four times the amount	6 (13.2%)
More than four times	2 (4.4%)
Total	45

Source: Primary data.

The opinion of the affected households has been taken on the adequacy and on the probable amount of compensation as shown in Table-2. 90% sample households have expressed their disagreement with the rate of compensation given to them for their respective lands and thus only 10% households have considered compensation as adequate. More than 70% respondents reported that the compensation should have been double the



amount paid to them. More than 11% held the view that it should have been three times the present amount. 13.22% households have the view that it should be four times. The remaining 4.4% expressed the view that the compensation rate should have been more than four times of the given rate.

Reasons Given by the Farmers for Demand of Higher Compensation (Table-3)

Reasons	No. of Households
Land was fertile	22 (48.8%)
Too Many Dependents	6 (13.3%)
Unable to purchase equal measure of land	-
Does not replace income	2 (4.4%)
Any other	15 (33.3%)
Total	45

Source: Primary data.

Table-3 shows that out of 50 sample households, only 5 households agreed with rate of compensation given to them. But 45 households have given various reasons for demand of higher compensation rates. More than 48% held the view that their land was more fertile than assessed value for compensation. The remaining 13.3% did not find the compensation amount sufficient considering too many dependents on their lands and consequently found the compensation insufficient. Another 4.4% households held the view that whatever compensation they have received was not sufficient for them to reach the earlier income level. Remaining 33.3% households gave other reasons like government has given more compensation to the adjoining village's land.

Utilisation of Compensation Money by the Households (Table-4)

Compensation category in lakhs	Number of households under various categories of utilisation						
	Purchase of agricultural land	House building	Domestic consumption	Social functions	Bank deposit	Business Investment	Education
0 – 10	-	-	1	-	3	-	-
10 -20	6	5	-	3	1	2	-
20 – 30	6	7	-	1	-	1	2
30 – 40	5	4	-	-	-	1	-
40 – 50	4	1	-	1	-	-	-
50 – 60	5	4	-	1	-	-	-
60 – 70	3	2	2	1	-	-	-
70 – 80	2	2	-	-	-	-	-
80 & above	9	8	3	2	-	1	-
Total	40(80%)	33(66%)	6(12%)	9(18%)	4(8%)	5(10%)	2(4%)

Source: Primary data.



In Table-4 we have made an attempt to quantify the pattern of utilization of the compensation money received by the sample households in the study area. It should be mentioned that all the households have utilize the money more ways than one. We have found 7 categories of utilization of compensation money by the households and 9 categories of compensation money received by the households in the study area. But as the households have spent the money under more than one utilization category, so any row total is a result of the addition of the same household more than once under different categories. As a result, sum of all the row totals is not equal to the total number of households in our sample. Each column total however represents the actual number of households out of 50 under any particular utilization category.

Out of 50 households, 80% of them reported that they have purchased land from the compensation money. Second largest number of households 66% has spent money on house building/house repairing. While 18% households spent money on social functions like marriages and other ceremonies. Other 8% have deposited one part of that money in bank, while 10% households invested some part of money in business activities. Remaining 12% households have spent some part of money on domestic consumption. This study clearly shows that highest number of households has spent compensation money on productive purposes like education, purchasing of agricultural land, house building and business activities. This shows the awareness of households not wasting money in unproductive purposes. But all the households have purchased land away from their village and given on patta. Only one household has shifted from the village for doing agriculture.

- More than 90% households held the view that their income and living conditions improved. But very small farmers whose occupation was agriculture now suffering much because they were farming on their small piece of land and taking the adjoining land for cultivating on patta. This was giving them sufficient amount of income but now the land acquisition reduced the total agricultural land in the village and they have no work. It reduced the income of these farmers.
- Royalty has not been given from two years.
- Even after four years of land acquisition, no family member of the households has been given any permanent job in this project.



SUGGESTIONS

- Royalty should be given at the proper time. All the households held the view that it should be given during crop season, so that they can purchase food grains at reasonable prices. It should be given according to the revised land acquisition policy.
- As given in the policy, provision of jobs, allotment of plots and other benefits should be awarded properly and on time.
- Land is like diamonds but money is like ice (Zaman 1990). The government should organise seminars and other innovative ways to train farmers about the utilization of the compensation money and other modern agriculture techniques.
- The land acquisition process should be innovative. For instance, in a project in Salboni, JSW Bengal steel offered land owners cash compensation, shares in the project company as well as one job per family (Kakani et al 2008).
- The Government should have a clear-cut policy regarding the acquisition of fertile agricultural land for the establishment of industries. The Government should explore all the possibilities of the establishment of industries on non-agricultural land and mention this with reasons in the Gazette notification, if acquisition of agricultural land becomes unavoidable. The Gazette notifications for land acquisition must mention the type of land (agricultural, non-agricultural wasteland, orchard, pond, etc.) acquired for a particular project. And the state Government should publish a book from the Land and Land Reforms Department every year which would give the statistics on the type of land acquired by the Government in each district for development projects. This would enable the Government to evaluate its policy towards development (Guha 2001).
- Private developers are paying higher royalty for land than public projects as railways, airports, canals. If these different types of projects, private and public occur in one village at different time or in neighboring villages at the same time, farmers who are less compensated feel unequally treated by the Government. Such inequity contributes rising tensions and distrust between peasants and the Government. There should be equity on both the level of compensation as well as variations in payment in different situations because land has same importance for all farmers.



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