

## **Compensation Related Issues Of Land Acquisition**

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### **ABSTRACT**

The land is the most essential assets for the development and growth of any nation, particularly for development of infrastructure. “Land Acquisition Act 1894” as a tool for land acquisition. Land Acquisition Act 1894 is main act which well be base of the upcoming acts. The objective of the paper is to evaluate the farmers’ attitude regarding compensation for acquisition of land in village kanheli of district Rohtak. The sample size of the study was 60 farmers of kanheli village of Rohtak District. After acquisition of land 60 percent farmers were not satisfied with the compensation of land. They demanded for more compensation for their land. The government should modify the policy because most of the land losers were not satisfied with the compensation as private companies were providing multiple amounts for the same land at the same time.

### **INTRODUCTION**

Land acquisition is the power of the union or a state government in India to acquire private land for the purpose of industrialization, development of infrastructural facilities or urbanization of the private land, and to compensate the affected land owners for their rehabilitation and resettlement. Compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes assisting in recruitment, job performance, and job satisfaction. Compensation may be adjusted according the business needs, goals, and available resources.

### **COMPENSATION**

The current scheme of compensation that the bill has laid down is two times the market price for urban areas and four times the market price for rural areas. There is no rationale as to how these figures were arrived. Another criticism is that these numbers have been tampered with: the initial draft of the National Advisory Council proposed six times the market price for rural areas. The “top down” approach in evolving the formula has also not gone down too well. While top officers are busy devising formulas and local government officials are calculating the market price, the affected people have no say on any aspect of the transaction—whether they want to give up the land or what would be a fair price. The government’s position on this is that the market values are notoriously low representations

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of the actual price of land and need to be enhanced. The Rural Ministry's formula is to take the highest previous sale transactions in an area and add a multiplier. In its view, four times the market price in rural areas would be a fair price.

Under the Land Acquisition (Just Terms Compensation) Act 1991 when a proposed acquisition notice is issued, the property owner and anyone else with an interest in the property has 60 days to complete and lodge a claim for compensation from with the Acquiring Agency or with the Value General. It is important that the property owner includes full details of the claim being made. The information on this form is considered by value's involved in assessing the amount of compensation. The Act sets out what compensation a property owner may claim and these are also listed in the claim for compensation form.

### **TYPES OF COMPENSATION**

#### ➤ **MARKET VALUE**

Market value of the property which is the amount that would have been sold at the time of acquisition by a willing but not anxious seller to a willing but not anxious buyer. Increase or decrease in the value of the property caused by the carrying out of, or the proposal to carry out, the public purpose for which the property was acquired. Increase in the value of the property as a result of the Acquiring Agency making improvements for the public purpose prior to the acquisition of the property; and increase in the value of the property caused by its use in a manner or for a purpose contrary to law.

#### ➤ **SPECIAL VALUE**

Special value applies where the property has a financial value in addition to market value, which is incidental to the owner's actual use of the property. Special value represents the additional value the owner would be prepared to pay for the property, rather than lose the property.

#### ➤ **LOSS ATTRIBUTABLE TO SEVERANCE**

Loss attributable to severance generally applies where an acquisition severs part of the property of an owner and the remaining parcel or parcels lose market value. Loss attributable to disturbance can include legal costs reasonably incurred by people entitled to compensation in connection with the compulsory acquisition of the property. Valuation fees reasonably incurred in connection with the compulsory acquisition of the property. Financial costs reasonably incurred in connection with relocation (including legal costs) and stamp duty costs reasonably incurred in connection with the purchase of another property for relocation up to the value of the acquired property. Financial costs reasonably incurred in connection with the discharge of a mortgage and the execution of a new mortgage (but not exceeding the amount that would be incurred if the new mortgage secured the repayment of the balance owing in respect of the discharged mortgage); and any other financial costs reasonably incurred (or that might reasonably be incurred), relating to the actual use of the property, as a direct and natural consequence of the acquisition.

#### ➤ **DISADVANTAGE RESULTING FROM RELOCATION**

The maximum amount of compensation an Acquiring Agency can provide to owners for disadvantage is \$81,762 for acquisitions on or after 1 July 2021. This amount is adjusted annually to account for inflation, based on the consumer price index, often referred to as CPI. In assessing the amount of compensation for disadvantage resulting from relocation, all relevant circumstances are taken into account. It including the interest in the property of the person entitled to compensation. The length of time the person has resided in the property (and in particular whether the person is residing in the property temporarily or

indefinitely). The inconvenience likely to be suffered by the person because of his or her removal from the property. The period after the acquisition of the property during which the person has been (or will be) allowed to remain in possession of the property.

➤ **ANY INCREASE OR DECREASE IN THE VALUE OF ANY OTHER PROPERTY**

The determination of compensation will also consider any change in the value of other owned property which adjoins or is severed from the property being acquired. The compensation amount will be adjusted if the change in value is caused by the public purpose for which the property was acquired, for example, the building of a road or hospital.

**PROBLEM OF LAND COMPENSATION**

- Lack of Transparency.
- Supreme Authority with Government Official (Collector).
- Inadequate Compensation.
- Lack Rehabilitation and Resettlement provisions Impact of the Act: Corruption, exploitation of farmers and increase in poverty.

**OBJECTIVE OF THE STUDY**

To evaluate the farmers attitude regarding compensation for acquisition of land in village kanheli of district Rohtak.

**RESEARCH METHODOLOGY**

The study is based on primary data as well as secondary data. The present study was conducted in village kanheli of Rohtak district of Haryana. This village was randomly selected on basis of land acquisition. This village land acquired by Haryana Urban Development Authority (HUDA) for the purpose of forming the Sector 24-25 road (Rohtak) at village kanheli. The sample size of the study was 60 farmers from kanheli village of Rohtak District. The information regarding acquisition of land of farmers was collected through patwari. We found that land of 450 farmers had been acquired under the section 6 Act 2007/352. Primary data was based on field survey of sampled area. The data has been collected on the basis of structured questionnaire. The questionnaire contained questions related to cash compensation given by the government and problem faced by the farmer like; low compensation, lack of information and uniform compensation. To analyse the data statistical tools such as diagram, tabulation, percentage were used. The secondary data included newspapers, books, journals, government reports and Haryana Urban Development Authority (HUDA).

**REVIEW OF LITERATURE**

**Davie; Kyle Frankel and et al (2020)** author evaluated large-scale land acquisitions have emerged as an important mechanism linking global resource demands to forests in the Global South, yet their influence

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on tropical deforestation remains unclear. Author perform a multicounty assessment of the links between large-scale land acquisitions and tropical forest loss by combining a new geo-referenced database of 82,403 individual land deals—covering 15 countries in Latin America, sub-Saharan Africa and Southeast Asia—with data on annual forest cover and loss between 2000 and 2018. The author observes that demonstrate that large-scale land acquisitions can lead to elevated deforestation of tropical forests, highlighting the role of local policies in the sustainable management of these ecosystems. Author identifies land acquisitions cover between 6% and 59% of study-country land area and between 2% and 79% of their forests. Compared with non-investment areas, large-scale land acquisitions were granted in areas of higher forest cover in 11 countries and had higher forest loss in 52% of cases. Oil palm, wood fibre and tree plantations were consistently linked with enhanced forest loss while logging and mining concessions showed a mix of outcomes. Our findings demonstrate that large-scale land acquisitions can lead to elevated deforestation of tropical forests, highlighting the role of local policies in the sustainable management of these ecosystems. Firstly, set up a fund to support jobs and stabilize life for people whose land was acquired. Secondly, investors and authorities must guide people to use compensation money to enhance their job prospects. Thirdly, farmers should also spend part of compensation money to training to their own business or traditional craft industries or labour export. Study found an incompleteness in the process of land acquisition and compensation as well as in attracting investors to the projects.

**Nallathiga.R, Abhyankar.A, Goyal.A and Umerdkar.M (2018)** evaluate land acquisition act in India with the help of case study approach. Firstly, this study comparison of three acts: (i) the Land Acquisition Act, 1894, which was imposed during the British rule (ii) the Land Acquisition, Rehabilitation and Resettlement Bill, 2013 brought out by the United Progressive Alliance (UPA) Government, which was different in several aspects as compared to 1894 Act; (iii) the Land Acquisition, Rehabilitation and Resettlement Ordinance, 2015 brought out by the National Democratic Alliance (NDA) government, which has changed many clauses of the 2013 Act. Secondly comparative analysis of land acquisition and Rehabilitation and Resettlement under the three legislation is carried out with help of three cases: (I) being Tata Nano Project in Singur;(II) Noida Development and Koymbedu market, Chennai. The case analysis points to the need for addressing ground level issues in order to make land acquisition successful. More and more amendments will make the bill to land nowhere due to political oppositions and this political conflict may also affect the project success.

**Kumar.M (2016)** Land acquisition is a big issue in India at present. The government acquires the land for public purpose or for the development of infrastructure. Compulsory land acquisition is creates a problem for the farmers because the fertile land is acquired. It affects the production of agricultural products. To show the effect of the land acquisition on the production he can see the situation of some states. Haryana, Punjab and Maharashtra took as a sample for the study. Approximately 60 percent population of the country gets their livelihood from the agriculture sector. The contribution of the agriculture sector in GDP was very high after the independence and it increased at the time of green revolution. Indian economy is many agriculture based economy. So many agricultural products are exported to other countries but the policy of land acquisition affects negatively to the production and it is possible that India's exports of agricultural products will decline in future. If the fertile land will acquired then how it is possible that India exports the products produced by the land. The production will low and India will import the food-grains in future. The paper focuses on the effects of land acquisition on agricultural production and tries to know the effects in future on the basis of current situation. Study concluded that if the process of land acquisition is continuously growing then no cropping land will leave

for the future. The government should apply the alternate of the land acquisition of fertile land. The projects should be implemented but the fertile land should not be acquired.

**Ghatak, M; Sandip; Dilip.M and Anusha Nath (2012)** had carried out the study on factual situation in Singur due to land acquisition and compensation. The main objective of this study was of the Singur experience with regard to the inadequacy of compensation for land acquisition and its subsequent effect on decisions taken by owner to accept the compensation, as well as on their income and wealth. For this purpose they conducted a household survey in the six villages where the land was acquired. They had also conducted similar type of survey for six neighboring villages. The purpose of including the households and villages had not been directly affected by the acquisition, but using a standard of comparison to assess the impact on those lands were acquired. They additionally include rented households and their primary occupation was agriculture and non agriculture activities. It was founded that there was a need to design the appropriate form of compensation. Their survey represented considerable preference that was being compensated in alternative that incorporate their concern for financial security, time preference and pattern of skills creating a better informed and flexible way of compensating displaced landowner can go a long way in ensuring fast growth along with an equitable distribution of its benefits.

**S.S.Surjit and Kaushik. S.P. (2011)** had studied the land use changes are very dynamic in nature and needs to be monitored at regular intervals for sustainable development. The study was analyzed land use/land cover changes over a period of 35 years in Haryana sub-region, Chandigarh periphery. Their study was primarily based on multi-temporal like as 1972, 1990 and 2008 Land sat (MSS and TM) satellite imageries of 30mspatial resolution and survey of India top sheets, interim master plan (1990) and field data. Land use analysis for different time periods had been done by using visual interpretation, ground verification, on screen digitization and overlay analysis using Arc GIS 9.1 and Eras Imagine 8.5 software.

**Lyer,Ramaswamy R (2007)** in his study made an attempt to examine adverse effects of current development policies in India, particularly after the Independence, India has adopted an ‘Enlightenment’ approach for development through developmental projects, such as big dams, large industrial and mining projects, highway, flyovers and so on. The objective of study was formulated the ‘National Displacement and Rehabilitation Policy’ so that a steady displacement may be prevented through concrete polices. The paper suggested that development projects need to include the goals of minimum displacement, adequate compensation and information etc. Land Acquisition should be permissible only for governmental project and should not be extended to include private and public sector organization.

**Sarap; Kailas (1996)** in his study analyzed the function of land market as it operates in the rural areas of Haryana. The main purpose of their paper was to examine the nature of the land sale market, the background of sellers and buyers. The study was based on primary data which was collected by the author with the help of three of his postgraduate students. The data was related to the sale, purchase and mortgage of agriculture land in three different villages; one village each located in the district of Rewari, Rohtak and Sonipat has been collected. The subject matter of this paper was highlight the nature and extent to distress sale by farm household and linkage, in accordance with transaction of the credit market in present scenario the author has reviewed. The steady raising the land prices particularly in the NCR region of Haryana.

## **COMPENSATION RELATED ISSUES OF LAND ACQUISITION**

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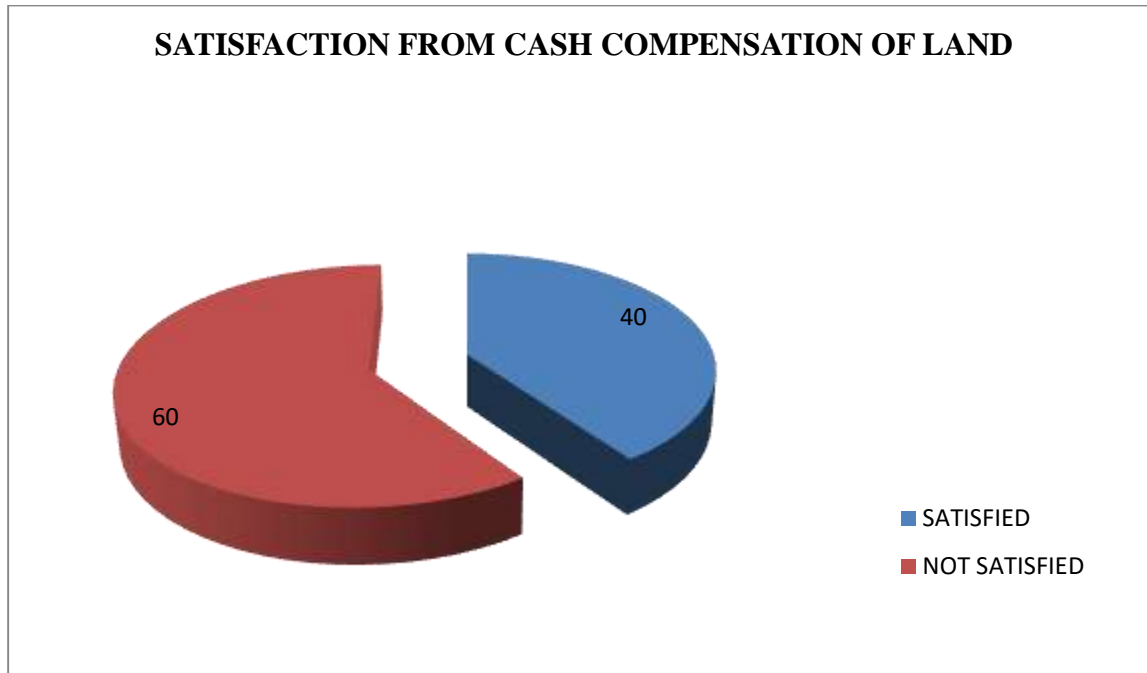
Attitude and satisfaction of farmers regarding compensation for acquisition of their land are shown through table and diagram.

**TABLE- 5.1**  
**SATISFACTION FROM COMPENSATION MONEY**

**FARMERS=60**

UNIT	NO. OF FARMERS	PERCENTAGE
<b>SATISFIED</b>	<b>24</b>	<b>40</b>
<b>NOT SATISFIED</b>	<b>36</b>	<b>60</b>

**Source: Field Survey**



This table 1.1 (figure-1) shows the satisfaction level of the farmers from compensation money of their acquired land. There were 40 per cent farmers who were satisfied from the amount of compensation while at the same time 60 per cent farmers were not satisfied from the compensation amount given by the government. They demanded for more compensation for their land. Farmer's expectations for their land were very high from government rate. The farmers were not satisfied with the compensation money of acquired land given by the govt. so there demand from the farmers for the amendment in the policy.

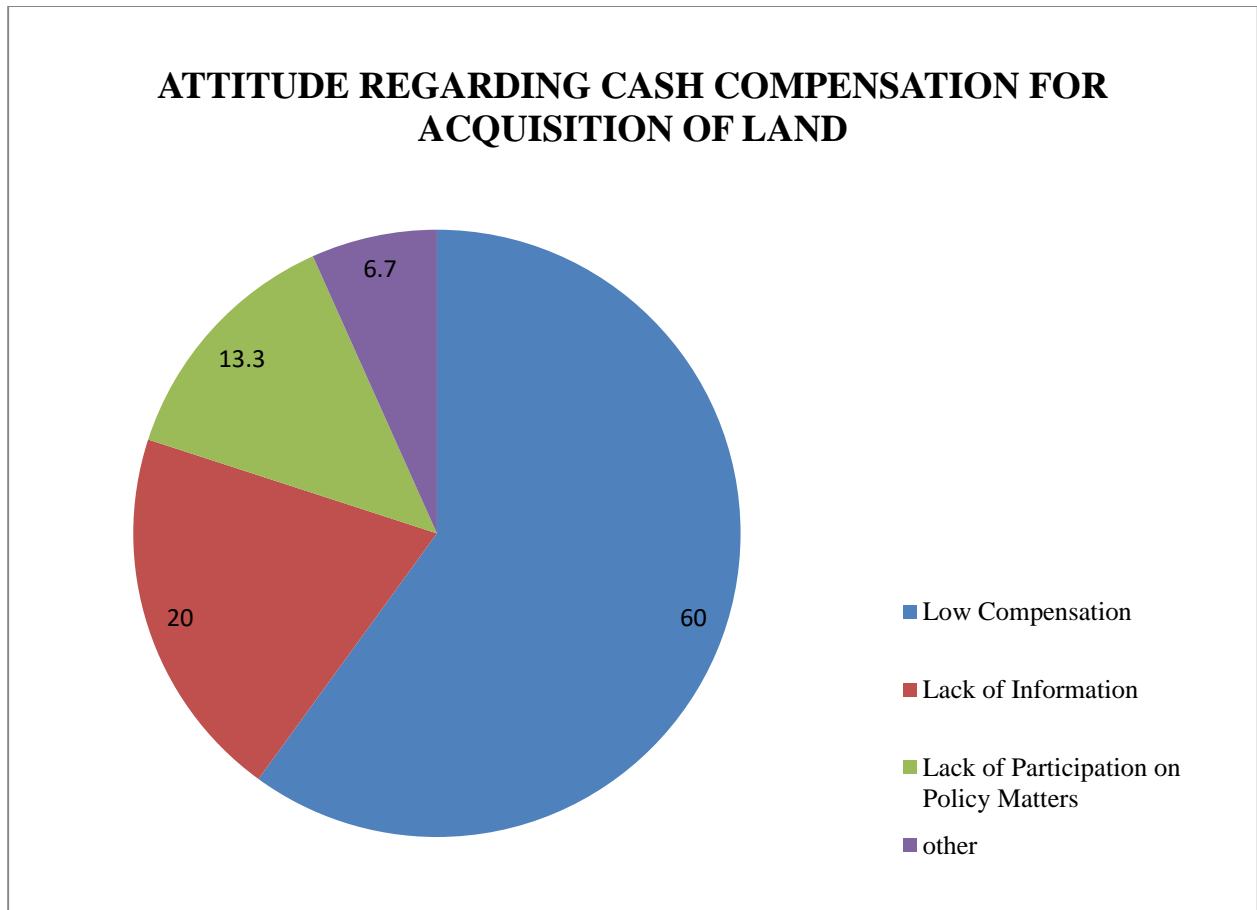
**TABLE 1.2**  
**ATTITUDE REGARDING THE CASH COMPENSATION OF LAND**

**FARMERS=60**

UNIT	NO. OF FARMERS	PERCENTAGE
<b>LOW COMPENSATION</b>	<b>36</b>	<b>60</b>
<b>LACK OF INFORMATION</b>	<b>12</b>	<b>20</b>
<b>LACK OF PARTICIPATION ON</b>	<b>08</b>	<b>13.3</b>

<b>POLICY MATTERS</b>		
<b>OTHER</b>	<b>04</b>	<b>6.7</b>

Source: Field Survey



**Source: Primary Data**

The above table 1.2 (figure2) shows attitude regarding the cash compensation of land. There were many responses regarding the cash compensation for acquisition of land. These were likely- lack of information, lack of participation on policy matters, loss of livelihood and other problem like as lack of co-operation in government offices and illiteracy etc. There were 60 per cent farmers were of the view that they have got the low price of their land and 20 per cent farmer complaint of lack of information. Approximate 13 per cent farmers were of the view that when government makes land acquisition policies, there should be the participation of farmers, so that farmers may get the right information about the policy for acquisition of land. There were almost 7 per cent farmers complaints other kind of problems like lack of co-operation, domestic quarrels to each other and illiteracy etc. at time of receiving cash compensation for acquisition of land from government.

**SUGGESTIONS:**

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On the basis of the above study some suggestion can be drawn. The government should try to acquire more and more unfertile land instead of fertile land because acquisition of fertile land has negative impact on livelihood and employment of the villagers and other community also who had not belonging to agriculture. The government should organize the seminar; workshops and other innovative programme for providing the guidance to farmers for better use of compensation money, carrier guidance, and employment opportunities etc. The government should make a provision to provide jobs and source of income to those who have lost their permanent source of livelihood due to acquisition. The government should modify the policy because most of the land losers were not satisfied with the compensation as private companies were providing multiple amounts for the same land at the same time.

A concrete R&R (Rehabilitation & Resettlement) policy which may hold good in accordance with prevailing local socio-economic conditions of the people, where the lands are to be acquired. So that a sustainable income may support the farmers, belongs to different categories in the changing scenario of development sector in Haryana.

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