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## Re-Thinking the Role of Compensation in Urban Land Acquisition: Empirical Evidence from South Asia

Craig Johnson \* and Arpana Chakravarty

Department of Political Science, University of Guelph, Mackinnon Building, Guelph, ON N1G 2W1, Canada; E-Mail: chakrava@uoguelph.ca

\* Author to whom correspondence should be addressed; E-Mail: cjohns06@uoguelph.ca;  
Tel.: +1-519-824-4120 (ext. 53531); Fax: +1-519-822-7703.

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**Abstract:** Planned efforts to relocate human populations often entail protracted struggles over the terms on which local populations may be compensated for the loss of land, assets and livelihoods. In many instances, compensation has been established on the basis of historical market value, which in effect excludes stakeholders (e.g., encroachers, landless laborers, sharecroppers, *etc.*) whose livelihoods are adversely affected by land acquisition. Establishing ways of recognizing and compensating the loss of informal land and livelihood is therefore a pressing policy priority. This paper explores the challenge of compensating losses incurred as a result of rapid urban land acquisition in the Indian State of West Bengal. Drawing upon 6 months of empirical field research, it explores (1) the ways in which national and local development authorities have structured processes of land acquisition in areas surrounding Kolkata; (2) the rights and entitlements that have been used in compensating losses incurred as a result of land acquisition; (3) the degree to which local populations have been incorporated into this process; and (4) the extent to which public policy may be used in strengthening the rights of vulnerable populations to basic forms of entitlement, such as housing, employment, and social assistance.

**Keywords:** urbanization; land acquisition; compensation; resource governance; India

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## 1. Introduction

Urbanization has emerged as a major trend in the world economy. For the first time on record, the number of people living in urban areas has exceeded the world's rural population [1]. The United Nations projects that the world's urban population will grow by another 3 billion people by the year 2050, putting unprecedented demands on air, water, land and essential public services [1–4]. Underlying these transformations are complex processes that have gradually re-defined the ways in which land, labor and related resources (e.g., water, fishing, mining rights) are governed for the purposes of commercial and industrial development [1,3–9]. One is a macro-economic shift away from primary production (in agriculture and resource extraction) towards manufacturing and services [1,4,8–10]. A second is a process of global economic re-structuring whereby urban and peri-urban areas have emerged as important sites of production, processing and exchange [1,8–14]. A third and for our purposes central factor concerns the acquisition and conversion of land for non-agricultural purposes [1,5–9,14].

Driving this process, many governments and municipalities have used eminent domain land acquisition policy as a means of procuring land for commercial and industrial development [5–7,11–13,15,16]. In India and China, for instance, land acquisition has provided an important means by which the state has been able to facilitate the growth of new industrial and residential enclaves around cities like Mumbai, Shanghai, Shenzhen and New Delhi [5–7,11,15,16]. Arguments in favor of using land acquisition in this way have been defended on the grounds that it expedites the acquisition of very small parcels of land (a feature that is common in many parts of Asia), thereby facilitating the establishment of industrial enclaves, free trade zones and commercial real estate [16]. From the state's perspective, land acquisition also facilitates conversion into manufacturing, services and real estate, which can then be used to secure additional revenues in the form of land sales and land-lease arrangements with commercial investors.

However, the strategy has entailed a number of trade-offs that have pitted agriculture against industry (defined variously) and agriculturalists against the state [5–7,12,13,17,18]. Frequently, planned efforts to relocate human populations have led to protracted struggles over the terms on which local populations may be compensated for the loss of land, assets and livelihoods [16,19]. In many instances (e.g., India, Bangladesh, and Vietnam), compensation has been established on the basis of historical market value, which in effect excludes stakeholders (e.g., landless laborers, sharecroppers, *etc.*) whose livelihoods are adversely affected by land acquisition [5–7,12,13,19]. Moreover, the emphasis on historical market value often fails to provide a mechanism that can capture the inflation that typically occurs in the context of government-sponsored land acquisition [5–7,11,12,15,16].

This paper explores the challenge of compensating losses incurred as a result of urban land acquisition in the Indian State of West Bengal. Drawing upon 6 months of empirical field research, it explores (1) the ways in which national and local development authorities have structured processes of land acquisition in areas surrounding Kolkata; (2) the rights and entitlements that have been used in compensating losses incurred as a result of land acquisition; (3) the degree to which local populations have been incorporated into this process; and (4) the extent to which public policy may be used in strengthening the rights of vulnerable populations to basic forms of entitlement, such as housing, employment, and social assistance.

The paper starts from the premise that compensation serves a number of different purposes in the processes of urban land acquisition. One is to rectify the losses incurred as a result of expropriation and displacement, often on the basis of cost-benefit analysis. A second is to incorporate actual and potential opponents of land acquisition into the process, thereby facilitating the social and political conditions under which land acquisition can occur. Broadly speaking, we can call these the equity and efficiency dimensions of compensation [19].

Our key empirical finding is that land acquisition was dependent upon the ability of the state to use eminent domain legislation as a means of expropriating land from local landholders. In many cases, expropriation entailed some form of compensation. However, compensation varied enormously in relation to the power and influence that local landholders were able to exercise in relation to the local land bureaucracy and local political cadres. In particular, our findings suggest that three forms of compensation facilitated the acquisition of land in our field site. The first and most common form was *imposed compensation*, in which landowners were forced (and often intimidated) into selling their land at an imposed price that was often well below the value of commercial land markets. Here the role of local land officials and party cadres was critical. A second was what we call *strategic compensation*, in which powerful and well-placed landholders were able to withstand the pressure of imposed compensation (often because they were part of these critical networks), which allowed them to wait for a better price. The third and most important form of compensation was what we call *political compensation*, in which local and critical external actors (such as judges) were able to extract benefits in the form of quotas for new land allotments and employment in local “syndicates”. It was this last form of compensation that was most important in terms of creating and sustaining a system of coordinated land acquisition.

The paper proceeds as follows. The following section first explores the factors driving contemporary urbanization in India, highlighting especially the role that eminent domain land acquisition policy has played in this process. Drawing upon concepts used in the study of urbanization, multi-level governance and polycentric governance regimes, Section 3 then outlines a theoretical framework aimed at conceptualizing the role of compensation in urban land acquisition. Section 4 describes the case study methodology that was used to generate the evidence on which the paper is based. Section 5 then presents evidence exploring the factors affecting processes of land acquisition in Rajarhat, a 3,075-ha “new town” development on the urban fringe of Kolkata. Section 6 expands upon the aforementioned compensation typology and finally, Section 7 concludes the paper.

## **2. Urbanization and Land Acquisition in India**

India provides an important case for understanding processes of urban land expansion. According to its most recent 2011 census, India’s urban population now stands at 37.7% of the total population, which represents an increase of 9.1% since the last census in 2001 [20]. According to another meta-analysis by Karen Seto and colleagues [8], India’s urban land area grew at a rate of 4.84% per year between 1970 and 2000.

Driving these transformations have been a number of parallel processes. One has been the impact of urban population growth within cities [8]. According to one regression conducted by Seto *et al.*, population growth accounted for 30% of urban land expansion in India, growth in GDP per capita

23% [8]. A second has been rural-urban migration, influenced in part by the stagnation of agricultural incomes [5–7,21–26]. A third has been the liberalization of manufacturing and services, which has in turn fueled new patterns of rural-urban migration and urban land use, such as commercial property development and the establishment of export processing zones [5–7,21]. A fourth is the impact of restrictive land use policies (such as government quotas on housing allowances and the informal manipulation thereof) on urban land prices [5–7,21]. A fifth has been the growth of India's new "middle class," whose rising and increasingly disposable incomes have fuelled a wide range of new consumer markets in retail and real estate [5–7,21–26]. A sixth and for our purposes central factor has been the planned acquisition of land surrounding large urban areas [5–7].

Within a context of economic restructuring and neo-liberal reform, many of India's State governments have used tax holidays, land parcels and free trade special economic zones (SEZs) to encourage the commercial development of rural (or rurban) areas surrounding large cities like Delhi, Mumbai and Chennai [5–7,24,25,27,28]. An important tool in this process has been the Land Acquisition Act of 1894, an eminent domain policy that effectively allows government to seize private land in the name of public interest in exchange for compensation that should be equal to the local market price for the land. Historically, public purpose has been defined primarily in relation to the provision of public infrastructure, but in recent years, it has been reinterpreted in a way that allows the generation of employment and productivity through commercial development [5–7,16]. While the Land Acquisition Act is a central act, state governments have their own amendments that specify particular rules and procedures governing acquisition, resettlement and compensation [16].

Driving this process was the Government of India's decision to liberalize its trade regime in 1991 and the subsequent efforts on the part of many state governments to attract private capital [5–7,27]. However, the policy has been divisive, evoking numerous criticisms about the legitimacy and viability of using land acquisition legislation to expropriate land for private enterprise [5–7,16,28–30]. First, it has been argued that the Act was never intended for commercial or industrial development, and defending it in the name of "public purpose" deviates from its original intention [16]. Second, the Act applies only to individuals holding formal land title, effectively excluding others (e.g., sharecroppers, laborers, *etc.*) whose livelihoods are also adversely affected by land acquisition [16]. Third, the Act compensates the loss of land with a one-off cash payment, which effectively replaces a productive asset with a medium of exchange. Notwithstanding some kind of support for productive re-investment, the process fails to address the loss of incomes and livelihoods resulting from the loss of land [16,28–30]. Finally, and related, the Act fails to provide a mechanism for compensating the opportunity costs of benefiting from the price inflation that typically occurs in a context of state-sponsored land acquisition [16,28–30].

In response to these limitations, the Indian Parliament (the Lok Sabha) has since September 2011 been debating the Land Acquisition, Rehabilitation and Resettlement Bill, a new land acquisition act that would expand the range of "fair compensation" for landowners whose land has been expropriated for land acquisition projects and "fair rehabilitation" for those whose livelihoods have been adversely affected by the loss of land and access to land-based livelihood systems [29,30]. Included in the draft legislation are provisions aimed at improving the price paid to landowners (the current draft allows four times the market value); a one-off payment of Rs. 136,000 (US\$ 3,000) for subsistence, transportation and resettlement; and an entitlement to employment or a cash equivalent payment of

Rs. 500,000 (US\$ 11,000), or a monthly annuity totaling Rs. 24,000 (US\$ 550) per year for 20 years with adjustment for inflation [29,30].

At the time of writing, the bill was undergoing Parliamentary review, meaning the proposed legislation had no bearing on our study. However, it does help to contextualize the debates that are now framing the use of eminent domain land acquisition policy in India. Three are worth noting. First, in its current form, the proposed legislation does little to ensure that landless laborers, renters and sharecroppers are actually incorporated into the compensation process [29,30]. Second, the adjusted price appears arbitrary, raising doubts about whether it will actually address problems of speculation and inflation [30]. Third, the delivery of cash payments, employment guarantees, *etc.* requires an administrative structure that appears to exceed the existing capacity of India's local land bureaucracy [30].

Recognizing the administrative costs of implementing a policy of this kind, a number of analysts have argued in favor of creating a "market-based" approach in which compensation is linked more directly to the future development of land acquisition projects [30]. Creating "land bonds" that would pay "land losers" on the basis of changing land values has been floated as one possible way of addressing the problem of speculation and land inflation [30]. However, even a land bond system will require a governance system that can administer competing claims about payment, eligibility and entitlement. At the heart of the proposed land acquisition legislation is an assumption that the state is willing and able to serve as an objective arbiter of land and property. In practice, the state is often actively involved in commercial land transactions, reflecting the immense discretion that local land and administrative officers are able to employ in processes of land titling and acquisition [16].

### *International Policy*

International norms surrounding the rights of populations displaced as a result of compulsory land acquisition have highlighted the need to establish (1) clear criteria governing the conditions under which affected populations may participate in decision-making processes about permanent resettlement and temporary relocation; and (2) mechanisms through which affected populations may receive compensation for the loss of land, livelihoods and local cultural connections (e.g., [19,31–33]). For instances in which populations are displaced directly as a result of development projects and policies, many donors have outlined a clear need for transparent mechanisms that can be used to identify and mitigate the potential losses and impacts on affected populations. The FAO's "Voluntary Guidelines on the Responsible Governance of Tenure" [32], for instance, hold that:

*States should ensure that the planning and process for expropriation are transparent and participatory. Anyone likely to be affected should be identified, and properly informed and consulted at all stages. Consultations, consistent with the principles of these Guidelines, should provide information regarding possible alternative approaches to achieve the public purpose, and should have regard to strategies to minimize disruption of livelihoods. States should be sensitive where proposed expropriations involve areas of particular cultural, religious or environmental significance, or where the land, fisheries and forests in question are particularly important to the livelihoods of the poor or vulnerable.*

Similarly, the World Bank's principles on involuntary resettlement outline a number of norms aimed at establishing the social, environmental and economic impacts of development interventions [33]: first, development projects should not make affected populations any worse as a result of resettlement programs and policies; second, they should not violate existing national and international human rights principles; third, they should conform to national and international norms governing eminent domain (identifying specifically the conditions under which land may be acquired for public purpose); fourth, they should allow affected populations to participate and engage in identifying the possible range of alternatives; fifth, and finally, they should offer an appropriate range of benefits that may be used to compensate the social, cultural, economic and psychological losses incurred as a result of displacement.

In many instances, compensation for land expropriation is decided on the basis of a cost-benefit analysis that weighs the costs of compensating and relocating affected populations in relation to the benefits provided by new public goods, such as roads, hydroelectric dams, *etc.* (*cf.* [19]). Underlying the World Bank's involuntary resettlement model, for instance, is a cost-benefit analysis that seeks to identify the cost of replacing land, assets and livelihoods lost as a result of displacement and, on this basis, formulate a wide range of measures (including cash compensation, land allocation, rehabilitation and others) that may be used in compensating displaced populations. Similarly, the FAO guidelines state that:

*States should ensure a fair valuation and prompt compensation in accordance with national law. Among other forms, the compensation may be, for example, in cash, rights to alternative areas, or a combination [32].*

In theory, policies aimed at "readjusting" local land codes (e.g., [34]) can be used to facilitate the transfer of land in peri-urban setting. However, questions have been raised about the viability of compensating losses incurred as a result of compulsory acquisition. First, there is a basic equity problem that stems from the ways in which costs and benefits are defined and allocated among different stakeholders. Notwithstanding cases in which populations are involuntarily displaced as a result of forced and illegal eviction, equity issues are often decided by invoking national eminent domain policies that outline the conditions under which governments may legally acquire land deemed necessary for public purpose. In these cases, principles and procedures for deciding compensation are typically described in relation to a formal policy process [19]. That said, the ability to decide what constitutes "public purpose" confers substantial authority, a point we take up in due course.

A second and related problem is that individual assessments of what is costly or beneficial will vary with the capabilities that stakeholders are able to realize in relation to the planned intervention [19]. When populations are displaced by the construction of hydro-electric dams, for instance, the benefits provided in the form of electricity generation, downstream flood control, *etc.* are arguably of less immediate value to the populations directly displaced by dam construction than they are to other stakeholders (such as urban populations, commercial farmers, *etc.*). Weighing the needs of affected populations in relation to the benefits provided in the form of electricity generation, flood control, *etc.* is therefore a difficult undertaking.

Third, important stakeholders (e.g., the landless, migrant labor, slum dwellers, *etc.*) are often excluded from the political and economic processes that govern the distribution of relevant costs and

benefits. In spite of policies put in place to ensure fair and equitable involvement of relevant stakeholders, political structures often exclude important stakeholders (e.g., encroachers, landless laborers, sharecroppers, *etc.*) whose livelihoods are adversely affected by land acquisition (*cf.* [16,19]). Exclusion in turn may occur as a result of political processes (e.g., formal consultations, notifications, *etc.*) or as a result of inflationary economic processes that typically arise in the context of a government-sponsored land acquisition.

Fourth, material inducements provide at best a partial means of compensating people's emotional and psychological costs of losing land, local tradition and livelihood. As Kirsch [35] has pointed out:

*Loss in this guise implies value and property relations; it may therefore be possible to gain new understandings of property by examining responses to loss. In other contexts, however, such as the intimate losses associated with grief, loss may be improperly referenced to property relations, as one does not necessarily hold comparable rights to persons as to things. Here it is possible to speak of loss in relation to the notion of kinship and belonging rather than possession.*

Finally, the authorities that regulate and decide questions of compensation in the context of compulsory land acquisition are not always or necessarily disinterested parties [19,36,37]. Rather, they are often intimately involved in the commercial aspect of land and property relations, reflecting their ability to occupy and control pivotal nodes in land and resource governance. It is against this backdrop of power and competing forms of authority that the struggle to establish and defend rights of access and entitlement becomes particularly important, highlighting what Sikor and Lund have called the “the politics of possession” in resource governance regimes [36].

Understanding the impact of local power and authority on the land economy is an important part of this equation. As is the impact of urbanization (and systemic policies favoring urbanization) on local power and authority. The following section next outlines a theoretical framework that connects wider processes of urbanization and land acquisition with local processes of expropriation.

### **3. Framing the Analysis: A Polycentric Model of Urban Land Acquisition**

Recent efforts to theorize the contemporary nature of urbanization have emphasized the globalization of transnational capital flows, highlighting the role that “global cities” have played in creating the conditions for new patterns of production, investment and exchange (e.g., [5–7,10,17,18,38–41]). Empirically, a number of observations have been made about this process. One is a shift away from “traditional” manufacturing and services into banking and financial services [1,10,11–15,17,18,38–41]. A second is the liberalization and removal of national restrictions on economic development and trade [5–7,11–13,15]. A third is a new international division of labor, in which regional city centers have become increasingly specialized towards global production, processes and services in banking (London, New York), outsourcing (Bangalore) electronics (Shanghai, Shenzhen) and textiles (Dhaka, Ho Chi Minh City) [5–7,10–13,38–41]. A fourth is a process of dispossession, in which processes of speculation, inflation and outright eviction have displaced marginal populations from areas surrounding large urban areas [1,5–7,10–13,17,18,38–41].

At the heart of the “global cities” literature is the idea that cities undergo processes of social and spatial restructuring that enable them to occupy new and strategic niches within the world economy [10,32]. However, explanations for the changing nature of global city formation are divided about the factors affecting the globalization and urbanization of transnational processing, investment and trade. Hill and Kim, for instance, contend that the global/world cities hypothesis overstates the power and influence of transnational capital, suggesting instead that regional variations (e.g., Tokyo) present alternative models through which we can understand global city formation [39]. Reflecting upon the role of developmental states in Northeast Asia, for instance, they highlight the ways in which national governments and central banks have used economic policy instruments (like directed credit) to support infant industries during industrialization. Similarly, Simon [40] and Robinson [41] make an important case that the vast majority of writing about global city formation tends to be about affluent cities in Europe, North America and to a lesser degree Asia (primarily Tokyo and Seoul), underplaying or ignoring entirely the nature of urbanization and global integration in the global south.

More recent scholarship has focused on the role of land and property rights in creating the conditions for peri-urban land acquisition (e.g., [5–7,12,13]). In her work on transitional economies, Annette Kim documents the ways in which limited land use certificates have created informal yet effective land tenure arrangements that have been essential in the functioning of urban land markets in Vietnam [12,13]. Similarly, Roy presents evidence which suggests that the informal nature of land tenure in peri-urban areas confers an ability to define and re-define the formal/legal terms on which farmers, laborers, firms and others establish new claims in land [5–7].

For the purposes of this paper, “property” implies an “enforceable claim” [42] that states or other forms of authority have agreed to uphold [36,37,42]. *Property rights* on the other hand are the normative-legal statements about the conditions under which property may be used, protected and exchanged in different resource governance regimes (*i.e.*, private property, state property, common property, *etc.*). To the extent that it entails the use of relatively formal processes, such as land titling, cadastral mapping, and master planning, urbanization is a process that defines and redefines the various rights, entitlements and values that individuals, communities, corporations and states can establish in relation to land [1,5–7]. However, reconciling the formal distribution of power with the informal dynamics of rapid urban growth raises questions about the ways in which and extent to which informal institutions, such as community organizations and patron-client networks, affect land and resource governance, especially in settings where formal authority is assumed to be weak [5–7,36,37, 42,43]. Moreover, many of those who live and work in urban and peri-urban areas are engaged in informal sector employment, often lacking formal entitlement to the land on which they live and work [1].

Recent theoretical work has therefore emphasized the multilevel nature of urban land and resource governance [9,44–46]. A key premise in the multilevel governance literature is that states and government bureaucracies are but one source of power and authority that influence the ways in which land and resources are governed for the purposes of conservation and development [40–44]. According to Betsill and Bulkeley [45]:

*A multilevel governance perspective does not necessarily signal a weakening of the state but rather a redefinition of the scope and scale of state activity. As illustrated in the case of climate change, the role of the state is not governed by some determinate and finite notion*

*of capacity, but instead through negotiations in which actors and institutions mutually define their respective roles.*

Similarly, the literature on polycentric resource governance highlights the ability of multiple and overlapping authority structures to affect political outcomes in different governance regimes [44,47,48]. According to Ostrom [48],

*Polycentric systems are characterized by multiple governing authorities at differing scales rather than a monocentric unit. Each unit within a polycentric system exercises considerable independence to make norms and rules within a specific domain (such as a family, a firm, a local government, a network of local governments, a state or province, a region, a national government, or an international regime).*

An important point about polycentric systems is that they incorporate a wide variety of formal/informal and state/non-state actors whose power to decide different resource governance outcomes varies in relation to different modes of governance [44,47,48]. “In bureaucratic hierarchies,” Pahl-Wostl maintains,

*... regulatory processes are mainly based on formal institutions and government actors play the dominant role. Markets are based on a combination of formal and informal institutions and non-state actors dominate. Networks are largely governed by informal institutions and both state and non-state actors may participate [47].*

A polycentric governance framework therefore highlights the multiple nodes, modes and sources of authority that have bearing on resource use and governance. It also captures the important idea that different resources (e.g., land, water, air, *etc.*) have different governance dynamics, implying that resource attributes, social dynamics and institutional arrangements (defined as rules and norms) will have important bearing on resource sharing, conservation and distribution [44,47,48]. Finally, the emphasis on networks and non-state actors highlights the role of leaders and “shadow networks” in creating the conditions for collective action in polycentric resource governance regimes [49].

To the extent that they involve highly dynamic flows of people, goods, services, energy and resources, cities can be usefully conceptualized as “complex adaptive systems”, whose impact on land and resource use is affected by multiple nodes, networks and linkages that connect wider social and economic processes with local governance regimes [9,47]. Land in contrast is a fixed resource whose productive, commercial and symbolic value is determined by a combination of formal regulations (e.g., cadastral mapping, land titling, *etc.*) and informal practices governing flows of labor (people), resources (especially energy) and capital [37]. To the extent that it is classified in relation to fixed spatial units (*i.e.*, through maps, surveys and land titling), land is a local governance matter. However, its value is affected by flows of goods, services, resource and people that have arguably become increasingly multi-spatial in character [9].

Coming now to the question of compensation, a polycentric model of land and resource governance therefore suggests that the compensation of losses incurred as a result of land acquisition will be influenced by a variety of actors, institutions and processes that have bearing on the regulation and valuation of land. As noted earlier, the acquisition and compensation of land in India is governed by a number of actors, whose authority is defined primarily in relation to the Constitution and the Land

Acquisition Act of 1894. State governments have substantial power to define land and property rights (including, for instance, the rights of sharecroppers) but they must conform to the rights that are outlined in the Indian constitution.

Recent efforts to theorize the acquisition and conversion of urban land in India have highlighted the role that the state (at varying levels) has played in “regulating and channeling the release of land” ([50]) for commercial and industrial purposes. Doshi, for instance, highlights the ways in which local and national authorities have used the politics of class, gender and ethnicity to differentiate populations, which, in turn, has facilitated the conversion of slums and other urban spaces for “market-oriented” development. Similarly, reflecting upon the politics of urban land transformation in Bangalore, Benjamin highlights the ways in which municipalities and local authorities create new and flexible conditions for “supportive land conversion” ([51]) Finally, in her work on Kolkata, Roy [5–7] points to the differentiated politics that facilitate the social production of land in the peri-urban context. By “unmapping” pre-existing forms of access and entitlement, she argues, states create new regimes of flexible governance, in which officials, corporations, affected populations and other stakeholders are able to engage in discourses aimed at legitimating new forms of land governance. Whether such processes lead to the eviction or displacement of local populations is by no means inevitable [5–7,51], but it does raise important questions about the ways in which states and non-state actors shape the terms of what constitutes legitimate land and resource governance.

In what follows, we make the case that compensation and urban land acquisition in India can be usefully understood as a series of exchange relationships that have emerged in a context of economic liberalization and neo-liberal reform. Driving these processes were a number of distal linkages that have connected local land markets with ex-patriot “non-resident Indians” (NRIs) and global markets for call centers and IT. Regulating these processes were two key governance nodes that have important bearing on the regulation and acquisition of land in West Bengal: the State’s Housing and Infrastructure Development Corporation (HIDCO) and the local land bureaucracy. Finally, connecting and therefore facilitating these processes was a network of patron-client relations rooted in the local land bureaucracy, the judiciary and the political party apparatus.

#### **4. Methodology and Site Selection**

The empirical content of this paper is based on a 6-month study of Rajarhat, a 3,075-ha “new town” development on the peri-urban fringe of Kolkata. A central assumption that informed our selection was that the acquisition of land in peri-urban areas provides an important means of understanding the ways in which states and social actors (civil society, the private sector and affected populations) are able to create and contest new forms of land and property that may facilitate processes of urban and global integration (*cf.* [5–7,9,12,13]). In comparing the regulation and politicization of land, we sought to document (1) the formal and informal means by which land was acquired in the study area, (2) the new forms of property created in this process and (3) the extent to which affected populations were able to engage in public deliberation about the nature of fair compensation.

To meet these objectives, a researcher spent six months in 2011 and 2012 conducting interviews with key members of the ruling government (the Trinamool Congress Party, the TMC), the opposition party (Communist Party of India Marxist-Leninist, CPI-M), the private sector and civil society,

including local activists and about 30 families directly affected by land acquisition. Specific emphasis was put on interviewing politicians—including the MLAs in West Bengal, bureaucrats at the state and municipal levels (including Kolkata Metropolitan Development Authority (KMDA); Kolkata Metropolitan Corporation; environment, urban and rural ministries), members of the main provincial political parties (CPI(M) and Trinamool Congress), private companies, NGOs along with many other members of civil society (such as political activists) (see Table 1).

**Table 1.** Respondents by listed profession.

<b>Types of Interviews</b>	<b>Number</b>
Academics (mostly located in West Bengal)	71
Government Officials (politicians and bureaucrats)	87
NGOs/Political Activists	36
Private Sector (representatives of firms, executives)	25
Legal Workers (lawyers and judges)	31
Independent Media	20
Local Writers (located mostly in Kolkata)	31
Mainstream Press (major journalists)	15
Vulnerable Groups	30

The principal questions were designed to understand the institutional mechanisms by which land was acquired in Rajarhat, including especially the formal and informal means by which land holders were compensated for the loss of land and livelihood; the role that the state played in this process, identifying specifically its role in governing and creating new property rights in land; and the means by which affected populations were able to engage in public deliberation about land acquisition, compensation and displacement. Because of the sensitivities surrounding compulsory land acquisition in West Bengal (see below), a conscious decision was made to ensure the anonymity of our respondents in all of the relevant sectors. Given that many of our respondents were still serving in an official capacity within government, civil society and the private sector, we had to be very careful about attributing identifiable statements to particular sources, organizations or departments.

Our selection of Kolkata was also informed by a desire to understand the ways in which states and social actors undertake processes of economic restructuring (primarily through urban land expansion) in a context of economic decline.

#### *4.1. The City That Got Left Behind*

Fuelling the last two decades of urban land expansion in the peri-urban fringes of Kolkata have been a number of contradictory processes that reflect the city's changing fortunes in the regional political economy, including especially the Partition of India, the more recent impact of overseas Bengali investment, skyrocketing inner city land prices and a desire on the part of municipal and state governments to diversify and rejuvenate what has in recent years become a stagnating agricultural economy. Once the industrial and political heartland of India, Kolkata (formerly Calcutta) has undergone a period of prolonged economic decline, having recently been described by the Economist as “the city that got left behind” [52]. According to the Reserve Bank of India (cited in the Economist, 2012), West

Bengal accounted for only 7% of India's total capital stock in 2000, compared with 25% in 1950 [52]. Over the past decade, it received less than 2% of India's total foreign direct investment [52].

The factors that have led to the apparent “de-industrialization” of West Bengal are complex, and go well beyond the scope of this paper. Suffice to say, however, that the struggle to “rejuvenate” the State's stagnating economy has become a dominant theme in the State's policy discourse [5–7,21,28,53–56]. Animating contemporary discourses about the future of West Bengal have been a number of protracted discussions about the role of agriculture in the State's economic development. Although it accounts for less than 20% of the state's GDP, agriculture remains a major source of livelihood in West Bengal [53,56]. Correspondingly, land and agriculture feature prominently in its political economy. Following its historic election victory in 1977, the Communist Party of India-Marxist (hereafter CPI-M) introduced a series of land reforms, aimed at redistributing land to the rural poor, enforcing land ceilings, recognizing the rights of sharecroppers and providing high yielding varieties of seeds and extension services to the rural sector [28,53,56].

Largely as a result of these measures, agricultural production grew at a rate of 6% per year in the 1980s, making it one of the fastest growing agricultural economies in India [56]. However, agricultural production leveled off considerably after the early 1990s, reflecting the impact of unsustainable practices (the principal crop in this case, Boro Paddy, involves extensive use of groundwater and agro-chemicals), flattening returns and declining public investment in agriculture [28,53,56]. Redistributive land reform also led to an increasing sub-division of land, a point whose economic and political implications we take up shortly. According to one study conducted by Dasgupta ([57]), “The percentage of households owning less than 1 ha has increased from 77.62 in 1971–72 to 81.6 in 1982 and further to 85.88 in 1991–1992” (Also see [58]).

It is within this context that efforts to diversify the economy have become particularly divisive [5–7,21,28,53–56]. Central to the State's contemporary diversification strategy is the promotion of manufacturing, services (primarily outsourcing and software development) and real estate [5–7,21,28]. Using the aforementioned land acquisition legislation, the State government has played a leading role in facilitating the acquisition of land for industrial and commercial purposes, introducing plans for a major auto manufacturer in Singur, a chemical plant in Nandigram and a “new town” for high tech and real estate development in Rajarhat, to name but three of the more visible efforts to stimulate the non-agricultural sector [5–7,21,28]. Most of this investment has been in and around the Kolkata area [28].

Arguably the most important moment in recent history was the West Bengal government's efforts to promote a light car manufacturing plant in the agricultural district of Singur [5–7, 28]. As part of this process, the State used the Land Acquisition Act to convert 997 ha of farmland into the principal site of production for the “Nano”, the mid-size sedan being developed by India's leading corporate giant, TATA Motors. However, the violence and intimidation that was employed in facilitating the land acquisition process fuelled considerable local opposition to the factory, ultimately prompting Tata to re-locate its operations to the State of Gujarat.

Within this changing policy environment context, land has therefore emerged as a critical factor and incentive that states have used to attract the investment of overseas communities, private capital and domestic elites [5–7,21,28]. Through the use of land acquisition legislation, the government of West Bengal has promoted a series of private-public sector partnerships aimed at acquiring and then selling

or leasing acquired land (at a profit) to the private sector. Many of these have taken the form of luxury condominiums, multiplex shopping malls and IT campuses aimed at employing and serving the needs of non-resident Indians and Kolkata's emerging middle class [5–7,21,28].

#### *4.2. Planning for Development: The Case of New Town Rajarhat*

Originally designed to meet the residential demands of Kolkata's growing urban population, New Town Rajarhat has in recent years been promoted as an important site of investment for overseas Bengalis and information technology companies like Infosys and Wipro. According to a report issued by the legislative standing committee on housing and public works, 93% of the land in Rajarhat had been acquired through land acquisition legislation by 2002 (the remainder was acquired by direct purchase). According to official estimates, land acquisition in Rajarhat displaced a total of 200 households and 1,000 people. However, these figures have been widely disputed for understating the total number of households whose livelihoods have been adversely affected by the development, highlighting a probable conceptual disparity between the government's official definition of displacement (which appears to imply cases in which land was acquired without any formal compensation) and other definitions that include a wider range of losses incurred as a result of land acquisition. Many local estimates, for instance, put the number at around 100,000 people [59]. The disparity stems in part from the possibility that many of individuals who received some form of compensation for land acquisition were not in fact formally registered with local land authorities.

Prior to the land acquisition period of the late 1990s, the 1981 and 1991 censuses indicate that a total of 247,286 people lived in the project area [60]. According to the 1991 Census, Rajarhat was home to 35 schools (25 primary and 10 secondary), 6 health clinics and a large agricultural population: almost 70% of the total 3,075 ha area was classified as agricultural land. By 2001, census figures indicate that the population of Rajarhat had dropped by 49% [61]. Supporting these findings, many of our respondents reported that their families had been living and farming the land around Rajarhat for generations. (Indeed, during our field research, many continued to do so, in spite of land acquisition—see below).

### **5. The “Politics of Dispossession”: A Polycentric Analysis**

Polycentric systems are characterized by the existence of multiple authorities exercising independent authority over land and resource decisions in different resource governance regimes [47,48]. At the heart of the government's land acquisition strategy in Rajarhat was the West Bengal Housing and Infrastructure Development Corporation (HIDCO), an autonomous planning and development body that was created in 1996 to administer the development of the “New Town” project in Rajarhat. Although it shared responsibility with other line agencies, such as transportation, rural development and environment, its ability to regulate and acquire land in Rajarhat suggests an ability to consolidate and centralize power in polycentric regimes (a point we take up in due course).

Underlying HIDCO's approach to peri-urban land development in New Town Rajarhat was a four-pronged strategy aimed at leasing land, providing residential housing, developing public infrastructure and attracting private investment in commercial, industrial and retail development. At the time of writing, five companies dominated the residential real estate market in Rajarhat. Alongside

HIDCO (which develops a smaller area of low income housing units), all of these were Indian firms with a strong national presence. In principle, competitive bidding for land sales, land leases and a series of public-private partnerships (PPPs) were intended to finance the development of urban infrastructure. (According to one senior HIDCO official, the cost- and revenue-sharing formula for PPPs in Rajarhat was meant to be 49% for government and 51% for the private sector). Informally, they also provided an important means of compensating local stakeholders through the provision of employment, materials and other services in the construction sector (see below).

The earliest detailed area plan came in the form of a 1995 Draft Report of New Town Kolkata, detailing the stages of development much as they would be presented in the 1999 Master Planning document. Zoning documents indicate that the government's land use policy shifted significantly from what was initially a primarily residential township development to one that aimed to attract information technology, retail, and related services, such as private universities and high-end healthcare facilities. According to the HIDCO Master Plan of 1999, 50.6% of the total land area in New Town was allocated for residential purposes. By 2006, this figure had dropped to 38%. During the same period, land allocated for information technology, commercial and institutional zoning increased from 5.5% to 22% [62].

At the heart of the government's land acquisition strategy in Rajarhat was therefore a governance regime aimed at stimulating: (1) special economic (free trade) zones; and (2) residential housing allotments containing provisions for lower, middle and upper income groups. Whether by coincidence or by design, the strategy entailed a piecemeal process by which HIDCO acquired land in small parcels, which in practice undermined the ability of local landowners to mount a collective resistance (see below).

Although HIDCO's role in this process was clearly crucial, its ability to acquire and develop land in Rajarhat was dependent upon a number of other formal and informal power structures that highlight the polycentric nature of land and resource governance. One was the local land administration, incorporating the local land registry offices, the local administration (at the district and block levels) and the locally-elected councils (the *panchayats*). According to Section 4.1 of the Land Acquisition Act, affected parties are meant to be notified in advance of an impending acquisition, after which they are given the opportunity to voice their concerns or objections in a public hearing [16]. However, evidence from Rajarhat suggests that notification orders were rarely applied systematically or on time, reflecting the immense discretion that local officials (primarily district collectors and land department officers) are able to employ in the notification and compensation process.

A second was a "shadow" network of local patron-client relations whose linkages with the ruling party and with local land offices provided a critical means of linking system-wide scales of land acquisition with local processes of expropriation. At the heart of this network were the local party cadres (from both of the major competing parties), whose access to the local land administration and the locally elected councils (the *panchayats*) conferred substantial economic benefits in the form of land and employment in the "syndicates" providing labor and building materials for local construction and infrastructure projects (an important form of political compensation whose specifics we explore in more detail below).

A third and related part of this governance structure was HIDCO's inter-governmental relationship with other line agencies and institutions, especially the Department of Fisheries, the Ministry of

Environment and the courts. Particularly important in this regard was HIDCO's ability to sanction what was in many instances the illegal filling of wetlands and water bodies, often violating the Ministry of Environment's own rules and policies. At one point in the land acquisition process, the Director of the Fisheries Department wrote a letter to the Managing Director of HIDCO highlighting the illegal filling of water bodies exceeding the maximum allowable area of 3,600 square feet. At another critical juncture, HIDCO's official planning report ruled that the project area had 2,750 ha of "vacant low yield agricultural land," when from the 1981 and 1991 censuses it had already been established that 70% of the entire 3,075 ha area had been classified as agricultural land [63].

The social and environmental conflicts over landfilling in Rajarhat highlight a number of important points about the extent to which HIDCO was able to assert its authority in relation to the local population and in relation to other agencies within government. First, it had to work within a formal bureaucracy and an informal network to create the conditions under which land acquisition could work on the ground. Second, it had to manipulate official planning documents as a means of legitimizing itself in the face of social and inter-governmental challenges.

From a developer's perspective, landfilling served a number of important purposes. First it raised the land to a grade where it could be developed for residential, industrial and commercial purposes. Second, it degraded the land to the extent that it was no longer arable, contaminating surrounding paddy fields with silt, draining and filling local fish ponds and more generally forcing local communities to either give up their land and livelihood or acquiesce to the government's land acquisition demands.

From a land governance perspective, the empirical observations raise a number of interesting analytical questions. First, how was the development authority able to exercise power in this context? Second, what does this tell us about the nature of urban land governance? To answer both of these questions, the following section next explores the different role of compensation in addressing the equity and efficiency of land acquisition in Rajarhat.

## **6. Compensating or Legitimizing? Three Models of Land Acquisition**

Compensation in the context of land acquisition typically implies a process of reimbursing people for the loss of assets, incomes, security and wellbeing. From the preceding, we can identify a number of losses that occurred as a result of land acquisition processes in Rajarhat. For landowners, land acquisition involved the expropriation of individual land holdings, often in exchange for some form of financial compensation (see below). For laborers, sharecroppers, and others whose livelihoods were dependent upon agriculture, forestry and small-scale fishing, it entailed an environmental and social transformation (e.g., through land filling) that undermined their ability to access local resources.

In what follows, we document three forms of compensation that facilitated land acquisition in Rajarhat.

### *6.1. Imposed Compensation*

Imposed compensation implies that people are "selling" their land in accordance with a proscribed land acquisition process (which in theory makes them eligible for compensation), but their ability to negotiate the terms on which they enter this relationship is constrained by formal rules, procedures and

informal patron-client networks. At the heart of India's Land Acquisition Act is a formal process of establishing monetary compensation on the basis of a market value assessment that incorporates the last three years of comparable land sales figures. According to Section 4.1 of the Act, a preliminary notification of the impending acquisition has to be published in the official government gazette, on local billboards and in two local newspapers, "of which at least one shall be in the regional language" [64]. Following notification, official objections can be made about the size, value and ownership of the land in question. However, according to Section 5A (2) of the Land Acquisition Act, objections must be made in writing to the District Collector, the highest-ranking official within the local administration. Pending a successful notification (*i.e.*, no successful challenges), a payment must be made within two years of the original notification.

According to our focus groups and interviews with more than 30 households in Rajarhat, very few of the landowners in our sample were aware of the formal rules and procedures of land acquisition as they are described in the Act. On the contrary, many were offered a take-it-or-leave-it deal in which they were forced to accept the government's offer lest they forfeit the land with no compensation. According to a number of respondents, the timeline for accepting this "offer" was a matter of days, as opposed to the two years that are proscribed in the Act. Individuals involved in the issue also reported that the government used the so-called "urgency" clause 17 to acquire land in Rajarhat. Under the provisions of the Land Acquisition Act, Article 17 allows the government to forego the "objection" phase if the government (typically the District Collector) deems the need for the land to be urgent in nature.

Acquiescing to unfavorable terms such as these helps to explain the very large disparity that has been documented between the price that the government originally paid for land in Rajarhat and the price it was able to obtain in subsequent land deals. According to Acharya, most of the land in Rajarhat was acquired for Rs 300,000 per acre (about US\$ 8,380 in 1997), almost half the market price of Rs 600,000 [65]. Another source reckons that HIDCO purchased land in 1997 for Rs 6,050 (US\$ 169) per katha (an area roughly the size of 750 square feet) [66]. In 1998–1999, the Board had sold the land for Rs 60,728 per katha, and by 2004, it was selling for 200,000 per katha. In a recent interview with *The Economic Times* of India, Rishi Jain, director of the Indian corporate giant, Jain Group, projected returns of "well above 35–40 per cent" over the next couple of years in Rajarhat [67].

In short, price inflation in Rajarhat was well in excess of the prices being offered through official land acquisition, evoking strong feelings of anger and resentment towards government and private sector land developers. Reinforcing these feelings was a substantial lack of economic opportunity for families displaced by expropriation. According to many of our respondents, family members were able to find part-time employment in housekeeping and security jobs, but these employed only small numbers, leaving many household members out of work (*cf.* [65]). Partly for this reason, many of the farmers we encountered in Rajarhat were still cultivating hitherto undeveloped land that had been lost as a result of land acquisition.

All of which raises an important question about the ways in which the government was able to convince local landowners to part with their land on such unfavorable terms. Here we identify three factors. First, the aforementioned shadow network of party members and local land officials played an important role in extracting agreement on the part of local landowners, using violence and intimidation to persuade those refusing to sell their land into acquiescence. Three of our respondents reported they had been forced to sign land acquisition documents at gunpoint. Many others recounted tales of

physical violence and times during which the local authorities cut their electricity as a means of intimidating the local population.

A second factor that helps to explain the “imposed” nature of compensation in Rajarhat was the lack of accountability between local landowners and the state. Under the official terms of the Land Acquisition Act, landowners are allowed to challenge the original notification, but they are required to do so in writing, which in practice entails a number of prohibitive transaction costs, such as traveling to the district office, writing and attaching one’s name to a formal objection and more generally challenging the authority of the district collector, the local bureaucracy, the party and others with a stake in land acquisition. When asked (or in many cases informed) about the formal objection procedure, many of our respondents said they saw no point in challenging the notification. According to one high court lawyer, there were no major cases against the government’s land acquisition policy in Rajarhat between 1992 and 2008. Indeed, the only legal proceedings we encountered in relation to Rajarhat were the aforementioned “class action” cases against the government’s failure to conduct a proper EIA.

Third, apart from a small number of NGOs, social mobilization against the land acquisition process was almost non-existent. Shortly after the original notification in 1999, one of these organizations, the RJBC, tried to mobilize a local resistance movement against the acquisition. However, according to a leading member of the RJBC, the movement quickly dissipated after the police started arresting protestors for provoking public unrest. In response, the RJBC took the issue to the high court.

Reflecting upon the documented history of public interest litigation in India, we were particularly interested in exploring the legal mechanisms by which local people were able to articulate their needs and concerns about the land acquisition process. In response to the initial notification, the RJBC filed a “Public Interest Litigation” (PIL) case against HIDCO in 1999 on the grounds that it had failed to undertake an environmental impact assessment (EIA) for the entire 3,075 ha area. In 2001 (WRIT Petition No 7516 (W) of 1999 (Supreme Court Document)), a Supreme Court case ruled that an EIA had only been conducted on the original 622 ha of land, concluding that the 3,075 ha development stood in violation of government law. The court then ordered a prohibition on all further development, a ruling that was subsequently ignored by private sector land developers and by HIDCO. In response, the plaintiffs filed a second PIL that was subsequently dismissed by a high court judge on the grounds that it would undermine the broader economic benefits of the proposed development. (The judge in question was also a beneficiary of a quota system that allocated land in Rajarhat to selected beneficiaries at the discretion of the HIDCO chairman—see below).

Our interviews with government officials, academics, local activists and affected populations therefore suggest that opportunities to deliberate or resist the expropriation of land in Rajarhat were severely limited by the formal mechanisms and informal power structures put in place by India’s land acquisition process. The findings are notable in the sense that—unlike other more recent periods of political agitation against state-directed land acquisition in West Bengal—the state was able to expropriate land with little or no major resistance. They also highlight the important ways in which land officials and local party cadres were able to work together in this process.

## 6.2. Strategic Compensation

*Strategic compensation* implies an ability to exploit the inflationary price dynamic of land acquisition, either by resisting the pressure of imposed compensation or (especially in the Indian context) obtaining an official designation that provides a special quota or entitlement. Outside of official land acquisition, there is evidence to suggest that HIDCO offered other types of compensation in the form of housing, retraining and small loans for micro-enterprise. However, the measures in question were highly selective, and ad hoc. According to a report issued by the National Comptroller and Auditor General in 2007, for instance, “the company (HIDCO) had rehabilitated only 17% of identified project affected families (PAFs) with dwelling units and failed to identify the remaining erstwhile land owners in NTP and extend financial assistance to them as per national policy” [68].

The main form of planned economic redistribution in Rajarhat was a formal zoning system that designated land and housing units on the basis of “low income,” “middle income” and “high income” groups (LIGs, MIGs and HIGs) as well as “economically weaker sections” (EWS) of society. In theory, the government and private sector land developers were required to reserve a pre-established number of units for investors from each group. According to the HIDCO website, an applicant for LIC status had to demonstrate that their household income was below Rs 4,500 per month (the cutoff varied slightly in relation to the size of the unit). For government and some private sector land developments, 50% of housing was reserved for High Income Groups (HIG) while the remaining fifty-percent was divided between Middle Income Groups (MIG) and Low Income Groups (LIG).

Another interesting entitlement that was offered by HIDCO entailed an effort to attract deserving and/or important individuals to invest in the area. According to one HIDCO statement, “preference in allotment shall be given to applicants who are employees/beneficiaries of State/Central Govt., PSUs, local bodies and other State-aided institutions, PSUs, local bodies and other State aided bodies may also apply on behalf of their employees/beneficiaries.” Other entitlements were extended to ex-servicemen, widows, defense personnel, members of para-military forces, physically handicapped persons and minorities as well as lower income groups and “land-losers” (*i.e.*, those whose land was acquired in Rajarhat).

However, insofar as they required documented evidence of income and assets, such classifications were in reality beyond the reach of individuals and families whose incomes were undocumented in formal tax records and official bank statements. Moreover, given the speculative nature of land and property markets (and given the very high level of demand for land in and around Kolkata), the ability of formal classifications such as these to actually regulate and affect land access was minimal. According to a number of government and private sector land developers, low-income units were already being sold (at a profit) to outside investors, whose incomes were well over the cutoff, highlighting the governance challenges of regulating prices in local land markets. Another senior HIDCO official complained that many of the private sector land developers were converting low-income units into living quarters for their domestic servants.

A final entitlement that has important bearing on our understanding of “political compensation” was the “Chairman’s Quota”, which at one point allocated up to 10% of land in Rajarhat to groups and individuals selected at the discretion of the Chairman and Board of Directors. Given the speculative

nature of land dealing in Rajarhat, an entitlement of this kind conferred substantial power and influence, a point we turn to next.

### 6.3. Political Compensation

*Political compensation* implies an ability on the part of critical actors (such as land officials, local party cadres and judges) to extract benefits such as land quotas, contracts and employment in exchange for supporting and facilitating the land acquisition process. In this sense, political compensation implies more than a process of reimbursing the loss of land, livelihoods and wellbeing. More substantively, it implies an effort on the part of the state to reallocate the benefits of expropriation in a way that will ensure local and systemic support for land acquisition. The compensation in question is therefore a means of counterbalancing the real and perceived costs of supporting and colluding with what was at times a highly illegal process.

Our findings suggest that political compensation occurred at both ends of the political spectrum: on the front line of local party politics and at the highest levels of the judiciary. One important form of local political compensation was the allocation of contracts for providing employment and materials in the booming construction industry. According to the HIDCO website, all construction contracts are meant to go to public tender. (Indeed, a list of pending calls for tenders, quotes and expressions of interest can be found on the HIDCO website, [69]). In practice, the provision of materials and labor for road and infrastructural development was determined to a very large degree by the negotiations that take place on the local party-dominated committees. According to our interviews, the vast majority of labor and materials contracts had been going to individuals affiliated with the long-ruling CPM prior to the election of the Trinamul Congress Party (TMC) in 2011. However, in the wake of the 2011 election, the allocation of construction contracts had shifted in favor of the TMC, although power dynamics still varied in relation to the relative power of individuals on the committees. According to a number of local sources, for instance, many contracts entailed an element of benefit sharing among the rival party factions.

Economically, the allocation of construction contracts provided income and employment opportunities for individuals whose livelihoods had been affected by land acquisition. Politically, they provided an important means of minimizing resistance to land acquisition first by providing employment and income opportunities for local populations and second by incorporating local patron-client networks into the aforementioned processes of imposed compensation. Indeed, the individuals facilitating imposed land acquisition and those benefiting from participation in the syndicates were often one in the same.

However, much like the policy of allocating land on the basis of income, participation in the syndicates also fell prone to the logic of local political economy. During one of our field visits, for instance, we encountered a construction crew that had imported migrant labor from the neighboring state of Bihar, highlighting (1) the importance of wages and labor in the political economy of construction and (2) the ability of syndicate leaders to structure labor markets in ways that did not necessarily generate local benefits and employment.

Far more important was the practice of allocating land to key figures whose political and judicial authority could affect relevant legal outcomes. Perhaps the most glaring conflict of interest in this

regard was the case of the high court judge who had overturned the PIL after receiving a land allocation in Rajarhat through the special quota. Prior to the election of 2011, the Chairman of HIDCO was also a sitting Member of the Legislative Assembly and the Housing Minister, which in practice facilitated a very close link between the local land bureaucracy and the party network. After the election, the newly elected TMC government appointed an unelected IAS officer to serve as principal secretary of HIDCO, subsequently ordering a judicial inquiry into the irregularities of land acquisition in Rajarhat. However, in a turn that illustrates the sheer scale of the problem, the chair of the inquiry, a retired high court judge, was forced to resign when it emerged that he too had received land through the special quota [70].

## 7. Concluding Remarks

This paper has explored the challenge of compensating losses incurred as a result of urban land acquisition. Drawing upon an empirical case study of New Town Rajarhat, it has examined (1) the ways in which national and local development authorities have structured processes of land acquisition in areas surrounding Kolkata; (2) the rights and entitlements that have been used in compensating losses incurred as a result of land acquisition; (3) the degree to which local populations have been incorporated into this process; and (4) the extent to which public policy may be used in strengthening the rights of vulnerable populations to basic forms of entitlement, such as housing, employment, and social assistance.

Our empirical findings generate a number of conceptual insights about the social and political nature of compensation and land acquisition in polycentric resource governance regimes. They also highlight the policy challenges of regulating access to land and resources through formal quotas and restrictions.

First, on the nature of polycentric governance, our analysis of HIDCO's role in acquiring and reclassifying land for urban and residential development suggests a process through which a single agency was able to consolidate power in relation to the local populations affected by land acquisition and other government bodies, such as the Department of Fisheries and the Ministry of Environment. In doing so, it identifies some of the conditions under which mono-centric institutional actors can consolidate power in polycentric regimes by establishing support among local shadow networks (comprising local land officials and political party cadres), linking system-wide scales of land acquisition with local processes of expropriation and disempowering potentially rival authorities, such as the Ministry of the Environment and the courts.

Second, and related, our analysis of compensation highlights a number of critical ways in which land and access to land were being used to incorporate powerful actors into the process. At the heart of the political compensation we documented in Rajarhat was an allocation of rights, entitlements and quotas that were being used to ensure local and systemic support for land acquisition. At the local level, the allocation of contracts for construction materials and employment helped to ensure that local shadow networks were engaged in the social relations (*i.e.*, violence and intimidation) that were so critical in terms of facilitating imposed compensation. Systematically, the allocation of land also influenced the participation of high-ranking officials (most notably high court judges), whose rulings were instrumental in ensuring that the acquisition process was unimpeded by environmental regulations.

Third our typology of “imposed”, “strategic” and “political” compensation offers a useful way of conceptualizing the informal power relations and networks that emerge in processes of state-directed land expropriation and compensation [19]. By incorporating the formal and informal exchange relationships that facilitated processes of land acquisition, the framework helps to capture the multiple nodes, networks and linkages that connect wider social and economic processes with local governance regimes. Moreover, its emphasis on the strategic and political dimensions of land acquisition provides a useful way of conceptualizing the manipulation of land markets through the collusion of local land officials and high court judges.

Fourth, the paper helps to illustrate some of the policy challenges of using formal rules and quotas to regulate access and entitlement in a context of price inflation and land speculation. Here the effectiveness of allocating means-tested quotas for low-income housing was clearly limited by the state’s inability to enforce its own rules and also by the dynamic nature of local land markets. Beyond the challenge this creates for implementing potentially redistributive land policies, the findings raise a wider normative question about the extent to which government policies should be regulating and restricting individual decisions about land. Coming back to the debates about India’s proposed Land Acquisition, Rehabilitation and Resettlement Bill, our findings suggest that the ability of the state to allocate expanded entitlements in the form of employment and cash payments requires a means of addressing processes of strategic and political compensation. Here, the idea of incorporating all affected landowners into a land bond system may help to ensure a more equitable distribution of benefits [30]. However, the ability of the state to undertake this function will require a realignment of the political and economic forces and incentives that are currently driving urban and peri-urban land use in India. Central to this process, our findings suggest, will be an ability to address the critical and dynamic relationship between local land officials, the judiciary and the political party apparatus.

Finally, the analysis yields a number of insights about the (changing) nature of the state in West Bengal and in India more generally. At the heart of the effort to acquire and change prevailing land use in Rajarhat was a desire on the part of state planners and politicians to reorient the local economy in a way that would meet the employment, investment and lifestyle needs of a domestic and international class of salaried “middle class” professionals. To the extent that it was competing with other states (e.g., Gujarat) and with other regional cities and networks (e.g., Dhaka, Bangalore, Hyderabad), the ability of the West Bengal government to stimulate economic diversification through planned land acquisition was highly dependent upon a state that could regulate and create new forms of value in local land markets. Using public private partnerships to finance the development of local infrastructure was but one (significant) part of this dynamic. Equally important, however, was an ability to manage and legitimate the politics of dispossession [36,50,51].

The analysis therefore suggests a state that used the power of compulsory land acquisition to regulate and “release” (*cf.* [50]) the vast (and often speculative) potential of land for commercial development while at the same time consolidating the political actors and networks that were instrumental in legitimating this process. Compared with the history of redistributive land reform in West Bengal, the state that emerged in this context appears to have been far more willing to engage in a short-term expediency that employed material inducements (such as land and labor) as a means of consolidating local and systemic support for peri-urban land development. Although the actors and institutions (e.g., the political parties, the local land offices, the courts) were by and large the same as

they were during the land reform era, the networks, relations and motivations that were driving the process had changed dramatically: indeed, the local party cadres who were once so instrumental in implementing the redistributive land reform agenda during the 1980s appear to have become an essential part of the very patronage networks that are now driving the commercialization and urbanization of land in West Bengal.

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### Conflict of Interest

The authors declare no conflict of interest.

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