


## Analysis of Land Acquisitions: Some Learning's

Tata L. Raghu Ram (XLRI) & Ram Kumar Kakani (LBSNAA)  
INDIA

### India: Land availability



**Geographical area: 329 million ha**  
**Population: 1.17 billion (2009)**  
**Population density: 355 persons / km<sup>2</sup>**

Year →	1951	2001	2051
Per capita land availability:	0.89 ha	0.3 ha	0.2 ha
Per capita agriculture land:	0.48 ha	0.14 ha	???

Raghu & Ram 2

### India: Increasing demand for land

**Rapid Economic growth since liberalization in early 90s**

↓

**Transition from agriculture to industrial economy**

↓

**Rapid changes in land use patterns**

↓

**Forest & Agricultural land diverted to**

← Mining Urbanization Infrastructure Industry SEZs →

SEZs = Special Economic Zones

Raghu & Ram 3

### Magnitude of land use changes

- 1980-2001: 527,000 ha of forest land diverted for mining, industry, agriculture, human habitations etc.
- 237 SEZs approved: 86,107 ha land
- Ultimately 500 SEZs: 150,000 ha

↓

- Increasing demand for land for infrastructure, Greenfield and development projects

Raghu & Ram 4

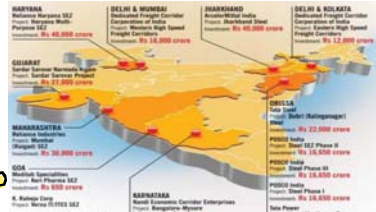
### Impact of land use changes

- **Environmental:** Major reductions in ecosystem service flows:
  - Water scarcity / water quality depletion
  - Accelerated soil erosion
  - Impact on agricultural productivity
  - Accelerated biodiversity loss etc.
- **Social**
  - Involuntary displacement of people  
(21 million people displaced between 1951-1990, could be as high as 50 million by now)
  - Loss of livelihoods
  - Social deprivation
- **Economic**
  - Pareto Optimality condition compromised
  - Highly skewed benefit sharing model
  - Displaced people end up worse off than before

Raghu & Ram 5

### Business implications

- Community resistance to land use changes / land acquisitions is on the rise
- Land acquisition delays accounted for nearly 70% of the 190 delayed infrastructure projects.
- Value of stalled projects – US \$ 500 billion



Raghu & Ram 6

**Widespread Social Uprising Against Land Acquisitions**

- Reasons for resistance have broadened over years
- **Early 1970s: Environmental concerns**
  - **Silent Valley dam project - threats to biodiversity in rainforests - project abandoned**
- **Mid 80s into 1990s: Social concerns and social impacts with strong environmental underpinnings**
  - **Narmada Valley dam projects - environmental refugees, poorly implemented R&R policies**
  - **Implications to the project: Support withdrawn by international financial institutions**
- **1990s - ongoing: Demand for equitable benefit sharing opportunities**

Raghu & Ram 7