Economic Impact of Land Acquisition in Maan Village: A Case Study

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Abstract

The focus of development economics has been on capital and labour. However, over the last couple of decades we find that another constraint on growth has become operative and that is of scarcity of land (Sathe, 2011). In India, this has become an acrimonious issue over the last few years and the resultant civil unrest has important implications for India's political economy.

Usually, when land acquisition is studied by economists the focus is on increases in output, exports, employment and investment. However, our focus is on the village from where the land is acquired. To that end, we have been engaged in a case study of Maan village, around 20 kms from Pune (Sathe, 2014). In this paper, we concentrate on the economic impact of land acquisition on Maan.

Methodology: We have taken an eclectic approach by using survey method, personal interview method, observations and secondary data.

Findings: We find that the poverty ratio is much lower than the state average, but the MPCE is also lower than the state average. High gini coefficient points towards high inequality; 67 % families own between 6 to 10 assets (out of 12), but 35 % own a four wheeler. The village has high unemployment rate i.e. 65 per cent, with the existing employment being of poor quality. At the same time, in-migration is very high leading to a peculiar situation.

Though a large per cent state that land acquisition has not 'benefitted' or 'helped' them; more than 70 % accept that the situation has 'improved' over the last 15 years. More than 50 % accept that the situation has improved with respect to employment and income. Surprisingly, the economic condition of land losers and land holders is almost similar now. 70% respondents are willing to sell their land in the future– a clinching argument in favor of acquisition.

Conclusions: All agree that, before land acquisition, this was an area of very inferior agriculture. So, condition of the villagers has improved in last fifteen years. All personal conversations also point towards that. But there is great dissatisfaction on account of high unemployment, high inequality and the compensation package paid.

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