

Book Review

The Price of Land: Acquisition, Conflict and Consequence by Sanjoy Chakravorty, Oxford University Press, New Delhi, 2013. Pp.xxx+273. Rs. 825.00.

Many heated controversies in India during the last two decades pertain to the role of land in the context of economic development. Land accumulation, loss of livelihood support, land re-allocation out of agriculture and its exchange value were the core contested issues. The roots of these controversies are the concerns regarding provision of a decent alternative livelihood support to the poor, and the political economy of land relations. All along the post-Independence period, we have lived under the shadow of controversies related to land. Land has become one of the most contentious assets for individuals as also a fiercely contested issue in the context of political economy. Many political issues have originated from the debates on episodes related to land. Elections are fought and won on these issues. These issues have attracted attention of social scientists all over the world; the debate is spread across many disciplines. Long ago a well known economist Daniel Thorner remarked that the colonial rule had left India with the most refractory land relations. Doninger's work on India's land issues is a monumental piece. Another renowned development economist Michael Lipton sub-titled a well researched volume on land issues as "*Property Rights and Property Wrongs*", which speaks volumes about the complexity of land as an asset world over and land market imperfections. It is well known that land market operations do not fit into textbook micro-economic descriptions about markets. The economic role of land as a capital asset defies many micro-economic tenets; so also factors governing its price. For this reason only, the 'title' looks promising but the book disappoints.

The literature dealing with land issues broadly focuses on five important components. First, the pursuit of an egalitarian agrarian system, where land is the tool and the end of rural inequality, attracted the attention of researchers. Decent livelihood support to all was the theme. On these lines and in the wee years of Independence, land reforms did not remain confined to the debate among Marxist academics. The FAO World Congress on Land Reforms during the sixties and the World Bank Policy Paper in 1975 also argued about these changes albeit on different platforms. A series of volumes initiated by the Lal Bahadur Shastri National Academy of Administration reviewed issues related to land reform across states in India recognising the federal character of the problem. Many volumes and researchers finally concluded that the impact is mosaic across states. As an extension of this theme and falling out of the discussion on land reforms, is the precarious condition of land ownership records. That further stemmed the issues pertaining to land market

imperfections (with price of land implicit in the discussions) in the context of the failure of land reforms to live up to the requirement of the economy today. Almost conclusively experts agreed on the need to revisit land reforms across the states in the context of changing land relations and market distortion. Second, as development took place and public as also private agencies' demand for land increased, the focus shifted to the exchange value of land. It was the land acquired for the purpose of state-led development projects that came at the centre of controversies due to shoddy rehabilitation of the ousted. Especially, the callous attitude of the state in the context of planning and implementing these projects came under scalpel. Third, there is now an increasing concern about land going out of agriculture either directly for private industries or through state intervention to benefit private business houses. This process raised major controversies that challenged the authenticity of such transfers and signalled adverse impact. Fourth issue emerging here is the antique law of land acquisition and the subsequent amendments, which gave sweeping powers to the state. It went unabated for long till the civil society entered the fray. A lot has been discussed in the press and recently the revised Land Acquisition Act was tabled in the Parliament. Lastly, the process of acquisition came under scrutiny due to the illogical land prices used by various states and the resultant turmoil the land owners have gone through. The book under review addresses the last two issues partially in these contexts and therefore the title is quite misleading, probably kept so to attract the market. It is not a book on the economics of land; nor does it deal with the general debates on land markets. It is a book haphazardly organised in a journalistic style.

The land conflicts dominated India's economy, politics and created significant social stress. The issues begin from historical perspective and myriad changes in the land policy. The media as well as the polity have thrived on ensuing conflicts through the land market imperfections. During the last six decades after independence, large number of development projects was undertaken and millions of hectares of land were acquired by the Government. All the controversies relate to the snatching off the livelihood system of the hapless land owner and not providing any decent alternative livelihood support. The book under review addresses largely the issues related to land acquisition in three phases. The author begins with the present situation, traces the past and indicates the future of land issues in India more in a tea-table style and therefore trespasses various disciplinary boundaries in one sway. The book is shallow in its treatment of issues; it reads more like a journalistic piece than an academic treatise in any of the disciplines concerned. It does not deal with historical or contemporary policy issues pertaining to land. But overall it gives an entertaining non-academic reading with some good information at one place.

The book is organised in three broad sections initially discussing the present situation, followed by the past and then turning towards the future scenario. Each section has its sub-chapters. The discussion on the "present" situation begins by recording the recent land conflicts followed by a sketchy discussion on land prices. The section also reviews the role of institutions and agents. The first chapter begins

with the analysis of the conflicts that have taken place in India in the recent past. Actually this is the provocation for writing the book. The reader gets here a sketchy discussion of various cases of conflicts in land acquisition. The sources are largely journalistic materials. The author has compiled 34 cases; the results published earlier all point out to the small and strong conflicts, which emphasize that the size of land does not matter. Very emphatically the author adds that 90 per cent of all the land acquired and people displaced are for the state owned projects. He stalls for a moment to say is price a critical issue? The section lists “forcible or irregular acquisition; availability of more suitable land, excessive demand and ecological concerns”, and these do not add to any price discovery process. After this point, price of land enters as one of the critical issues and as a researcher I tried to look for any discussion on price discovery during acquisition. But a good part of the discussion focused only on the cases leaving wide open the issue of ‘right price’ for land. Incidentally the author refers to right price at several places in the book. Obvious conclusion reached here is that the land acquirer or the state does not give adequate compensation for the land to the land losers nor attend their concerns. The open end is left at price or pricelessness of the land in question.

The following chapter on prices is one among the two smallest (10 pages) and the least discussed in the entire book. The author deals scantily with the core issue of price fixation and understanding the process of suffering of the land losers. Some Appendix Tables (e.g. 3 and 4) provide valuable information with little effective use. In some regions the prices are reaching the ‘reservation prices’ of the farmers but whether the prices are moving towards ‘right price’ is a question left open ended after all that is the core to be addressed in the book. Like in any market the institution of agents is important and that manoeuvres the transactions. The author analyses the question of involved agents in the third chapter that includes sellers, buyers, non-land owners, political parties, civil society and their remote connections with the intermediaries as an institution in land market. The author suggests that the new agents namely the political parties and the civil society have played significant role in price determination or may I say land related agitations only. There are no notable examples where either the parties or the civil society negotiated the “right price” or institution in the process. The discussion about the political parties and civil society role suitably fits in to any news editor’s desk. Here the role of international civil society is highlighted in the last paragraphs but the discussion is inconclusive. Probably that connects to the chapter on Flashpoints that includes case studies (can I say so, in strict methodological sense?) on Nandigram, Singrur, Vedanta, and Maha-Mumbai SEZ. The discussion is based on some of the available internet material. The section on the present scenario ends abruptly not to take us anywhere near to the “Right Price Discovery”. Any keen observer of the land losers in development projects can vouch that the land loser is searching for a price that will ensure him some decent sustainable livelihood source (better than the present one). The capital cost of such source is the price searched by the land loser and the land buyer has to

make efforts to reach that level of capital investment. The author takes the reader on a detour of many other aspects rather than hitting straight the nail on its head. Interestingly in an enigmatic style of the author he prefers to connect the reader criss-cross across the chapters. In every chapter there are quite a few directions taking reader to other chapters back and forth, which makes a painful reading.

Actually the land relations and land conflicts in India have their roots embedded in our history. Land revenue being the only source of revenue for the Indian rulers, land became the central issue in asset holding. Historically most of the battles between the Indian provincial heads were fought for the purpose of land and in the recent past many of the fiercely contested agitations and arguments (including corruption) involved land related issues. This section dealing with the past is better than the first one and looks as an addendum from the thinking process meant for other issues. The beginning of the chapter on Roadmap outlines the role of the 'state' and paternalism of the 'state'. India's Independence movement had land and tenure system as one of the major discussion planks. The concept of '*Mai-Baap Sarkar*' comes in along with a few comments on the leaders of the movement. While writing about the situation before Independence, the Mughal and Maratha systems are mentioned without any reference to land and its pricing process during these two regimes. A good discussion on the land systems in British India is attempted but then we have quite a few excellent books on the subject (including Baden Powell).

After Independence the role of the State changed to 'Giving State' and through land reforms the State was distributing land to landless along with the right to cultivate to the tenants. Here again the reforms could have been analysed from the viewpoint of the changing land market functionary. The role of the State was becoming predominant not only as a giver but as an important market functionary, which dictated most of the transactions and fixed even the guidance value. What was the basis of such guidance value is not known but that even appears in the Land Acquisition Act of 1894. That brought in also the historical role of a 'Taking State'. The origin is from the Bengal Act of 1824 and amended through those years when British focused on the infrastructure development. Land was acquired mainly for these public purpose projects. The ambiguity of the definition of the Public Purpose (PP) and the arbitrariness in the fixation of compensation were the two. The state was all powerful in defining these two crucial areas but the entry of civil society and interested political parties changed the scene. Land displacement became an important agenda of public unrest in almost every project led by state and even the private agencies, strangely barring the housing projects by large builders. Civil society was also quite selective in their protests and intensity of protests. The author revisits the role of civil society here and I must say that this chapter is well researched better than the others. Still, it did not handle even the periphery of the core issue stated in the introduction.

The Land Acquisition Act 1894 has been a point of critical discussion due to the arbitrariness as also sweeping powers to the State. The discussion in the Indian

academia and civil society is quite divided and similar criticism is levelled against the Land Acquisition Bill before its enactment in September 2013. The bill replaced the earlier Act and called it a fair compensation bill. The chapter on land market opens with a question on the price determination of land. The structural conditions that determine the land price in urban and rural areas is the dominant theme. The author shows that the urban land prices are exorbitant and unsustainable given low levels of wages and incomes in India. Why has this happened? The structural explanations put forth by the author does not hold much water; actually one must track the inflow of foreign money into the Indian markets and into the hands of the speculators. The tipping point explanation by the author comes handy here (p.164). The real estate boom is just not a structural phenomenon. For example the author states that "*market agents are willing to pay more for the access to the centre; some land uses are able to constantly outbid others for land at the centre of a city*" (p.141, second para last sentence). It is no more that the city's centre's are attractive but the new localities are created that are self sufficient and gated. Usual text bookish economic logic fails to explain the dynamics of the land market. Another explanation in terms of ecology and location holds some water, but that to explain agricultural land market is again a far too stretched argument. The farmer does not buy land by location or ecology but based more on the supply and the conditions of supply. The discussion however in this chapter on Land Markets is quite enriching and that gives new researchers some good hypotheses.

The section on explaining the rapid rise in land prices is really worth reading. One gets some clue as to why the real estate sector is rapidly expanding with new and big players. All sorts of political connections are also visible. One can weave an argument that explains the nexus between money, real estate, economic changes, legal framework and political operators. The rural land market again behaves differently. Sellers enter the supply market only under critical financial stress or with a lure of huge money. Land in rural areas represents social prestige, but under certain relative monetary heavy gains the seller is lured into the supply market. The theory of capitalised or net present value of future economic returns falls flat in the presence of the strong political and business players entering into the market. It is only the power equation between these two giant players that decides sale or otherwise as also the price of land. The average India-wide estimate of Rs 2.9 lakhs per acre worked out by the author is definitely higher than that in some international locations but in many of the urban hinterlands in India land sells at a few crores per acre. I liked the two statements on p.160 last paragraph opening states that "*What are the actual prevailing prices in rural India? There is no simple answer to this question.*" No wonder Indians are buying land in other countries.

The book ends with a chapter on the land acquisition law and the emergence of its framework under the silhouette of the various civil society arguments. The new acquisition approach is discussed at length from the same stand point as that of Harsh Mander and N.C. Saxena. Land Acquisition, Rehabilitation and Resettlement

(LARR) was under discussion when the book was getting finalised and the draft was available before it got through the Parliament in September 2013. There are many critical issues that came to the fore even after the Act of 2013; the role of the “market players” is not fully eliminated. No one can legislate imperfections and tribals, small and marginal holders, Adivasis and gullible unorganised farmers will continue to be the prey of land sharks. It will be difficult to reign the real estate operators. Now the effective price will be (purchase price given to the land owner + R and R for the land losers). The purchase price worked out is Rs. 16-60 lakhs per acre and that will be twice or thrice the investment needed to produce multiple level of income currently produced by the land. The author discusses the pricing mechanism at length and its consequences. One must note the excellent concluding sentence.

The book is written by a well known geographer with a journalistic tone. It is a good reading when one is attempting to understand about controversies and issues related to land in India in one go, but not for those regimented disciplinarians who search for any particular social science disciplinary boundary in the discussions here. Reading is rather difficult due to the criss-cross style of referencing across chapters and disorderly presentation of issues. Instead of providing an inter-disciplinary perspective, the book puts us through windows of various disciplines. We cannot search for answers here; nor even the questions to be asked. Land markets have always defied any descriptive market structure. Therefore, one has to note what the author states in concluding the book, “There is no single good way to get the ‘right’ price of land for acquisition in the contemporary political economies of land in India – with its diversity of fragmentation, distributions, ownership structures, contestations, markets and prices. (p.191 second paragraph first sentence).” We can only exclaim how true!

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A conflict of interest is a situation where there is a conflict between an obligation that you have in a role and other interests. For example in business with a listed company there is an obligation to notify the market of major changes so that all shareholders have equal information when making decisions about the company. A conflict of interest exists for people inside the company who know information that might cause a major shift in share price, especially if they or their family and friends have invested in the shares. If they act on that conflict of interest and buy or sell shares or the Land acquisition was viewed by many as the "biggest problem" in India's growth path. A new act, which had been in the works from around 2006, finally got written into a bill in 2011, was circulated, discussed, tweaked, and made law in early 2014, weeks before the general elections. The new law increased direct compensation, guaranteed rehabilitation and resettlement, created new processes of "informed consent" and "social impact assessment". All major parties supported the bill, including the BJP, but the Congress (the bill's author) hoped to derive maximum political mileage from it. Just don't rely on politicians for information. Chakravorty is author of "The Price of Land: Acquisition, Conflict, Consequence".
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