

SPECIAL ECONOMIC ZONES

AND THE LAND QUESTION IN INDIA

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The land question in India has suddenly attained extraordinary importance in the media for the past few months. Ekta Parishads Janadesh Yatra a few months ago, the agitations for notification of the Adivasi Forest Land Rights Bill, the social movements' trenchant criticisms of the Rehabilitation Act and Land Acquisition Act has brought the land question into the centre-stage of public discourse. However, the news media, which work overtime to sell the American dream and propagating the 9% growth story, suffers from a criminal historical amnesia of land rights, tenancy and sharecroppers' rights, mere central issue of the historical uprisings' massive tribal rebellions from Rajmahal hills in the east to Khandesh in the West, more fought by the heroic Adivasis against the marauding British imperialists to save their habitats and commons.

Land and sharecroppers' rights were the central issue in the great Telengana, Punappra Vylar and Moplah uprisings. In post-Independent India, the fight continued in the strongholds of the organised left, and other social movements like Naxalbari, Bodh Gaya and Srikakulam were some of the well-known areas while the struggle continued all over the sub-continent.

In fact, 'land to the tiller' has been the central slogan of the organized left; other organisations like Chhatra Yuva Sangharsh Vahini fought for land rights against the Bodh Gaya Mahant struggles against tribal land alienation; this is a perpetual phenomenon all over tribal India.

Post-colonial social movement added a new dimension to the land question in India; this time the protest against forcible displacement from the homes, habitats and commons for mega developmental projects.

Big dams, mines, factories and industrial townships were declared to be the temples of modern India; the Indian ruling classes took a path of capitalist development through heavy industrialization, forcibly displacing millions of Adivasi peasants from all over India. There were protests all over India. Arundhati Roy, in her essay 'Greater Common Goods', says that by the early 1990s more than four crore farmers and Adivasis were displaced due to mega development projects. Post-Independent India has seen massive protests in Hirakud, Baliapal, Gopalpur, Koel Karo, Netarhat, Narmada Valley, Kalinganagar, Singrauli and many other places, against their forcible displacement for construction of dams, steel plants, thermal power stations, etc. Displacement, right over natural resources including forests and commons, against usury and feudal oppression, has been the main issue of discontentment in rural India.

India is endowed with huge natural resources and vast fertile lands, forests and labour power, but the paradox is that in this country of enormous wealth, majority of the population live in extreme poverty. The Indian ruling classes used the label of socialism following independence to adopt a public sector supported capitalist path of development sustained by rapacious neocolonial plunder through Brettonwoods institutions and imperialist transnational corporations. This paradigm is founded on the predatory profit-oriented mercantile principle of inequality as an essential condition of development and decimation of peasantry through the continuation of the extreme backwardness of agriculture. According to the Arjun Sen Gupta committee report on unorganised sector, more than 75% of the population subsists on Rs. 20 a day, i.e., around 20% of the population, which includes majority of the Dalits and Adivasis who hover on the brink of starvation deaths everyday in different regions of the country. Excruciating poverty causes mass starvation, rampant disease, and premature deaths amidst vulgar affluence for a few. In addition, large sections of the population have to face crude discrimination in the form of caste, religion, ethnicity and gender, reducing them to the status of a slave in their own country.

About 70% of the country's population depends on agriculture directly and indirectly

even today. Capital-intensive developments have been foisted by the neocolonial masters for the profits of multinational corporations who supply agricultural machines, fertilizers pesticides and seeds. The policy has proved to be not only anti-poor, but also against the interests of the country as a whole. It has rendered agricultural labourers and small farmers nonviable who are loosing their lands joining the impoverished reserve army of labour. Under pressure from the Brettonwoods institutions, subsidies are withdrawn, while the costs of inputs soar making farming nonviable for the majority of farmers, especially small, middle and marginal peasants. Rising costs of inputs and low prices of primary commodities have pushed agriculture and its dependants into the brink of disaster. The neoliberal state has been withdrawing credits through nationalised banks and cooperatives, pushing the farmers to take loans from usurious moneylenders - forcing thousands of farmers to commit suicide. The new agricultural policy of 2000 has transformed the very paradigm of agricultural development by throwing the concept of 'land to the tiller' to the winds. In its place, it introduced priority for cash crops and agriculture for profits to facilitate MNCs and corporate takeover, in the process small and middle farmers are forced to commit suicide and are driven off agriculture. In fact, the phenomenon of reverse tenancy has been taking place in the name of contract farming at the behest of agribusiness. In fact, the MNCs and Indian corporations have emerged as new feudal lords in this predatory neoliberal era of global enclosure and ruthless 21st century primitive accumulation.

The powerful class of upper caste absentee landlords, represented by the Kulak Lobby in politics, are the biggest facilitators for entry of international big business into Indian agriculture. In spite of the much flaunted but failed cry about the land reform measures, most of the cultivable lands are in the hands of 10% of the landed gentry. The Land Ceiling Act, Security of Tenancy Act, and other land reforms acts have not been implemented effectively during the last six decades. While there is no security of livelihood of the landless labourers in spite of the much-trumpeted National Employment Guarantee Act, massive distress migrations to urban slums are a living reality of rural India. The feudal relations in land are one of the key reasons for the backwardness in agriculture and the chief cause for extreme poverty and socio-economic disparity in rural

India.

Under pressure of radical peasant movements, land reform acts were made with about a hundred loopholes to circumvent them with the active connivance of the corrupt upper caste judiciary and bureaucracy.

Therefore, radical land reforms with the principle of 'land to the tiller' are the highest priority for India today.

With neoliberal restructuring of global capitalism known as globalisation, the Indian ruling classes adopted the New Economic Policies in 1991, giving up all the pretensions of self-reliance, egalitarianism, welfare state, non-aligned status, etc. Special Economic Zones were a logical outcome of this anti-people neoliberal paradigm.

A Special Economic Zone Act was passed in the Indian Parliament in 2005 and various states have their own SEZ Acts.

Salient Features of SEZs

A Special Economic Zone is an especially demarcated area of land, owned and operated by a private company, which is deemed to be foreign territory for the purpose of trade, duties and tariffs. SEZs will enjoy exemptions from custom duties, income tax, sales tax and service tax. From the point of view of industry, a SEZ is an industrial cluster with assured infrastructure aimed at increasing the country's export - the stated purpose of creating SEZs across India is the promotion of exports. The Commerce and Industries Minister, Kamal Nath claims that exports will ultimately grow five times, GDP will rise 2%, and 30 lakh jobs will be generated by SEZs across India. He also claimed that SEZs will attract global manufacturing through foreign direct investment, enable transfer of modern technology and will create incentives for infrastructure.

As of 30 November 2007, according to the Union Ministry of Commerce and Industry,

the total number of approved SEZs are 760; formally approved SEZs are 404; SEZs with “in principle” approval are 165; SEZs notified after the 2005 Act are 172; and SEZs functional before the SEZ Act are 19.

Many more applications await processing. The total area under SEZs in 20 states across India, is expected to be over 200,000 hectares - the size of National Capital Region.

This land, predominantly agricultural and multi-cropped, is capable of producing close to one million tons of food grains. If SEZs are seen to be successful in the future and more cultivated land is acquired, they will endanger the food security of the country.

Displacement and Loss of Livelihoods in SEZs

Estimates show that close to 114,000 farming households (each household on an average comprising five members) and an additional 82,000 farm worker families who are dependent upon these farms for their livelihoods, will be displaced. In other words, at least one million people who primarily depend upon agriculture for their survival will face eviction. Experts calculate that the total loss of income to the farming and farm workers’ families will be at least Rs. 212 crores a year. This does not include other income tax (for instance artisans) due to the demise of local rural economies. The government promises humane displacement followed by relief and rehabilitation. However, historical records do not offer any room for hope on this count; an estimated 40 million people (of which nearly 40% are Adivasis and 25% Dalits) have lost their land since 1950 because of displacement due to large development projects. At least 75% of them still await rehabilitation. Almost 80% of the agricultural population owns only about 17% of the total agricultural land, making them near landless farmers. It is the farmers’ families and communities who depend on a piece of land (for work, grazing), rather than those who simply own it.

Employment in SEZs

The growth of employment in the entire organised sector since inception of the economic reforms in 1991 has been negligible. The total employment in the organised sector is still less than 3 crores. Even in the IT and ITES, the boom areas of the economy employment are less than 15 crores (60% of SEZs are for IT).

The Indian labour force is estimated at 45 to 55 crores. Thanks to growing automation, modern manufacturing grows joblessly around the world. In India, automobile production has grown rapidly, while employing less labour than before. With more automation, organized services also require limited supplies of labour.

SEZs are actually land-grab by the real estate mafia and the corporate sector.

What are the SEZs likely to become in a few years time? According to a clause in the SEZ Act [Section 5(2)], as much as 75% of the area under large SEZs above 1,000 hectares can be used for non-industrial purposes. What will the remaining land be used for?

This lacuna in the law is likely to become a loophole for massive accumulation of land by private players including the real estate mafia, developers and property dealers for the purpose of real estate speculation. This explains why so many of them have been buying land for SEZs. In fact, it may well be the case that the rationale for the above clause in the SEZ Act is the uncertainty surrounding the economic attractiveness of SEZs. If adequate productive investment is not forthcoming, the SEZ developer can at least cash in on the land value. Conglomerates like Reliance already own more than 100,000 acres of land in the entire country (courtesy - Seminar No. 582, SEZ issue, February 2008).

In the light of the real estate boom and imposition of JNNURM, SEZs have also emerged as a new form of colonial urbanisation. As all of us know, the majority of urban population are slum dwellers. Slums are not made by slum dwellers, not even by the poor, they may actually be built by the poor or by the not so poor slumlord, but they are conceptualised and designed by the capitalist system itself. They exist because the

capitalist system needs them. Being designed upon making a profit by exploiting labour, the system requires that the cost of labour power be kept as low as possible. Imagine if every citizen of Mumbai or Delhi had to buy a flat or a house - would that be possible on the wages that they are getting today? The same applies to the organised sector. In Mumbai, even a small flat on the outskirts of the city would cost not less than Rs. 20 lakhs. Even in the organised sector a worker, with diligence and frugality throughout his life, cannot expect to save that amount in spite of a lifetime of working.

With the rise of capitalism after the renaissance in Europe, many new cities came up all over the world. Many of the cities that we live in today are a product of these times. New York and Mumbai provide prime examples. These were industrial cities made with the express purpose of utilising the new opportunities for vastly enhanced exploitation of workers afforded by the industrial revolution. Even the older cities like Rome, London and Delhi had to adapt to this new world order. From the beginning of 18th and 19th centuries cities had to get industrialised. Those not able to make this transformation perished - cities like Susa in Persia and Badami in Karnataka.

In today's globalised context, after the enactment of SEZ Act it is necessary to see the new colonial urbanisation and its connection with displacement, agrarian crisis, growth of slums and migration. Some growth centres like Noida, Gurgaon, Bangalore, etc., tell the sordid human drama behind their glazed tiles and golf courses.

It is interesting to look at the neocolonial urban growth in Maharashtra in context of the SEZs. It will lead us to the reality behind slum demolitions and the hidden hands of the Mumbai underworld, the builder's mafia and the honorable members of the Indian big bourgeoisie.

Maharashtra has always been the favourite destination for investment, especially foreign investment in India. At one time the most industrialised state in country, it still ranks among the top. However, in terms of investment it is clearly, without any close rival, the topmost state in India. For example, the amount of bank credit disbursed by public sector

banks in Maharashtra was over Rs. 371,000 crores in June 2006 (about 32% of the total national figure). The next closest state was Delhi with less than half the investment in Maharashtra. The total amount in investment projects under execution, in September 2006, in Maharashtra was over Rs. 92,000 crores and the total of investment projects at the same time was around Rs. 253,000 crores, the highest in the country. In terms of foreign direct investment (FDI), the Economic Survey 2005-06 states "In terms of FDI approvals, however, Maharashtra topped the list followed by Delhi, Tamil Nadu, Karnataka and Gujarat". In some estimates, Maharashtra accounts for almost one-third of the total foreign investment in India.

Befittingly, Maharashtra is also, therefore, the state with the largest number of SEZs (both formally approved and "in principle") with 89 formally approved, and another 32 SEZs approved "in principle", which is more than twice the total area of those which have already been formally approved. This is because the "in principle" stage mainly applies to those large SEZs where the land has still to be acquired. In total, all the SEZs planned till today will occupy around 60,000 hectares of land.

Since the New Economic Policies were adopted, Maharashtra has seen fast urban growth. Maharashtra has the highest level of urbanization in India at 42% compared to 25.7% as the all-India average. In the context of land, the question of SEZs writing about the urbanization experience in Maharashtra is important because this urbanization has not been in the normal organic fashion as in the advanced capitalist countries in the west. The urbanization of Maharashtra has been artificial engrafted urbanization. People have been driven out of their land by the devastation of agriculture. It must be noted that while Maharashtra has the highest level of urbanization in India and one of the highest per capita incomes in the country, it also has the lowest yield per hectare of food grains in the country at 872 kg/hectare, as against 1,667 kg / hectare as the national average. It is no coincidence that Maharashtra also has the highest level of peasant suicides in the country. It may be argued that the same process of devastating agriculture to feed the cities has taken place in cities like London and Paris in the 17th and 18th centuries, and the US during the Civil War. However, though the condition in urban Maharashtra may be as

dismal and revolting as the western countries in the 17th and 18th centuries, this misery and poverty is painted not on the background of the London prevalent at that time, but on the canvas of today's Mumbai and Delhi, where the rich have the latest cars in the world and the costliest properties in the world.

This makes all the difference in the world. The very degree of massiveness in the cities of today makes a qualitative difference from the cities of medieval times. Engrafted into this, is the unthinkable advanced system of communication and transport. This brings people into closer and more intimate contact with the rest of the world. All this makes the level of disparity that is produced and reproduced in cities like Mumbai and Delhi, qualitatively different from that in medieval London or Paris.

The people thrown out of agriculture (both in Maharashtra and outside) have been forced to stay in hovels in overcrowded and disease ridden slums in the cities. No new cities have been suburban satellites of megalopoleis. Cities like "New Mumbai" and Noida were originally planned as independent cities with their own industrial area, commercial areas and transport systems. However, they have only developed as suburbs to larger and older cities like Mumbai or Delhi. This has not helped in resolving the problems of the cities, but has only accentuated them.

It is again no coincidence that almost all the SEZs are being built only on the fringes of cities - like satellites all over again. A rough study, based on the "in principle" approved SEZs in Maharashtra, shows that around 67% of the land for SEZs is within 100 km of Mumbai. If the cities of Pune and Nagpur are also considered, then a figure of 85% of land for SEZs is arrived at, and if Nashik and Aurangabad are also thrown in, then about 98% of the land for SEZs is within 100 km of these five cities. Thus, there will be no real development. The rural areas will be further devastated. More farmers will commit suicide, and larger slums with even more squalor will be created. There will be more crime, more communal riots, more atrocities against Dalits and more attacks and exploitation of women, as always happens in the condition of squalor.

However, the SEZs are not the only instruments for grabbing the lands of the peasantry, millions of acres of land are taken by national and international big business for construction of Greenfield projects, private airports, tourist resorts, health tourism, smart cities, entertainment parks, building of private townships for the superrich, including vast areas for golf courses and luxury hotels. To provide infrastructure for super profits of local and multinational big business, the state is acquiring millions of acres of fertile land to build industrial zones, golden corridors, expressways including the much-flaunted golden quadrangle express highway systems. This is the glaring phenomenon of contemporary global enclosure of forcible depeasantisation ruthlessly divesting the producers from their means of production, cultural moorings and commons.

Adding salt to the injury, the neoliberal state is resorting to the most predatory inhuman primitive accumulation of forcing the farmers and Adivasis out of their land when the entire peasantry is reeling under acute agrarian crisis where more than 2 lakh farmers have committed suicide in the past decade under the neoliberal economic regime.

Another despicable instrument of forcibly uprooting Adivasis from their habitats and livelihoods is the New Mines Policy. The dangers of New Mines Policy has been brilliantly analysed by friend Mansi Asher in the September-October issue of *Combat Law* 2007. (See *Mined Games* by Mansi Asher, *Combat Law*, Vol. 6, Issue 5, 2007.)

The key reason being that several recommendations and clauses of the new national mine policy were not acceptable to mineral rich states and mining companies, especially steel makers with every party wanting to maintain their control over the rich mineral resources of the country. What has slipped the public eye is probably the very critical changes being proposed to ensure that investments in the mining sector get a boost by deregulating procedures of environmental and forest clearances. These clearances have been seen as hurdles for quick implementation of mining projects in the past 10 years. It is interesting to note that the sector, which was essentially dominated by the public sector companies, has in the past decade become the moneybags for companies ranging from domestic giants like Tata, Jindal and Birla, to global companies like Mittal, Posco,

Vedanta, BHP, Billiton Riotinto, etc. Hence, the stakes of the market are higher, and the new mineral policy is paving the way for second-generation reform in the mining sector in India to protect and promote these stakes (Mansi Asher, Combat Law).

It is needless to say that real estate and the construction boom is the motor force behind India's high growth indicators. In fact, the whole country has been converted into a construction site. The real estate and mafia developers and other unscrupulous speculators make millions, while the small and middle peasantry are pauperized. In this context the value of land should be critically examined. The entire valuation process is arbitrary and exploitative; while the builders and developers buy cheap land, they sell the developed plots at a rate which is many times higher than the original market price of the said land. On the other hand, the peasantry is paid a pittance for the land forcibly acquired through the draconian land acquisition act. In fact, land is never valued in financial terms by Adivasis and farmers; for them agriculture is a way of life and they consider the land as their mother. For Adivasis, the commons, the forests, pastures and water resources are as important as the tilled land and are also considered sacred. In any mega project these are snatched away from them, which is like taking fish out of water.

Of late, this notion of sacredness has become a powerful instrument of resistance by the Adivasis for protecting their habitats. In March this year, thousands of Adivasis gathered in Niyamagiri hills in Lanjigarh (Orissa) for mass worship. They consider the Niyamagiri hills as sacred and this mass worship has become a powerful symbol of protest to save their habitats greedily eyed by the Vedanta Aluminium Company. In the nearby Baphlimali hills in Kashipur, a heroic struggle is ongoing on for the past twelve years to save their habitats from Utkal Alumina. At the time of writing this note, a *dharna* is still going on against Utkal Alumina by Prakrutik Sampad Suraksha Parishad at Kashipur in Rayagada district of Orissa.

It is important to note that the artisans, sharecroppers and landless labourers are the biggest losers. In any forcible land acquisition process, they lose both their livelihoods and habitats and do not get anything in return other than forced destitution and

marginalisation. The entire peasantry is up in arms against their forcible eviction all over India for SEZs and other projects. The bloodbath at Nandigram was a signal event of peasant resistance against forcible displacement. Fierce struggles against SEZs and other projects are going on in Raigad (Maharashtra) against reliance Maha Mumbai SEZ, and against Posco in Jagatsinghpur (Orissa). In fact, entire Orissa has become a battlefield. Farmers are struggling against the proposed SEZs in Kakinada (Andhra), Mangalore (Karnataka), and Jhajjar (Haryana); and against the proposed entertainment SEZ in Gorai near Mumbai, etc.

The land question, the fundamental failure of Independent India, has become one of most debatable and controversial topics today. Although the mass media and the dominant parliamentary political parties suppress any public mention of radical land reform, land to the tiller and the abolition of feudal remnants, the irrepressible reality raised the question in one or another form. Today, land grabbing by the private corporate sector, both Indian and of foreign origin, especially the MNCs of advanced capitalist countries, in the name of so-called "development" and with the aid of government agencies and state machinery, has become a subject that cannot be avoided. The reason at base is sixty years of failure to meet the legitimate demands of several crore landless peasants who depend on agricultural land for their subsistence but have no claims deemed fully worthy by the judiciary; still the firmest bastion of colonial mentality. With the introduction of the New Economic Policy in 1991, what has been a half century of localized injustice and repression, became a qualitatively different phenomenon - the theft of land on a scale that could not be kept from public attention.

Thus, the land question is the most important question in India today, and 'land to the tiller' is the core political slogan today. The struggle for land is going on all over India.

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