4. Land Acquisition in India- Economy

Land acquisition a major issue in infrastructure development- Cabinet Secretary. Despite the introduction of the LARR Act, 2013, which ensures higher compensation and mandatory consent for land acquisition, procedural delays and regulatory clearances remain major obstacles to India's infrastructure development, as recently highlighted by the Cabinet Secretary.

Land Acquisition in India- Historical Context and Current Policy

1. Context and Current Status

Statement- Cabinet Secretary T.V. Somanathan recently highlighted that land acquisition continues to be a major obstacle to infrastructure development in India.

Core Issue- Despite legal reforms, the process remains complex, leading to delays in critical national projects.

2. Historical Background of Land Tenure Systems

The British standardized land revenue collection to strengthen control, introducing three main systems-

Zamindari System

Structure- Land was owned by landlords (Zamindars) who acted as intermediaries. They paid fixed revenue to the state, while cultivation was done by tenants under their control.

Variations

Permanent Settlement- Land revenue was fixed permanently. Practiced in Bengal, Orissa, Banaras, and parts of Madras.

Revised Settlement- Revenue was periodically reassessed. Prevalent in Uttar Pradesh, Punjab, and the Central Provinces.

Ryotwari System

Structure- Cultivators (Ryots) owned and tilled their land and paid revenue directly to the state, eliminating intermediaries.

Assessment- Revenue was assessed individually for each holding, and settlements were temporary (subject to revision).

Origins & Spread- Introduced in 1792 by Captain Read and Thomas Munro in Bara Mahal. Later extended to Bombay, Assam, and Bihar.

Mahalwari System

Structure- Land was collectively owned by the village community but individually cultivated.

Responsibility- The community (village headman) was responsible for collecting and paying revenue to the state.

Unit of Assessment- Based on divisions called Mahals.

Regions- Mainly practiced in Punjab, Agra, and Awadh.

3. Current Land Acquisition Policy (LARR Act, 2013)

Legislation- The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013 replaced the colonial-era Land Acquisition Act of 1894.

Effective Date- January 1, 2014 (Amended in 2015).

Objective- To provide a transparent, humane framework guaranteeing fair compensation and rehabilitation for affected families.

Key Features of the 2013 Act

Feature	Details
Compensation	Rural Areas- 4 times the market value. Urban Areas- 2 times the market value.
Consent Clause	Public-Private Partnership (PPP)- Requires consent of 70% of affected families. Private Projects- Requires consent of 80% of affected families.

Social Impact Assessment (SIA)	Compulsory for all acquisitions to assess social, economic, and environmental impacts. Must determine if the acquisition serves a "public purpose."
Rehabilitation & Resettlement (R&R)	Mandates housing, livelihood support, employment (or annuity), and infrastructure in resettlement areas.
Food Security	Acquisition of irrigated multi-cropped land is restricted. If acquired, an equivalent area of wasteland must be developed for agriculture.
Public Purpose	Clearly defined to prevent misuse. Unused land must be returned to the owner or a land bank if not used within five years.

Exemptions- Projects related to defence, railways, and atomic energy are exempt from certain procedural requirements (like consent/SIA), but compensation and R&R provisions still apply.

Dispute Resolution- Disputes are referred to the Land Acquisition, Rehabilitation, and Resettlement (LARR) Authority.

4. Challenges and Concerns

The implementation of the Act faces significant hurdles

Procedural Delays- Mandatory Social Impact Assessments (SIA) and public hearings are time-consuming. Multiple clearances (forest, wildlife, environment) add layers of bureaucracy.

Infrastructure Impact- Approximately 35% of infrastructure project delays are attributed specifically to land acquisition hurdles.

Financial Strain- The high cost of compensation (up to 4x market value) strains the budgets of both public and private projects.

Social Justice vs. Development- Balancing rapid development with the rights of the marginalized remains contentious. Persistent concerns regarding displacement, inadequate rehabilitation, and loss of livelihood.

Cost Escalation- Delays inevitably lead to project cost overruns, affecting national infrastructure targets.

5. Conclusion and Way Forward

Assessment- While the 2013 Act promotes fairness and transparency, its complex procedures have inadvertently slowed infrastructure growth.

Government Stance- There is currently no plan to change the law; the focus is on more efficient execution.

Recommendations

1. Digitization- Urgent need to improve and digitize land records to reduce litigation.
2. Clearances- Speeding up the environmental and forest clearance processes.
3. Rehabilitation**-** Ensuring robust and timely rehabilitation to build trust with landowners.

Source- https-//www.thehindu.com/news/national/land-acquisition-a-major-issue-in-infrastructure-development-cabinet-secretary/article70465008.ece