

LAND ACQUISITION, ACCUMULATION BY DISPOSSESSION AND SPECIAL ECONOMIC ZONES IN INDIA

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ABSTRACT

After liberalization and Globalization of the Indian economy in 1991 new economic policy based on industrialization was followed vigorously in India which shifted the onus of economic development on its constituent states whose roles expanded enormously in promoting economic development. Over the past few decades in general and after SEZ Act 2005 in particular vast tracts of agricultural and forest land have been expropriated by various state governments in the name of SEZs which was conceived as an engine of economic growth supported by wide range of fiscal and other incentives both at the centre and the state level. Inevitable consequence of these land expropriations is dispossession and displacement of farmers, tribes and other marginalized groups who were robbed of their basic social security – land, in the absence of adequate social security measures. In the context of this neo liberal development agenda present paper seeks to analyze the prevailing rationale behind state- led coercive land expropriation and its transfer to private capitalists for development of SEZs in the name of 'public purpose' and its exclusionist nature keeping in view Harvey's formulation of accumulation by dispossession .The paper further attempts to develop a critique of the way 'non processing area' within SEZs is being used by real estate developers.

KEYWORDS: *Land Acquisition, Dispossession, Development, Industrialization, SEZs, Neoliberal Policy.*

Introduction

Great Indian 'land grab' and Special Economic Zones (SEZs) have become synonymous for each other in recent years raising key debate in the academia and public forum. Inevitable outcome of these state- led land acquisitions is dispossession and the displacement of peasants and development-induced jobless growth causing numerous land wars across India. Vigorous protests of the farmers in some cases are yielding concrete results too stalling few projects as has happened in West Bengal, Andhra Pradesh and Goa. Thus emergence of neo liberal development policies which is exclusionist in nature is very dangerous which Amit Bhaduri (2017) calls 'mutualism between political parties and corporations over land acquisition which subverts the very democratic processes'.

Proponents of neo liberal development model based on industrialization believe in achieving high growths targets through transfer of land from farmers to big industrial corporate houses by setting up SEZ's and large number of infrastructural projects based on Private-Public-Partnership (PPP) model . They perceive agriculture as serious impediment to the economic development ignoring any other alternate model of development which is not exclusionist in nature. Critics on the contrary believe that large scale land acquisition will result in deprivation of property rights & marginalization besides resulting in large scale displacement and dispossessions affecting rural life, livelihood and culture adversely (Sampat 2013 ; Banerjee - Guha 2013).

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Glimpse of Historical Background of Land Acquisition in India

Land expropriation in the name of 'public purpose' is backed by many existing laws but it has its base in colonial Land Acquisition ACT 1894. This act provides Indian state the right to acquire, distribute and formulate laws on land. According to this act state is the ultimate owner of the land and it can expropriate any tract of land in the name of 'public purpose' after providing reasonable compensation to the farmers or affected party and over the years this has been used to acquire huge tracts of agricultural land for promoting public, private and joint ventures with requisite amendments in the existing land laws. During last two decades number of land acquisitions has increased by leaps and bounds for industrializations and infrastructure development.

Land expropriation in the name of 'public purpose' is not a new phenomenon in India. Ever since India, embarked on a path of planned development land has been expropriated for large Dams and industrialization leading to large scale dispossession and displacement of farmers, tribes & other marginalized groups. Higher industrial growth and infrastructure development had always been at the centre of Nehruvian development model hence focus of planning in the Second Five Year Plan shifted to 'heavy and basic industries' to realize the vision of making India closer to industrially developed nations immediately after the First Five Year Plan when too much emphasis was laid on agriculture as an engine of economic growth. Huge tracts of land were acquired to build up large dams in various parts of the country and heavy and basic industries in Bhilai (Madhya Pradesh), Rourkela (Orissa), Bokaro (Jharkhand) and Durgapur (West Bengal) affecting the life and livelihoods of farmers and indigenous people on a large scale. This process of forcible land acquisition continued unabated throughout 1970's and 1980's and it gathered momentum during 1990's after India embarked on a path of liberalization and privatization backed by International Monetary fund (IMF) and World Bank at the centre of which is the market, driven by private capital both domestic and foreign. General understanding was that for rapid industrialization and higher economic growth world class infrastructure is needed which would be developed with the assistance of private capital including foreign direct investment given the presumption that government is not capable of providing such huge funds to finance big infrastructural projects and that the only path of development available is private capital - led industrial development. Michael Lavien (Development and Change 44 (2): 381-407) have tried to trace the long history of land expropriation in India beginning from significant acquisition of rural land for 'industrial estates' in the First Five Year Plan to 'industrial townships' – most importantly India's public sector steel plants in the Second Five Year Plan and 'industrial development areas' in the Third and Fourth Five Year Plan which are the precursor to present SEZs in India. In his opinion this Nehruvian ideology of state -led economic development enjoyed wide public legitimacy as it was productive and employment generating in contrast to today's land appropriation where government is facing widespread farmers resistance and their refusal to give their land for various industrial projects including SEZs giving rise to various land wars across India leading to cancellation of many projects successfully.

Special Economic Zones

With the passage of SEZ policy 2000 and SEZ Act 2005 doors have been opened in India for large scale acquisition of agricultural land for development of SEZs by the government of India. Acquired land will be transferred to private capitalists for developing and maintaining these SEZs with the basic assumption and justification that government itself is not in a position to provide world class infrastructure needed for catapulting Indian economy on a higher growth trajectory. These SEZs enjoy wide range of tax concessions, incentives and minimal regulations with the sole purpose of developing infrastructure needed for industrial development, promoting exports, attracting foreign direct investment (FDI) and generating employment. The state's role thus has been reduced to a mere what many economists call 'land broker' or as a facilitator for forcibly expropriating agricultural land whereas profits will accrue to private capitalists post development.

Initially SEZ Act required that only 35% , later raised to 50% of the land of SEZs be used for processing purpose thus giving freedom to private capitalists to use the remaining land as per their convenience or for any other purpose whatsoever. Accordingly major part of these SEZs is used for real estate and associated infrastructure development by big corporate houses and real estate companies. Since high value land use is housing mushrooming growth of housing projects including luxury constructions could be seen in these SEZs where large tracts of land are reserved for real estate. In some of the SEZs 70% of the land is reserved for housing projects (Benerjee and Guha). Thus real estate has become pseudonym for infrastructure development ever since the introduction of SEZ Act 2005.

Amidst real estate boom decade of 2000 witnessed cut throat competition amongst the real estate developers to develop premium residential projects on the cheap land acquired by the government along with swanky commercial property, sprawling shopping malls, spectacular consumption zones, theme parks to suit the aesthetical sense of affluent urban consumer class especially in the large cities. Since most of these residential projects are built at the urban periphery governments across all states are also allocating huge funds for basic infrastructure development like metros, flyover, bypass and national highway projects which would entail easier intra-city transport as well as inter-city and inter-state connectivity. Eleventh Five Year Plan (2007-2012) and Twelfth Five Year Plan (2012-2017) envisaged billions of dollars of investment in physical infrastructure. According to economic survey 2019-20 India needs total expenditure of about US\$ 1.4 trillion (Rs 100 lac crore) over these years on infrastructure development for achieving GDP of US\$ 5 trillion by 2024-25. Economic Survey further states that huge investment in infrastructural projects is needed so that infrastructure does not become constraint to the growth of Indian economy. In this way with huge government expenditure in physical infrastructure private capitalists are enjoying windfall gains on the subsidized land acquired by the government after developing satellite cities, premium housing projects along with various urban amenities.

Private real estate companies thus are hand in glove with government in pursuance of neoliberal development agenda. Recently big cities like Kolkata, Mumbai, Delhi, Bangalore, Hyderabad, and Chennai have seen proliferation of SEZs where real estate developers are developing SEZs part of which is earmarked for luxurious housing projects. This spatial pattern is seen in various upcoming metropolises as well example being Lucknow, capital of Uttar Pradesh, where Akhilesh Yadav government has built up IT SEZ on 846.49 acres of land. This is part of a mega township called CG City which includes international cricket stadium, world class cancer research institute, Amul milk plant, five star hotels, shopping malls etc. Mahindra World City is another example of greenfield SEZ in Jaipur where luxury residential townships is being developed on 40% of the designated area. In this race many medium and small cities are also not far behind where land is being expropriated by the government for developing multi product SEZ.

Nearly two thirds of India's SEZs are in the IT & IT-enabled services (ITES) and are mostly concentrated in the states of Andhra Pradesh, Tamil Nadu, Karnataka and Maharashtra. Most of the IT companies in these IT / ITES related SEZs are running hotels, shopping malls, multiplexes and world class residential colonies besides their world class offices which is against the initial government claim that they will develop infrastructure facilities needed to give boost to the Indian economy. In addition to IT/ITES SEZs many steel and petrochemical SEZs are also being developed in the coastal areas of Tamil Nadu, Odisha Andhra Pradesh and Gujarat known as Petroleum Chemicals & Petrochemicals Investment Regions (PCPIRs). Just like IT/ITES related SEZs PCPIRs also have processing (40% of the total designated area) as well as non processing area where the latter would include residential, commercial, social and institutional infrastructure which will accrue huge profits to land developers and private capitalists on the subsidized land acquired by the government though as per provisions of the existing act central and state governments are responsible for providing infrastructural support outside and inside the PCPIRs respectively.

Some of the PCPIRs according to critics pose a serious threat to fragile eco system and marine life due to hazardous pollutants emitted specially in case of such chemical industries like Dow Chemical & Dupont (Gujarat PCPIR) which according to Spana Benerjee Guha (2013) would not be able to get environmental clearance in US to establish such operations and this might be a reason for such industries to shift their bases to India. Such apprehensions turn into reality as has been noticed in Ankleshwar in Gujrat and Patancheru in Andhra Pradesh. Damage to eco system has also been observed in case of Tata's Dhamar port area in Odisha. Apprehensions are also regarding the availability of water to the farmers in the adjoining areas due to the provision of bulk requirement of water to these PCPIRs by the Government.

Marx's 'primitive accumulation' thus seems to be in continuity with government forcibly acquiring agriculture land facilitating capital accumulation by capitalist where the former is creating 'pre-conditions' for the later. This led to the proletarianization of peasants across India, depriving them of their traditional livelihoods. In river valley areas where SEZs are being established livelihood of fishing communities are also affected due to depletion of natural resources, damage to the ecosystem and the marine life. In search of employment either they migrate to urban areas and engage in unorganized market as informal

labor or start working as casual labor in nearby SEZs where they work 5.3 percent more hours at 34 percent less hourly wages as compared to non SEZs employment (Sunanda Sen and Byasdeb Dasgupta) . In both the cases they work under exploitative conditions. Labor laws related to minimum wages, contractual labor, social security, conditions of working, trade union and right to strike are not applicable to SEZs in India.

According to Ministry of Commerce and Industry out of 373 SEZs in India 230 SEZs are operational and it has created employment to as many as 19.96 lakh people with an investment of Rs. 4,92,312 crores (as on 30.9.2018). But beneficiaries of this 19.96 lakh employment generated are not indigenous tribal groups, fishermen, peasants and other marginalized groups whose land have been expropriated in the development process because SEZs with its world class offices, two thirds of which are IT/ ITES related, prefer to employ English speaking, sophisticated urban educated youth majority of which have technical education.

Conclusion

Neo liberal agenda of development post globalization has hastened the process of land expropriation in India transforming large tracts of agricultural land ready for non agricultural use including SEZs rendering large scale displacement and proletarianization of peasants and indigenous groups justifying Harvey's formulation of 'accumulation by dispossession' with government playing the pivotal role in this entire process. Initially SEZs have been conceptualized and promoted by the government with the sole aim of providing hassle free environment to private capitalists so as to boost manufacturing and exports. But over the years, they have become centers of scams and corruption due to the interest of the real estate developers. Originally SEZs sites were to be based on economic potential of the region but currently sites are selected keeping in view real estate speculation. This neo liberal industrial policy has brought tremendous changes in the life and livelihood of the peasants and indigenous people pushing them towards unorganized market as informal labor in the absence of appropriate exit options. Even a small piece of land provides them a sense of security in the absence of effective social security measures and welfare provisions. This contradiction of development and dispossession and land versus capital will continue to pose serious challenge in the coming years which needs to be addressed seriously.

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