

An SEZ with a Difference

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"Jan deienge lekhin jameen nahi deienge" (we will give our life but not our land) resounded all over the country for the last three decades as the battle cry of innumerable project affected people. The many people's movements that emerged during this period, like Chipko, Narmada, Chilika, Gandhmardan, Koyalkaro, Kashipur, Gopalpur, Tehri, Plachimada, Mehdiganj, Kaladora, Baliyapal, Netarhat, Polavram, Kalinganagar, Lanjigarh and in recent times from the farmers of Singur and Nandigram, have all been either for the protection of the natural resources, *jal, jungle* and *jameen* (water, forest and land) or to safeguard the rights of the farmers, dalits and tribals (*Jan and janwar*) who have an unparalleled love for nature.

The Special Economic Zones Act, 2005, based on the China model, has increased the pace of neo-liberal policy led growth. Mr. Murasoli Maran, the then Union Commerce and Industry Minister, the chief architect of the SEZ Act during an international convention on SEZ on March 12, 2002 said, "Shenzhen (China) grew from a village of less than 20,000 people in 1977 to a large city with industrial production exceeding 20 billion dollars by 1998. By the same year, Shenzhen SEZ was attracting FDI of over 2.5 billion dollars and exports from the region amounted to US \$ 24.87 billion in 1999 from being nil in 1981. The overall contribution of Chinese SEZs in total exports of China is around 45 per cent. On the contrary, the contribution of existing EOUs/EPZs in India's exports is around 12 per cent only which is extremely low in comparison. It is to overcome this that a paradigm shift in the form of a dynamic SEZ policy has been brought in.'Y<http://www.ficci.com/media-room/speeches-presentations/2002/Mar/march-sez-maran.htm>)

The high profile minister probably did not see the hard realities of China. Bhaskar Goswami says, "SEZs like Shenzhen in Guangdong... after growing at a phenomenal rate of around 28 per cent for the last 25 years, Shenzhen is now paying a huge cost in terms of environment

destruction, soaring crime rate and exploitation of its working class, mainly migrants. Foreign investors were lured to Shenzhen by cheap land, compliant labour laws and lax or ineffective environmental rules. In 2006, the United Nations Environment Programme designated Shenzhen as a 'global environmental hotspot', meaning a region that had suffered rapid environmental destruction." (<http://www.countercurrents.org/goswamil30207.htm> on 15th March 2007). Besides, "China had 26.1 million people living in absolute poverty and was home for 18 per cent of the world's poor. In just thirteen years, between 1992 and 2005, twenty million farmers were laid off agriculture due to land acquisition. Protests against land acquisition and deprivation have become a common feature in rural China", says Goswami.

The SEZ Act has not only accentuated the already fast growing economy of the country with its neo-liberal policies, it has also led to increasing number of multinationals becoming land grabbers. People of Singur and Nandigram in West Bengal have become the symbol of protest against the SEZs. People in Goa, under the banner SEZ Virodhi Manch, came together to oppose SEZ in Goa and managed to make the Chief Minister say that they are scrapping the SEZs in Goa. People in Gorai-Uttan are still fighting against the Esselworld taking over the sea coast from the fisherfolk for a high profile amusement park.

The number of people's movements and NGOs opposing the SEZs all over the country has been increasing day by day. It has also made the political parties to rethink on the SEZ. Mr. D. Raja, Secretary of CPI, a UP A ally, moved a private member's resolution in the Rajya Sabha, describing SEZs as 'modern zamindaars', and asked the Government to explain the rationale of showering concessions on corporates for these zones and allowing them to make super profit at the cost of the common man's money. "Assess what we have gained, what impact these zones had made on the economy before permitting more to come up," he said (Times of India, April 18, 2008).

But Mr. Arun Dhondibhai Bhor, the former Sarpanch of Avsari Khurd village in Ambegaon taluka near Pune in Maharashtra on behalf of the farmers of the village during an interview said, "we shall create our own Special Economic Zone (SEZ) like Salims, Mittals, Tatas and Ambanis". While in a majority of the 453 formally approved SEZs and 136 in-principle approved SEZs till May 2008 (<http://sezindia.nic.in>), it is

an 'outsider' who owns, promotes and controls the SEZs in the name of so-called development, export, employment and economic growth, in Avsari Khurd village it is the 'insiders' - the village farmers, the actual owners of the land, who have decided to set up an SEZ of their own and create a new history. Yes, the village farmers go the industrial way and declare the village to be an SEZ. Why do these farmers want to go for an SEZ while the majority of the farmers all over the country are opposing SEZ? In this article, I shall try to reflect critically on their plan and their proposal in the light of the growing opposition to SEZ.

The Context: Land Acquisition - Then and Now

Since independence, land has been acquired from people, particularly from farmers, for the purpose of expanding towns/cities by converting agricultural land into non-agricultural land. This has been going on and still goes on at a slow pace. In the name of industrialization, a larger portion of land was being acquired from the people for 'public purpose' and 'development' and was later handed over to private companies.

The origin of land acquisition goes back to 1824 when the British colonial power wanted to codify the undisguised forcible seizure of land. The Bengal Regulation I of 1824, based on the principle of "Eminent Domain", gave power to the state to take any private property for public use (Kasturi, 2007). This was extended to cover land acquisition for the railways in 1850 by the British regime. This draconian law unfortunately never defined the meaning of 'public purpose' and it was enough for the state to declare it so. Article 372 of the Constitution allows all colonial laws to continue in force unless repealed otherwise (ibid). The Land Acquisition (Amendment) Act, 1962, at the time of Jawaharlal Nehru, allowed land to be acquired for a company 'which is engaged in or is taking steps for engaging in any industry or work for a public purpose'. The 'public purpose' was further diluted during the time of Indira Gandhi's regime by the Land Acquisition (Amendment) Act 1984, which included the acquisition of land for 'planned development' and subsequent sale to private enterprise (ibid). Here came the biggest blow to the ordinary farmers and land owners.

With the enactment of the Special Economic Zones Act, 2005, the political parties, irrespective of their colour or ideology, industrialists, irrespective of their size and the global agents of privatization and liberalization have come together to acquire the land and use all their

power and money to take the process of globalization to the next level and alienate people from their own natural resources. But it has never been that easy for the state or the industries to acquire the land in any of the states. The country has witnessed the worst kind of battles between the people and the state for the last two years. The gory pictures of Nandigram battle for months show clearly the division that exists between the state and the people. While there is an outright rejection of the very idea of SEZ and also the SEZ Act by a good majority, there are others who are more cautious. They say "Let us work out a proper compensation and rehabilitation package for the people rather than taking them to the gallows".

Eviction, Rehabilitation, Compensation

Probably till 1970s, it was much easier for the state to evict a person from his land without paying any compensation or any type of rehabilitation. It was passive acceptance then. But now, thanks to peoples' organizations, movements, human rights activists and groups and social scientists, it is not that easy for the state to use all possible repressive measures to control the voice of the struggling masses. It is the people's movements and their power that have forced the government to put the Resettlement and Rehabilitation Policy in its agenda, though the government has been delaying the issue for years. When will this Resettlement and Rehabilitation Bill, 2007 become an Act, and even if it becomes an Act, will the implementing agencies ever follow it ? This remains a mystery like all other people-centred Acts.

Over the years, the position of the activists and also the farmers, about the acquisition of land has also undergone a radical change. In the beginning, the activists totally opposed any form of land acquisition. Then they were asking for monetary compensation and some form of proper rehabilitation. But today, the farmers, the oustees of various projects and also the activists, knowing the value of land, not only demand compensation in terms of money but also demand jobs, some ownership in the land and share in the company profits.

In Singur, West Bengal, where Tata Motors have started their small car factory, the price of land shot up from around Rs. 30,000/- in 2002, to Rs. 4.5 lakhs in 2006 and today it is bargained for Rs. 22-24 lakhs per acre (<http://propertybytes.indiaproperty.com/?p=986>). The farmers have acquired the power to bargain with the real estate brokers. While

some settle for money alone, there are others who bargain for many other kinds of returns. In Nagpur where the international cargo hub is being planned in over 2000 acres of land, the landowners around the airport area seem to be getting an offer of an unbelievable Rs. 22 crore per acre. The news channel CNBC/TV 18, in a news report on 5th July 2007 said that the government acquired the land from the farmers for a price of Rs. 80,000 - 2,50,000 per acre, while the private enterprise was paying Rs. 2.25 crore for the same amount of land (<http://www.moneycontrol.com/india/news/business/farmers-unhappv-over-land-rate-for-nagpur-cargo-hub/284822>). In Haryana, Reliance wanted 25,000 hectares of land and the "farmers are not upset with the SEZ in Haryana because they were getting Rs 5 lakh per acre before the SEZ arrived. Now they are being offered Rs 22 lakh per acre!", says Kashiram Rana, convenor of the five-member strong Sub-Committee of the Standing Committee of the Lok Sabha on SEZs. (<http://www.rediff.com/money/2007/feb/23sezl.htm>) Why would the farmers not sell the land when they suddenly get such a huge sum of money in their hand?

In the midst of soaring prices of land all over, the real question is how much does a farmer who sacrifice his land for the 'public purpose' of Tata Motors or for airport in Nagpur get as compensation for his land? Will the farmer, whose land is taken away from him for a particular SEZ, ever get a similar compensation for his one acre of land, as compared to his neighbour whose land is not taken away but he can sell an acre of land to a promoter for such a price as 22 crores? If the real estate brokers can bargain for such a price for the land around an airport for example, then one can imagine what would be the price in which they would sell the land after some years with a little work of developing the land, for purposes of shops, flats, godowns, etc. How much more money the real estate owners would make after a few years with a little more investment on the land? If an airport comes near my place, will I lose my land and my right to livelihood? These are some daunting questions that raised the concern among the farmers of Avsari Khurd village in Ambegaon Taluka near Pune.

A Farmers' SEZ with a Difference

Avsari Khurd is the third largest village in Ambegaon Taluka in Pune District with a population of around 1500-1600 families, most of whom

are farmers. The village is around 40 km away from Pune city and 20 km from Rajgurunagar where the newly approved International Cargo Airport is coming up. Fortunately, the village land does not fall under the 6,000 acres of land notified for airport but the boundary of the village touches the airport land that is being acquired right now. The land is a fertile multi-crop land with the main crops of bajri, onion, sugarcane and wheat. The villagers own 6,252 acres of land, of which only 2,695 acres is used as *gaonthan* and for agriculture and agriculture related activities, which is just 43 per cent of land use, while the remaining 3,557 acres that is hardly used was anytime on the card for government acquisition.

When the proposal of the international airport was announced, the villagers thought that their land would be taken away at anytime. But all this changed drastically with the innovative idea of a farmer turned industrialist who owns a rubber product company, Mr. Sopanrao Bhor, the main architect of the project (Mr. Bhor shared the entire plan along with the documents of the proposed SEZ in his village, during the JESA/SAPI (South Asian Peoples' Initiatives) organized workshop on 'Displacement and Migration: In Search of Alternatives' at ISI, Delhi on 21st November 2007). Instead of opposing land acquisition, he thought why not use some of the provisions to the advantage of the village people. Mr. Bhor, socially a close participant of the Jayaprakash Narayan Movement, politically an affiliate of the Congress party for decades and entrepreneurially chairman of the sick unit of Laghu Udyog Bharati (Jathar, 2008), Pimpri Chinchwad branch of Maharashtra State used all his social, political and industrial influence not only to convince his village farmers of the idea of developing an SEZ in the unused land of the village, but also the state government and the central government for an SEZ that would be developed fully by the villagers. The state government is in full support of the proposal and wants to make this as a model to project itself as a people friendly state. Chief Minister Vilasrao Deshmukh says, "There is no reason why we shouldn't give it a push." (Koppikar, 2008).

The Process

The first time the villagers came together for this purpose was on 27th June, 2007 when they decided to form 'Avsari Khurd Industrial Development Private Ltd.' (AKIDPL). Later the proposal was approved

by the Gram Sabha and an application was submitted to the Maharashtra Industrial Development Corporation (MIDC) for setting up the company. With the approval granted by the MIDC on 17th July, 2007, the company came into existence and with the support of MIDC and Maharashtra government, AKIDPL applied to the Ministry of Commerce and Industry (MCI) on 25th September, 2007 for establishing an SEZ in the village. On 27th December, 2007 the company received the in-principle approval from the MCI, with a request to submit the entire project and all necessary documents with legal consent of the concerned departments.

The Project

Unlike other SEZs where the people are displaced and land owners are forced to sell their land to an outside industrialist or a promoter with the hope of getting some kind of compensation and job in the company, Avsari Khurd villagers will neither be displaced, nor will they sell their land to promoters. The villagers who are mostly farmers have come together and have decided on their own not to sell their land to anyone. But they will continue to cultivate their land with better infrastructure for cultivation, remain owners of not only the land but become shareholders of the company that they themselves will be establishing in their land. They have decided to change their lives for better. They will have better houses and will have the first right to the developed land in the village and even set up their own industries, if they wish.

Presently, the villagers have their houses in around 1000 acres and cultivate in around 1695 acres of land while the rest of the land remains unutilized. While the villagers will continue to remain where they are and cultivate the land as they are, the project envisages establishing industries in the unutilized land (3557 acres) of the village. The proposal envisages a multi-product SEZ with an estimated investment of Rs. 19,000 crores and plans to have Automobile and Engineering (711 acres), Electric and Electronic (145 acres), IT (145 acres), Pharmaceutical and Chemical (145 acres), Biotech and Horticulture (146 acres), warehouse and transport (275 acres), infrastructure, civil amenities (775 acres) and Residence (1050 acres). All these will be set up within 3 years of the final approval from the central government.

"The land value before the proposal was not even a lakh per acre. Today its value is Rs. 25 lakhs per acre and the price of the land will touch Rs. 2 crores once the land is developed", says Mr. Bhor. The

AKIDPL plans to take over these 3557 acres of land that is not being used, and will issue share certificates to farmers as per the acreage of land handed over to the company. With the acquired land as asset, the industry will take loans from banks, which would be around 40 per cent of the project cost, another 40 per cent will be secured as subsidy from the government for SEZ developers and another 20 per cent as tax exemption.

The landless farmers too are not left out in this proposal. Even the landless farmers will be given shares in the company for a nominal cash capital. "We have enough Avsari people who'll set up industry, cargo terminals, spare-part manufacturing units. They have the first right on the developed land", says Mr. Bhor with a conviction of getting them back into the team of village SEZ promoters. Jitendra Abhanga, a production manager in Glaxo Pharmaceutical Company for 15 years and visits many countries regularly on business adds, "Now we will have our own SEZ and we will own it". What is amazing about Mr. Bhor is that, though he is only an arts graduate, he is absolutely clear with the concept and has equipped himself with all necessary information, documents, maps, resolutions, government orders and rules and regulations of SEZ Act and even the WTO agreement relating to industries.

Challenges Ahead

Though the project proposal seems to be very clear with minute details, it has a long way to go before it becomes a reality. The major hurdle arises due to political interference. While the chief mentor of the project, Mr. Sopanrao Bhor belongs to the Congress Party, there are others under the influence of Nationalist Congress Party (NCP) opposing the move recently. One of the farmers says, "The local MLA is from NCP and the MP is from Shiv Sena, but the people who have taken the initiative are from Congress. Therefore the project will face difficulties in the days ahead". Because of the political affiliations, a few farmers of the same village have already formed Kshetkari Bachao Samiti and are not willing to give the land for the purpose of the industry which they had decided to set up in the Gram Sabha. Mr. Bhor however seems absolutely confident. He says, "Any new initiative will face opposition initially, but since the concept is clear and the project is going to benefit the farmers, it will go through."

Secondly, the entire concept of forming AKIDPL and applying for SEZ and making it a reality seems to be in the hands of Mr. Bhor. Though no one doubts the credibility and clarity of thought and vision on the part of Mr. Bhor, others in the village do not seem to be very clear about the project. The villagers seem to be excited about the project as there has been a lot of coverage in the media.

Thirdly, while political affiliation and industrial experience seem to help Mr. Bhor in the process of getting the approvals, who will take the leadership and execution role after him is a big question. The entire project is still at the level of ideas. As in any other project, the problem starts only when the acquisition of land starts.

Issues for Reflection

Farmers creating an industry is not a new concept. A village called Magarpatta near Pune converted itself into an industrial township seven years ago, says Rakesh Ganguly (<http://infochangeindia.org/200804017061/Agenda/Battles-Over-Land/The-Magarpatta-model-for-land-acquisition.html>). But the concept of making a village into a Special Economic Zone is something new. At a time when there is so much of struggle, fight and even killing against the forceful acquisition of land by private companies and government, and when the understanding on SEZ and its impact on people is not clear even to politicians, the proposal of making an SEZ that does not displace the farmers, develop an industry that is completely owned by the farmers themselves and make them shareholders of the company shows an alternative model of development. Can this model of development from the bottom be replicated in other places that would empower the villagers as well as help the country's economic growth? Are the corporate sectors the only group helping the country's economic growth?

Today, some farmers in the country, disappointed with dismal production in their land, regular drought or flood and the enormous amount of debt due to the moneylenders, etc., decide to sell their land to a company that seems to offer a 'price' which they normally would never get by working in the land for years. Their question, 'why shouldn't I sell my land?' can lead us to further reflection. While sentimentally a farmer would not like to give away his land, it becomes practical for him to sell when he has to face the changing reality around him. But if a project like Avsari Khurd village could be taken up by our government for the

enhancement of the farm land, and the farmers are offered a share in the company that comes up in their land, would the farmers ever think of selling their own land to someone else? Will that not help in agricultural production, industrial development and environmental protection? The basic question is 'who are the beneficiaries of all these policies'? In whose interest is the government functioning? Why is tax exemption given to the corporate sector and why are subsidies provided to the farmers removed?

While the 73rd Amendment to the Constitution in 1993 gives more power to Panchayat Raj Institutions (PRIs) and strengthens the local governance at the village and gram sabha levels, and entrusts them with the responsibility of looking after the development of agriculture, agricultural extension, land improvement, irrigation, water management and all other natural resources, the government has hardly done anything substantial to implement them in reality. While the pace of implementation of the SEZ Act, 2005 is like a horse race, the implementation of the 73rd Amendment or the Resettlement and Rehabilitation Policy is at snail speed. Does the government have the will and the desire to implement them? Are these amendments and Acts a gimmick played by the centre to show that they are people friendly?

The arrangement of cash compensation to the farmers for an SEZ is a critical issue. Though money plays an important role in our life, it cannot be the only way of measuring everything. The market centred economy and the corporate sector calculate everything in terms of money and try to measure everything in terms of money. Can hard cash provide the security and the livelihood to a poor farmer who owns only a few acres of land, has never travelled beyond a few kilometers of his village, has dealt only with a few rupees or hundreds and who hardly knows to read and write, understand the logistics of money, market, industry, sensex etc. of the businessman? Basically the concept of cash compensation fails to understand the habits of farmers, tribals and the dalits in the villages who are unaccustomed to the handling of such huge money. Secondly, in cash compensation, it is only the owners of the land who are considered. In villages, it is not only the farmers but also many others like sharecroppers, agricultural workers, artisans and pastoralists who will lose their livelihood. What will happen to them in the process?

In Avsari Khurd village, there is no cash compensation, but the capacity of the people is enhanced, farming is enriched and they are taught to become entrepreneurs without destroying their culture, agriculture and environment. Mr. Bhor has innovative thinking, social base in his village, leadership quality and entrepreneurial skills and political affiliation. Besides, the support and encouragement received from the government of Maharashtra has enhanced the possibility of making this experiment a reality.

Can these innovative ways of Avsari Khurd or Magarpatta village become trend-setters in our country for an alternative form of development? Can our farmers, tribals and dalits in the villages take a cue from this?