

Balance of Power

The pending Bill on land acquisition tries to meet the needs of industry, while protecting landowners. It can do better in both areas.

Sebastian PT

IT'S RECONFIGURING POLITICS. It's forcing companies to relocate or reconsider projects worth thousands of crores. It's arousing men and women to speak out. There's plenty converging around land acquisition. Singur and Nandigram, unfortunate as they were, established

the need to review a land acquisition law that dates back a century, and falls way short in protecting the interests of landowners while meeting the needs of industry. Quickly. Because it is a deterrent to companies to expand. Because it is fuelling unrest among farmers, tribals and rural landowners.

Unfortunately, the sense of urgency is missing. The UPA government did come out with two progressive legislations: The Land Acquisition (Amendment) Bill, 2007, which lays down the rules for land acquisition, and The Rehabilitation and Resettlement (R&R) Bill of 2007, which defines benefits for the displaced. "They are very farmer-friendly, unlike the 1894 law," says Raghuvansh Prasad Singh, who, as Minister for Rural Development, had introduced the R&R Bill in the Lok Sabha in December 2007. The Bill was hurriedly passed in February 2008, in the final days of that House, but it was rejected by the Rajya Sabha. The Bill lapsed and is yet to be reintroduced.

More than two years on, the antiquated 1894 law still holds. However, its fairness and relevance is being questioned left, right and centre. It's also become a trump card for the Mamata Banerjee-led Trinamool Congress, which led the unrest in Singur and Nandigram. Those protests helped turned around the

VOICE OF THE LANDLESS: Mamata Banerjee's main political plank in West Bengal has been her opposition to land acquisitions.



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party's fortunes in the 2009 general elections and gave it clout in the ruling coalition. It's why it wants to keep the issue alive till the 2011 West Bengal assembly elections, where it hopes to end the three-decade rule of the Left parties. Politics aside, though the 2007 Bill is a vast improvement on the original Act, it can get better on six pivotal points.

1 WHO BUYS THE LAND?

Under the current law, the government can acquire all land for a private player, so long as it is used for an activity covered under the definition of 'public purpose' (more on that later). The government decides what 'public purpose' is, and has the powers to get its citizens to cede their land holdings. But, when should it exercise this power and how much? "The government should not acquire land for private industry," says MS Swaminathan, noted agricultural economist and Rajya Sabha member. "It should instead ask companies to negotiate directly with farmers."

The current law lets state governments buy such land on behalf of private players. A case in point is Singur, where the industrial arm of the West Bengal government bought the land for the Tatas for their Nano project, before they were forced to shift to Sanand, Gujarat. The proposed law significantly dilutes the government's role in land acquisition. Barring defined exceptions, the government won't acquire land for private players. And even in those exceptions, it will step in only after the private player has acquired at least 70% of the land it needs for a project.

There are three types of projects for which the government can step in. There's defence, there's infrastructure. And, lastly,

The proposed law is silent on what kind of land can be acquired and what is out of bounds.

there are projects that come under the broad head of 'other purposes useful to the general public', under which private industrial projects will approach the government for help. So, if a proposed steel mill generates employment for locals, it could make a claim. It's up to the government to approve. But unlike before, when it was left to a company's bargaining power on when and how much it could get the government in,

the proposed method is more precise—the 70:30 formula—and gives greater rights to land owners.

Yet, there are differing views about the 70:30 formula—the reasonable public quorum suggested by the Bill for a project to go ahead. It's acceptable to industry. "It is preferable to stay with the 70:30 rule," says Arun K Nanda, President, Infrastructure Development Sector, Mahindra & Mahindra. "It is the way forward," adds Rajeev Chandrashekhar, Rajya Sabha member and head of Jupiter Capital, a venture capital firm.

The political establishment is, however, seeking a greater vote of approval from those displaced by a project. Trinamool Congress leader Mamata Banerjee, who pushed the Tatas out of Singur and who has come to be the invisible stamp the government needs for the Bill to become law, wants the government to stay