

BOOK REVIEWS

The Price of Land: Acquisition, Conflict, Consequence by Sanjoy Chakravorty, New Delhi: Oxford University Press, 2013, xxx + 273 pp.

In contrast to ordinary transactions based on contracts, government land appropriation is an extreme case where the state forcibly and legally takes private ownership of land away from land-rights holders. In the last decade, this has increasingly become a major issue in India. Indeed, media attention on land appropriation cases involving violent actions, such as Nandigram, Kalinganagar, and Singur, have shocked the country. Some argue that the shortage of, and confrontation over, land for infrastructure and for mining and industrial sites is the most serious hindrance to further economic growth. Others contest that central and state governments, acting in the interests of profit-chasing private firms, are mercilessly attempting to displace citizens in the name of development.

In response to this serious issue, the *Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013* was finally passed in September 2013 and came into force in January 2014, replacing the century-old *Land Acquisition Act* of 1894. On one hand, the new act has been criticized in business circles as setting excessively high barriers for land appropriation; on the other hand, it has been condemned by human rights groups as not fully recognizing the substantial and procedural rights of residents.

One problem in the debate is insufficient information about land markets and about the effects of projects that cannot be implemented without land appropriation. In general, while the states try to justify their actions by offering the bright prospect of economic development, the opposition tries to present the worst-case scenario. Thus, both sides have tended to fail in providing fair accounts and have contributed to the propagation of misinformation. In this book, the author has made a significant and important contribution to the understanding of the causes and structure of the problem, especially through offering objective information and explanations about changes in land markets. The book consists of ten chapters divided into three parts, “Present,” “Past,” and “Future.”

Part 1 provides an overview of the current land acquisition problem. The author categorizes land acquisition disputes into two types: conflicts over a fair price and conflicts involving subjectively priceless lands for some, but not for others (Chapter 1). In both cases, until “as recently as a decade ago, the land-acquirer had the power to set prices and take land with impunity” (p. 18), while since the mid-2000s, better informed landowners have become able to resist land appropriation. In Chapter 2, gathering information about land prices from various cases and sources, the author reveals that in urban areas, buyers and sellers have sufficient information about land prices, while it is difficult to find any pattern in pricing rural land, and it is this absence of uniform patterns in price setting that suggests that rural land markets are going through a major transition.

Landholding patterns are significantly different across states and cases, and agents other than landowners, such as tenant farmers and wage laborers, are involved. These fragmentations are reflected in the diverging interests and internal conflicts among those affected by land appropriation (Chapter 3). In addition, the role of political parties, as well as civil society groups, became important in the 2000s. Their stances are full of self-contradictory points, but they have brought “the organizational strength, the numbers (of people and money), and the visibility” (p. 40). Based on the viewpoints discussed in the previous three chapters, in Chapter 4 some cases are examined in detail. In Nandigram, the situation never reached the point of specifying land to be appropriated; in Singur, the price was an important focal point, while it was the environmental and human right issues that mattered in the case of Vedanta. The chapter also notes that the *Special Economic Zone Act* of 2005 has led to the merging of two activities, anti-large-scale displacement and anti-neoliberal globalization.

Part 2 traces the long-term historical development of private ownership of land in India, noting that land has significantly different features, such as immovability, from other commodities (Chapter 5). Chapter 6 looks at how the private ownership of land emerged. In the precolonial period, while the Mughals in the north had developed the famous *zamindar* system of land revenue collection, the Marathas in the south basically relied on the *raiyyatwary* system in which the peasants themselves were responsible for paying land taxes, and this differently influenced the development patterns of land ownership across regions in the colonial era. Chapter 7, dealing with the land reform implemented after independence up to the early 1970s, refines the widely shared view that while the central and state governments succeeded in abolishing the *zamindar* system, the land reform, as well as land-ceiling reform, basically ended in failure. At the same time, India experienced an unprecedented scale of land appropriation, displacing around 50 million people for national projects such as dams and steel plants, to promote public welfare in an era of state-led industrialization (Chapter 8). The author reconfirms that the displaced people were paid a very small amount of money and tended to be of the repressed class without a voice.

Part 3 consists of two chapters. Chapter 9 demonstrates that land prices have skyrocketed by five in urban areas and even more than that in rural areas in the last decade and also that the prices in India have become higher even than international standards. The author maintains that this is not a land bubble; rather, there has appeared a new land price regime in India as land scarcity has finally become translated into price because of the growth in the credit market and the increase in money supply, in addition to the widening income inequality. Chapter 10 argues that the new land acquisition bill, which was enacted after this book was published, suffers from a lack of understanding of how land markets have fundamentally changed in the last decade.

This book should be highly regarded for its success in revealing important facts and relations underlying the land appropriation issues in contemporary India. Indeed, the author has provided many intriguing facts and viewpoints, especially about changes in land markets and land prices. For example, the author has raised the crucial point that the rapid development of land markets both in rural and urban areas and the accumulation of information about land prices, as well as a significant rise in land prices, are likely to have prompted the new era of land markets in India in the 2000s.

Based on these insights and ideas, the author also offers important policy implications, which are worth noting. In Chapter 10, the book argues that the new *Act* will make it impossible to provide public goods especially in urban and semi-urban areas because the approach adopted for price setting for appropriation is seriously flawed. In turn, the author suggests that it would be better to leave price setting to the states, while the central government should regulate only the minimum standards for resettlement, rehabilitation, and compensation for the displaced people who are landless or users of common properties.

In pointing to the importance of development and the change in land markets in the last decade, the author stressed the importance of the history of land distribution and pervasive differences in land distribution throughout the Indian subcontinent. This history is well described; however, it would have been more informative if the book had included some further discussion on the effects of the institutional setting surrounding land markets, such as the land registration system and the *Stamp Act*, which are often referred to as insufficient in India.

Readers might wonder how the meaning of public purpose, which is basically the only justification for land appropriation, has been changing in India. How to achieve consensus is at the heart of the land appropriation problem, not only in India but also in other countries including developed countries. The book would have benefited from the author delving further into the theoretical issue of whether the land appropriation problem might suggest that stable private property rights would restrain higher economic growth, which is contrary to the views put forward by dominant economic theories.

The book makes another unique contribution in that it actually attempts to calculate land prices across states and updates information about the progress of troubled land appropriation cases. The book seems to imply that the extent of the effects of the new *Act* on land prices in general, as well as pending cases, will not be small. Following up on these issues will be an important task.

Last but not least, the greatest contribution of this book lies in its critical effort to provide a systematic explanation regarding the land appropriation problem that India faces today. The book has successfully demonstrated that the relationship between development and land redistribution needs to be considered and situated in its historical context.

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Poverty amid Plenty in the New India by Atul Kohli, Cambridge: Cambridge University Press, 2012, xiii + 249 pp.

The Indian economy is one of the fastest growing economies in the world. By 2012, gross domestic product based on purchasing power parity was already third in the world after the United States and China.¹ Indeed, India has drawn considerable global attention due to such

¹ International Monetary Fund World Economic Outlook Database (<http://www.imf.org/external/ns/cs.aspx?id=28>).