

PRO FARMER,

PRO INDUSTRY,

LAND ACQUISITION ACT

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Pro farmer, pro industry land acquisition act

This paper suggests a new land acquisition act which is pro farmer, pro industry and pro development, and which leads to faster economic growth.

My suggestions for new land acquisition act consist of 6 segments

1. Land acquisition
2. Categorisation of Land allotment
3. Time table for completion of projects
4. Compensation
5. Rehabilitation
6. Land management

Before you read the suggestions for a pro farmer, pro-development land acquisition act here is a brief description of the fallout of the old act.

1] The horrors of archaic and anarchic British period land acquisition act

Since independence lakhs and lakhs of acres of agriculture land have been forcibly acquired for various purposes from the farmers and tribal people by successive state governments and the central government without giving them sufficient compensation and rehabilitation; destroying the livelihood of millions of those farmers, tribals and farm workers; displacing them from their habitats and forcibly making them migrate to other places in search of livelihood. The grief, sorrow and trauma suffered by these people is insurmountable and unparalleled in the history of human civilization, and it is the biggest damage inflicted on them by the so-called democratic leaders produced by the modern democracy in the name of development meant for the selected few. In the process, the first generation contractors, the industrialists and political leaders of free India have helped themselves transform from millionaires to billionaires. Some of them got rankings in the Forbes magazine. But the status of the farmers remains the same all these years, without any visible improvement in their lives. In fact, the plight of farmers worsened further, and the testimony to this fact is the ever-increasing farm suicides every year and from every part of the country. The contractors, industrialists and businessmen are becoming the lawmakers and they are doing everything to protect and expand their empires, and they are doing nothing to provide even basic services to the majority of the citizens.

The farmers won't get jobs in the industries which are built on their lands, they won't get corporate medical treatment in the hospital that are built on their lands, they won't get subsidised power for their homes even if they lose their lands for power plants, they won't get concessions on tickets in railways and at toll gates on highways which are constructed on their lands, their children won't get seats in the colleges and universities which are established on their lands. But the industrialists who got the lands and the political leaders who helped them get the lands at cheap or nominal value are enjoying all concessions, tax write-offs, subsidies, one-time settlements on loan defaults, special privileges and VIP treatments. The net result derived from the 58 years of rule in the world's largest democratic nation is such that 99% of the country's wealth has been precipitated into the hands of the super-rich who constitute just 1 % of the population.

Since independence lakhs of acres have been acquired from farmers and handed over to private industrialists and government companies on the platter for nothing while giving pittance to farmers. Only half of the acquired land has been fully utilized by these industrialist

and government companies. As there were no strict stipulations on allottees either for proper and full utilization of the land or for the timely completion of the projects in the specific period of time, the industrialists used only small portions of acquired land and sat on the large portions of remaining land for longer period of time when the value of the land appreciated to higher level. They are converting these lands into real estate properties and earning huge profits. Here are a few examples of how land acquisition has become farce and fraud on farmers. For industrialists, acquiring land on the pretext of setting up industries is only to become landlords - the modern Zamindars. The industrialists and corporate houses are competing with each other, without any concrete plans, detailed project reports and, more importantly, sufficient funds to acquire huge tracts of land far in excess of what they actually need but only to sell later for huge profits.

What happened in the land acquisition process so far?

Lakhs of acres have been acquired forcibly from farmers for industries, SEZs, infrastructure projects etc. But only a small portion of this land was utilized out of the total acquired land so far.

I will give you some examples on how land is being acquired indiscriminately from poor farmers. Note- The facts mentioned below are according to the reports available at the time of writing this article in July 2015. These facts are subject to correction.

I live in Visakhapatnam, where 20,000 acres of land was acquired for the construction of a steel plant in 1982. Since then, 33 years have elapsed. Only half of that land was utilized till now, with the remaining 10,000 acres of land still being vacant. Five years back 65 acres of high valued land [my estimation value of this land is about Rs 100 crores] has been allotted to one of the leading industrialist houses of India for the purpose of constructing a hospital or research institute. But only a boundary wall was completed during the first 5 years and apparently the industrial house took 15 years to construct a hospital but under proportionate to the land they got from the government at a cheap rate.

Elsewhere in the same district thousands of acres have been acquired for SEZ in 2004. According to my information, 15,000 acres of land are not utilized so far.

According to my knowledge, 27,000 acres of land have been acquired from poor farmers and fishermen in Prakasam and Guntur districts for the VANPIC [Vadarevu, Nizampatnam Ports and Industrial Corridor] project. Not a single industry or project has come up or completed on this land during the five years of land acquisition from farmers. Instead of utilizing this already acquired land for construction of new capital for Andhra Pradesh state, the present government is acquiring thousands of acres of three crops per year and highly fertile land in the Guntur district abutting Krishna River for construction of the new capital. At least 1,00,000 acres of high-yielding agricultural land, known as the granary of Andhra Pradesh, will become a concrete jungle in due course of time. Had the government selected the VANPIC lands for the construction of a new capital, the underdeveloped Prakasam district would have developed while saving the granary and greenery of the state.

A new airport in Vizianagaram district is being planned by the state government. For this new airport the government initially proposed to acquire 15,000 acres of land, and after wide resentment and dissent from farmers the required extent has been reduced to 3,000 acres.

No airport among the top 10 airports in the world was constructed on more than 4000 acres of land.

I will give you the details here

1. Singapore Changi airport – 3250 acres

2. Incheon Intl airport – 3500 acres
3. Munich airport – 3900 acres
4. Hong Kong Intl airport -3000 acres
5. Tokyo Intl airport – 2700 acres
6. Zurich airport – 2200 acres
7. Central Japan Intl – 2000 acres
8. London Heathrow – 3035 acres
9. Amsterdam Intl airport –
10. Beijing Intl airport – 3700 acres

I think this is the same situation in all states with the same story of acquiring lands and under utilising them later.

My suggestions for pro farmer, pro industry and pro development land acquisition act which includes 6 segments

1. Land acquisition
2. Categorisation of Land allotment
3. Time table for completion of projects
4. Compensation
5. Rehabilitation
6. Land management

1] My proposed guidelines for acquiring lands

Land acquisition should be divided into two categories

1] Lands needed at specific locations a] Defence b] sea ports c] barrages and irrigation canals d] roads; e] railway lines; f] space programs; g] mining; h] drinking water pipelines, sewer pipes, electrical poles/towers, and transmission lines.

2] Lands for not specific location projects – housing projects, industries, SEZs, airports, industrial corridors, dams, hospitals, universities, colleges, schools, townships, new capitals, power projects etc.

1. Essential requirement for projects which require lands at specific locations. Lands can be acquired without any consent from the farmers only for the infrastructure projects which are absolutely necessary for the purposes like a] Defence b] sea ports c] barrages and irrigation canals d] roads; e] railway lines; f] space programs; g] mining; h] drinking water pipelines, sewer pipes, electrical poles/towers, and transmission lines. These projects need land at specific locations.

Land acquisition can be made compulsory without the farmers' consent for the infrastructure projects only under 7 categories mentioned above.

2. Lands for projects which do not need a specific location. Lands for this category of projects can be acquired only with farmers' consent. Preference should be given first to barren, underutilized and government lands if they are available. Farmers assent should be made compulsory for acquiring lands for purposes other than the categories mentioned above. Consent of 80% of affected farmers in the land acquisition should be made compulsory for housing, industries, SEZs, airports, industrial corridors, dams, hospitals, universities, colleges, schools, townships, new capitals, power projects, etc.

3. 80 % of affected farmers, who have given consent, should own at least 70 % of total acquired land. This rule is absolutely necessary to prevent foul play by unscrupulous industrialists. To

increase the consent percentage of affected farmers, they buy a few acres in the proposed land acquisition area, divide it into small units, and register the land in the name of their benami.

4. Utmost care should be taken to avoid acquiring high fertile, irrigated and more than 2 crops per year lands. These types of lands can be acquired only when there is no available dry and rain fed land.

5. Government should take strong measures and prepare master plans for full utilization of already acquired lands for various government companies, institutions, railways, universities etc. Lakhs of acres of unutilized land are still available with those companies and institutions. The government should take steps first to fully utilize those vacant lands before resorting to land acquisition from farmers.

6. Similarly, lakhs of acres of unutilized lands are available at private companies, private institutions, organisations and trusts which acquired lands either on their own or from the government. 2 years time can be given to them to utilize the land available with them. The government should acquire unutilized lands from private companies, private institutions, organisations and trusts and allot them to new investors if they have sufficient funds to complete the projects within 2 years of land allotment. No further land acquisitions should be made until the already acquired lands, either with the government or private companies are fully utilized for various purposes. “Protect the farmers and punish the land grabbers and land squatters” should be the policy of the central government. All the vacant lands available at private companies should be first confiscated without paying anything for them. These shall be allotted for hospitals, schools, colleges, small scale industries, housing projects, hotels, etc.

7. Urban land ceiling act should be enacted for acquiring lands in urban areas for the purpose of providing housing for poor and slum dwellers, for constructing vegetable markets, fruit markets, hospitals, shops for handloom weavers, tailors and rural artisans to sell their products; community halls, hostels for working women, public toilets, shelters for homeless and sewage treatment plants.

8. The government should stop black marketing of house sites/plots. The black marketing of vacant house plots has made the houses and flats very costlier and the prices have reached the sky in cities and metropolitans. Half of the cost of the house/flat involves land cost. This high price of flats/houses is beyond the purchasing capacity of the majority of people who live in cities.

9. Government should acquire vacant house/commercial plots in urban areas from individuals, companies, and business houses etc, who have more than 600 square yards of plots and which are lying vacant for more than 2 years from the date of purchase. Individuals, companies, and business houses can own vacant house/commercial plots up to 600 square yards for any period of time without constructing houses/apartment/commercial establishments. But they should not hold more than 600 square yards of vacant house/commercial plots in urban areas without constructing houses/apartment/commercial establishments for more than 2 years from the date of purchase. Note: - This 600 square yards limit should not be calculated from one plot and limited to one city only. This limit should be for the combined area for all plots the Individuals, companies, and business houses hold in the entire country.

10. If this new act is enacted, the people/companies/business houses will either start selling the additional vacant plots over the limit of 600 square yards or start construction of new houses/apartments/commercial establishments on their vacant lands.

11. In the first case, if they start selling vacant plots, there will be lakhs of plots available nationwide for sale. This will result in falling prices of house/commercial plots from sky level to ground level and within the buying capacity of middle class and low income group people. With falling prices of house sites, the prices of flats/houses will also come down to half level from

present level. This will also enable middle class and low income groups of people to buy flats or plots at reduced prices. With falling prices for urban properties the Government can buy vacant lands at cheap prices, without resorting to forcible land acquisition from farmers, for constructing houses for poor and slum dwellers, community halls, hostels for working women, public toilets, shelters for homeless and sewage treatment plants; for constructing vegetable markets, fruit markets and shops for handloom weavers, tailors and rural artisans to sell their products.

12. In the second case if the owners of vacant plots/house sites/commercial sites start constructing houses/apartments/commercial establishments on their vacant lands to escape from land acquisition by the government there will be a huge supply of houses/flats in the country which results in falling house rentals to ground level. This will be a great relief for middle class and low income groups of people who reside in rented houses

13. To encourage people to construct new houses/apartment/commercial establishments, the government should give 100% tax exemption to investments on new brand houses/flats/apartments/commercial establishments. People will start construction of new houses or apartments on their vacant plots instead of buying new plots for not only getting tax exemptions on their earnings but also to evade either selling/acquisition from the government. The focus shifts from buying and hoarding plots to buying and constructing houses/apartments. This will propel huge demand for cement, steel, paints, cables, sanitary products, furniture, electric equipment etc. This will increase the economic growth rate and decrease unemployment and housing problems.

14. By amending the forest act, the government should de-notify forest cover from the present level of 23% to 20%. Out of this total forest cover area, 50 % of forest area is either barren or bush land. There is no use with barren land of forest cover. The reduction of 3% of barren forest area will not harm much to the environment, but it will help the government in a great way to provide housing for all. There is no meaning at all if the government cannot provide housing for all. If the government spends 1% of GDP value every year on the enrichment and fostering of high canopy trees on barren forest land, it will compensate more than the loss caused due to reduced barren forest cover area. It is foolish to acquire agricultural lands while damaging national food security for housing and other projects; when barren land is available, that is enough for providing housing for all and every one. With this 3 % of land release from forest cover, 2 crore acres of land will become available with the government. This land can be utilized for housing projects to cover all people who have no houses in their name so that there will be no slums and pavement dwellers in the entire country. This land can also be utilized for hospitals, medical colleges, community halls, public toilets, tourism, parks, playing grounds, universities, new capital cities, sewage treatment projects, garbage storage, disposal and utilization etc,

15. Until full utilization of this land is completed, the government should not resort to forcible land acquisition from farmers.

2] Guidelines for allotment of lands

Time, know-how, project reports, funds should be the main criteria for getting lands from the government.

1. Land should be allotted to the respective stakeholders in the most transparent manner in a nationwide E- auction.

2. Only those stakeholders, who have concrete plans, detailed project reports and sufficient funds, and who are ready to launch projects immediately upon the allotment of land, should be allowed to participate in the e-auction to get lands from the government.
3. There should be two categories for land allotment - one for commercial purposes, another for public purpose. Land should be E-auctioned at national level for different categories and allotted to the respective stakeholders, who quote the highest price for land, for setting up of industries or commercial establishments.
4. If the land is to be allotted for the usage of public purposes or utilities like hospitals, universities, colleges, power plants, housing and drinking water projects, the e-auctions should be in the reverse bidding process. For example, if the government wants to allot land for power projects, the bidder, who quotes the lowest price for the supply of each megawatt of power generated, should be given the land. Another example for allotment of lands for public service – if the government wants to allot land for the construction of hospitals, the bidder, who quotes the lowest charges for scanning tests, ICU charges, medicines and hospital charges, should be given the land.
5. The land agreements signed between the government and the allottees should be made public and put on government websites for the general public. People should have the absolute right to know how much land was allotted, to whom it was allotted, for what purpose it was allotted, and the terms and conditions for allotment.
6. There should be a fixed time table for various categories to complete the projects from the date of allotment. If the project is not started within one month of the land allotment date, the land should be taken back by the government and re-auctioned at national level.
7. No change in land usage from its original purpose should be allowed. The lands, which are allotted for the specific purpose, should be used only for that specific purpose.

3] Time table for completion of projects

I suggest the following time schedules for completion of projects if the land is taken from the government by the entrepreneurs

S.no	Industry/project/institution	Time period [maximum]
1	University/college/educational institution	2 years
2	1000 bed hospital/medical college	2 years
3	bridges/flyovers	1 year
4	National highways up to 50 KMs	1 year
5	Solar power projects less than 1000 mw cap	1 year
6	Solar power projects more than 1000 MW and up to 5000 mw	2 years
7	Steel plants up to 3 million tons	3 years
8	Steel plants more than 3 million	4 years
9	Airports/ sea ports	2 years
10	Railway lines up to 50 Kms	1 years
11	Oil refineries up to 3 million	2 years
12	Oil refineries more than 3 million	3 years
13	Mining projects	1 year
14	Hotels/tourism projects/film industry/commercial establishments	2 years
15	Housing projects	2 years
16	Medical testing and scanning centres	1 year

Penalties for non-completion of projects within stipulated time

Note: - Railway line projects should be divided into subsections for giving contracts. Each subsection should not be more than 50 kms. Similarly, laying of new national highways or expansion of present national highways should be divided into subsections for awarding contracts. Each subsection should not be more than 50 kms.

Heavy penalty should be levied if the completion of the projects is delayed on the allotted lands. A penalty of 1 % value of the total project cost should be levied for delay of each month. If the delay is one year for a 1000 crore valued project, the penalty would be Rs 120 crores.

4] Compensation

The government should divide farmers into two categories for giving compensation in case they lose lands in the land acquisition process 1] Genuine farmers/full time farmers/real farmers 2] part time farmers.

1. Genuine farmers/full time farmers/real farmers are those who depend solely on agriculture and who do not have other sources of income. Genuine farmers should be divided into three categories a] small farmers with less than 5 acres b] medium farmers with more than five and less than 10 acres c] big farmers with more than 10 acres.

2. Part time farmers are those who own lands and who also have other sources of income, like central government and state employees, pensioners, political leaders, MLAs, MPs, mayors, corporators, chairpersons; the heads or members of government or private institutions, boards, trusts, organisations; contractors, industrialists, business men, professions and all others who have more than Rs 3 lakhs per annum.

My suggestions for giving compensation to farmers who lose their lands

S.No.	Category of farmers	compensation	Monthly pension
1	1a [small farmer]	6 times the market value	4000 per acre
2	1b[medium farmer]	5 times the market value	2000 per acre
3	1c [big farmer]	4 times the market value	1000 per acre
4	2 Part time farmers	2 times the market value	nil

3. If tribal people are affected or displaced by the mining projects, 10% of revenues collected by e-auctioning of the mines should be equally distributed to the displaced families every year with the maximum limit of Rs 1 crore per family per year. The minimum amount that should be paid to the displaced families from the mining area is Rs one lakh per family per year apart from constructing fully fledged residential colonies with all basic services and amenities.

4. To facilitate easy categorisation of farmers, for transferring agriculture subsidies and to transfer funds directly to farmers' accounts in case of land acquisition, natural calamities like floods, untimely rains and famines, the government should give a land savings account to each person of the county to hold immovable property rights in the digital form in these accounts.

To know more about land savings account, which is a part of new banking system developed by Varma, click on the links given below

This is a part of my Digital India Project created for the implementation of the TOP TAX SYSTEM.

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An independent Researcher

Research interests – Tax reforms, money supply, electoral reforms, political reforms, administrative reforms, educational reforms, water resources management, turbines, steam turbines, gas turbines, water turbines, turbine engines, solar system, sub atomic structure, gravitational force and genetic code of the universe.

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