

Saving Agricultural Labour from Agriculture: SEZs and Politics of Silence in Tamil Nadu

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The differential responses to the implementation of special economic zones across states offer an opening to understand how policy implementation gets shaped by the regional political economy. Despite being home to a large number of SEZs, Tamil Nadu has been one state which has not witnessed resistance to SEZs in general, and land acquisition in particular, on a scale comparable to states with a similar history of SEZs. This paper offers a few plausible explanations for this phenomenon. It points out that there are clear structural reasons for the willingness of farmers to give up their land and move away from agriculture.

This paper is partly based on research conducted in conjunction with the Politics of Special Economic Zones in India project coordinated by the Centre de Sciences Humaines, New Delhi, Centre for Policy Research, New Delhi, City University of New York, and funded by the Ford Foundation. I am thankful to the coordinators and co-researchers on this project, Rob Jenkins and Loraine Kennedy in particular, for comments and suggestions that helped me sharpen the focus of the paper. The paper also benefited a lot from useful suggestions from Ajit Menon, M S S Pandian and Padmini Swaminathan, and discussions with A Bhavana, J Jeyaranjan, Madhumita Dutta, K Nagaraj and T Veeraiyan. I thank them all.

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The increasing recognition that similar policies lead to multiple outcomes across regions brings to the fore the mediating role of institutions and the importance of regional political economy in shaping outcomes. In India, the differences in processes of policymaking and implementation across states governed by a similar macro-economic regime offer an interesting opening to understand how regional politico-economic configurations intersect with policies to shape outcomes (Sinha 2003, 2005; Jenkins 2004; Mooij 2005). Couched in a language of autonomy, recent economic reforms pressure state governments to take on more responsibility for resource mobilisation. State governments are called upon to undertake policy and governance reforms towards this which are seen to be critical to diffusion and embedding of the reform process. State governments compete to attract private investments for growth through state-specific policy adaptations and negotiations with local political actors. The Special Economic Zone (SEZ) Act passed by the central government in 2005 has been adapted and used by several state governments to attract private investments, and is, therefore, an ideal case to study how regional political economies shape the processes of policy adaptation and outcomes.

The varying responses across states to the implementation of SEZs are well known now. Massive resistance to land acquisition in Goa has pushed the state government to ask for denotifying the SEZs that were supposed to come up. The protests by farmers and the state's response in Singur and Nandigram, the subsequent electoral reverses for the Left Front in West Bengal and the shifting of the Tata's small car plant to Gujarat stand now as a testimony

to the violence of such industrialisation, while simultaneously giving this process an air of inevitability. Policy design and implementation to facilitate formation of SEZs has been mediated to a considerable extent by resistance to land acquisition by farmers, political parties and civil society organisations across several states.

All along, Tamil Nadu (TN) has been one state where despite the mushrooming of a large number of SEZs over the last few years, there has been a relative lack of any major confrontational or systematic resistance to SEZs in general, and land acquisition in particular. With nearly 50 notified SEZs, TN is seen as a forerunner in attracting private investments through the SEZ route. It was one of the first states to formulate a SEZ policy in 2003. The Nanguneri SEZ in southern Tamil Nadu was one of the two SEZs that were launched through the EXIM policy of 2000 announced by the late Murasoli Maran, the Union Commerce Minister during that period.¹ It is also home to the country's "first operational SEZ", the Mahindra World City. It is indeed surprising that the state has not witnessed resistance on a scale comparable to states with a similar history of SEZ development.

In this paper, I seek to offer a few plausible explanations for this phenomenon of non-resistance. Through this exercise, I hope to indicate how the "local" shapes the process of economic reforms. First, I point out that there are clear structural reasons for the willingness of farmers to give up their land and move away from agriculture. The long history of anti-caste politics of the state, which sees the rural as a site of oppression, has also produced a broad-based desire to move away from agriculture, and simultaneously, opened up more avenues for social mobility. Second, I argue that by following a policy that offers more generous compensation for land acquired, while allowing little room for negotiation, landowners face powerful incentives to avoid legal contestation. Further, on active negotiation by local political actors and farmers has pushed the state government and private developers in offering better prices. In at least one case, local resistance has

ensured that the private SEZ developers and firms honour their commitment on the offer of employment to villagers who have sold their land.

A recovery of such local trajectories and influences is important for any broader political mobilisation against market reforms undertaken along larger spatial scales. The exercise also contributes to our understanding of how regional "industrial orders" emerge out of policy interactions with local structures and agencies. Based on secondary literature and interviews with key actors such as bureaucrats, farmers and elected representatives of local bodies, this exploratory paper will hopefully provide a basis for a comparative exercise of a more systematic kind across states.

To understand the relative lack of concerted resistance in TN,² one must look at both characteristics of the state's political economy, and also at the nature of the strategies deployed to curb the extent and intensity of resistance. The latter include, in this case, legislated acts and other regulatory changes undertaken by the state to shape the conditions under which land acquisition takes place. In addition to changes to formal rules and regulations, I argue that it is important to also understand informal rules and processes of negotiation and contestation. The paper is organised as follows: Section 1 sketches the broad contours of the regime of accumulation in TN over the past two decades, a period that witnessed the gradual diffusion of the process of economic reforms. The purpose is to highlight how some of the structural features of TN's economy and the changes ensuing during this period may have played a role in farmers' decision to sell their lands. Subsequently, I trace the changes in formal policies concerning land and industrial development in the state with specific focus on SEZs and the imperatives that underlie these changes. Here I make a distinction between broader policy reforms and those that are directly related to SEZ development. I then turn to elaborating the informal changes, i.e., local processes that allow for land acquisition to take place without generating systematic and politicised resistance. The final section examines the implications of TN's experience with SEZs for understanding the links

between regional political economy and the pursuit of neoliberal development.

1 Embedding Policymaking in a Regional Regime of Growth

Since the mid-1990s, TN has become one of India's fastest growing states especially, with an average annual growth rate of nearly 7% (GOI 2005: 25). Net state domestic product (NSDP) growth rate was 6.3% per annum during the 1990s, ahead of the NSDP growth rate of 5.99% of the 15 major states. In terms of diversification, it has the best index with the highest share of manufacturing employment (21.1%) and a services share of 30.9% in early 2000 (Ramaswamy 2007). TN is among the most industrialised states ranking next to Maharashtra in terms of the contribution made by the manufacturing sector to NSDP, has the largest number of factories in the country and also the largest number of workers employed in the manufacturing sector (GOI 2005: 91). Work participation rate too is one of the highest in the country and is high for male and female workers in both rural and urban areas (MIDS 1988: 57; GOTN 2003: 20). In terms of social infrastructure, too, the state stakes claim to have one of the highest literacy levels and one of the highest gross enrolment ratios for upper primary (11-14) and secondary education (14-18) (Ramaswamy 2007). TN is ranked third in the overall human development index³ and the rapid decline in fertility rates to replacement levels has meant that the growth has led to an increase in per capita income as well (GOI 2005).

Interestingly, this growth process has happened on the back of an extremely stagnant agricultural sector during this period. Though the stagnation in the agricultural sector is true of many other states, TN's agrarian economy has certain specific features. Agricultural income has declined over the period 1993-94 to 1999-2000 from 24.82% to 18.16%, and further to 13.3% of total state domestic product in 2005-06, the lowest in the country after Kerala. Returns to farming have consistently declined. In fact, in 2002-03, the average income for farmer households from cultivation (Rs 7,908) was lower than the amount spent on cultivation (Rs 8,597) (Narayanamoorthy 2006: 471). Under

such cost-price conditions, it is not surprising to find high levels of indebtedness. Seventy-five per cent of the rural households are indebted which is next only to Andhra Pradesh in the country (ibid).

This difference in income and cost of cultivation is also much higher than the all-India average. Also, while at the national level 45% of income for farmers comes from cultivation, in TN, it is less than 30%, indicating the rise of new forms of rurality that Kay observes in the context of Latin American countries as well (Kay 2008). A micro-level study based on a survey of 11 villages in TN too reveals the multiple livelihood strategies used by the respondents in response to the declining farming and agricultural employment prospects (IDA 2004).

In terms of asset distribution too, the TN rural economy is strikingly unequal. The state has the largest proportion of households that do not own land other than homestead land or cultivate on homestead land. In 2003-04, 55.43% of the households fell into this category in 2003-04 (Rawal 2008: 45). This proportion is much higher than the all-India average of roughly 31%. In fact, the incidence of landlessness is the highest in TN and Andhra Pradesh. The proportion of agricultural labourers too has registered a substantial increase in Tamil Nadu though almost 40% of the rural male workforce in TN is employed in non-agricultural employment. After Kerala, Tamil Nadu has the smallest share of employment in agriculture. TN is, in fact, the only state that has a negative growth of employment in agriculture since the second half of the 1990s (Ramaswamy 2007). Higher levels of diversification of the rural economy away from agriculture and proletarianisation within the agricultural sector are therefore the two distinguishing characteristics of the transformation of the workforce in rural TN (Nagaraj 2006).

This stagnation in rural TN along with the high incidence of landlessness needs to be juxtaposed with the dynamism in the urban economy. TN has a substantial informal economy in the urban and industrial sector. In fact, it has the largest (nearly 44%) share of people in the urban sector among the major states in the country (Census of India 2001). There appears to

be a clear trend towards diversification and a move away from agricultural employment for the rural workforce in TN in the recent decades. This process of diversification has also been aided by a better spread of urbanisation in the state. It has a larger number of towns per unit area and a better spatial spread of these towns, compared to either Maharashtra or Gujarat (MIDS 1988: 40; Rukmani 1996; Nagaraj 2006). This diffused process of urbanisation has paved the way for better rural-urban linkages in the state compared to most states. This has led to an intensification of short-term rural-urban migration like daily commutation to work in a nearby urban area, or seasonal migration to an urban area. Some village resurveys too provide micro-level evidence for this phenomenon (Harriss-White and Janakarajan 1997 cited in Nagaraj 2006). This process further manifests in a “shortage of labour” observed in the agricultural sector and a consequent shift to less labour-intensive crops like coconut farming.

Industrial growth has been concentrated in several small town clusters spread throughout the state. These clusters specialise in a range of activities like clothing, home furnishings, textiles, leather, lock-making, matches, fireworks, printing, poultry, coir products, transport equipment servicing, engineering services and auto component making. The diffusion of industrialisation also implies a widening of the social base of entrepreneurship. The growth of these clusters relies heavily upon the huge reserves of migrant labour that have moved into these clusters due to a combination of push and pull factors. The well-developed road and transport networks too play an important role in intensifying the new forms of rural-urban mobilities. My own fieldwork in the Tiruppur region tends to indicate that even venturing into the urban economy has been done through capital mobilised through sale of land or loans by pledging the lands rather than investment of agricultural surplus (Vijayabaskar 2001). It appears that this process has also been facilitated by the proximity of villages to towns and the new uses for land, fostering vibrant land markets.⁴

This crisis in agriculture and expansion of the “urban; and “rural non-farm” has also

been accompanied by changes in the socio-political realm. Traditional caste, relations have been partly destabilised providing some space for assertion and participation by the lower castes, backward castes in particular, in the socio-political and economic processes in the state. The anti-caste Dravidian movement too has played a significant role in this regard (MIDS 1988: 24). The provision of reservation of seats in higher education over long periods of time for the backward castes and the dalits has enabled a certain degree of vertical mobility through investments in education, particularly for the Other Backward Classes (OBCs) and the most backward classes (MBCs). According to the National Sample Survey Organisation (2007), among the major states, Tamil Nadu has the highest share of backward caste population accessing tertiary education other than Delhi.⁵

This social dynamism and asset inequities have, in turn, fostered a demand for welfare measures in the state. The dominance of and competition between two major political parties in the state with a larger representation of lower castes (Harriss 1999), and social demands emanating from the anti-caste and lower caste movements have translated into a culture of state welfarism which has led to provisioning of several basic goods and services at below market prices. Simultaneously, there has been a corporatisation of industrial development in the post-reforms period with a slew of measures to attract foreign direct investments (Kennedy 2004). The move has worked in terms of its set objectives. The state has successfully attracted foreign direct investments, particularly in the auto telecom and hardware sectors including global majors like Ford, Hyundai, Renault, Dell Computers, Motorola, Samsung and Nokia-Siemens. Presence in coalition governments at the centre has been another important component of the growth story. The Dravida Munnetra Kazhagam (DMK) which heads the current government in TN has been part of the last two United Progressive Alliance governments at the centre with members occupying key ministerial berths and it is said that this has enabled them to bring in investments via the central government as well, particularly in transport.⁶ This dual

pursuit of corporate sector led growth and policies seeking to protect the well-being of “populations” appear to vindicate the argument Chatterjee (2008) makes on the role that democratic politics play in the economic transformation underway in the country. Importantly, the TN experience also shows the spaces of long-term mobility that such interventions can open up.

It is within this macro growth regime that the process of SEZ development has taken place in the state. Of the 69 SEZs approved in TN, 49 have been notified and the remaining has in principle approvals.⁷ After Andhra Pradesh and Maharashtra, TN has the largest number of notified SEZs in the country. The growth of SEZs in TN, therefore, appears to have taken place in an economic context that possibly allows for much less resistance to land acquisition in TN compared to other states. Long-term crises in agriculture, a process of growing landlessness of marginal farmers, a resultant move towards non-farm employment, a relatively more decentralised pattern of urbanisation and a degree of social mobility among the backward castes have all appeared to play a role in this phenomenon. Further, it is worth speculating that the absence of a strong farmers’ lobby or a movement for nearly two decades may have accentuated the agricultural crises or prevented isolated protests from translating into more large-scale resistance as witnessed in some of the other major states. The politics of SEZ promotion and land acquisition has to be seen in this context. While such reasons of social and political economy can account for the relatively lower levels of resistance to land acquisition, there are also other factors of governance and

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policy frameworks that tend to complement the above set of reasons. The next section addresses this issue.

2 Evolving Policy Frameworks

Though successive governments, ruled by both of the state's main political parties, claim to have been proactive in attracting private investments, there is a consensus among senior bureaucrats that the DMK has pursued this path more systematically than the All India Anna Dravida Munnetra Kazhagam (AIADMK) has by making appropriate institutional interventions.⁸ The DMK-led government that ruled the state between 1996 and 2001 wanted to use the "export promotion park" mode to promote development in the less industrialised southern region. Even in the earlier regime (1991-96) headed by the AIADMK efforts were initiated to smoothen the process of land acquisition. A government order (GO Ms No 885, Revenue dept dated 21 September 1995) was passed by the then AIADMK government to constitute and empower a district level committee under the collector of the concerned district and a state level committee under the commissioner of land administration to acquire land through private negotiation rather than through the Land Acquisition Act. They were empowered to negotiate prices up to 150% of the market value or the guideline value whichever is less. However, it was stipulated that the value of the land purchased should not exceed Rs 20 lakh.

More systematic efforts were taken when the DMK came to power in 1996.⁹ The most important is the passing of the Tamil Nadu Acquisition of Land for Industrial Purposes Act (TNALIPA) in 1999. Formulated in 1997 soon after the DMK came to power, the act and rules came into force from 2001. There are a few differences between this act and the 1894 Act. While it is more flexible with regard to the compensation offered, it offers much less room for negotiations through the legal route. Importantly, the acquisition process can be completed in much shorter duration, from about three years to less than 180 days, indicating fewer avenues for the dispossessed to negotiate outside the domain of monetary compensation. To understand some of the

details, it is worth quoting at length from a piece carried by *The Hindu* on this,

The state government has to now issue a notification under Section 3 proposing to acquire land, followed by a notice under Section 4(1) to show cause why the land should not be acquired. The owner of the land can then make his/her objection and if the government is not satisfied with the objection, a notification under Section 3(1) can be issued. After which the land will vest with the government. Section 7 of the Act provides for payment of compensation based on the principles laid down under the Land Acquisition Act.

Another advantage is that in the case of Land Acquisition Act, failure to make an award within two years of the declaration will let acquisition proceedings lapse. But in the case of Tamil Nadu Acquisition Act, the compensation need not be paid before the land vests with the government and there is no time limit for passing the award. If the compensation is low, reference can be made to the Sub-Court and no Second Appeal is available. The interest payable on compensation under this Act is lower than the interest payable under the Land Acquisition Act and no solatium need to be paid.

Revenue officials say that the Act allowed them, in the case of Oragadam, to work out a flexible rate, expedite the process and facilitate better interaction with the landowners.¹⁰

The law thus facilitates speedier acquisition of lands by simultaneously giving a greater role for the market mechanism and state power. The immediate rationale for passing of the earlier government order in 1995 and the subsequent TNALIPA are not clear. However, it is around this period that a number of mega projects were envisioned to further industrial development in the state. A petrochemical park covering an area of over 7,000 acres in the north of TN was mooted as early as 1997 and attempts to acquire land initiated.¹¹ Efforts to bring in Mahindras to set up the export park (later converted into "India's first operational SEZ"), and other similar ventures were initiated during this period. To this extent, the process of land acquisition for SEZs is part of a longer history of active state involvement in attracting private investments through appropriate incentives.

Even outside of the TNALIPA, large amounts of land were acquired by the State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and other governmental agencies like Electronics Corporation of

Tamil Nadu (ELCOT) and Tamil Nadu Industrial Development Corporation (TIDCO) in the late 1990s for industrial development. This move has facilitated the creation of a land bank that proved useful when SEZ promotion began to be more aggressively pursued later. A substantial portion of the land given for SEZs at present, key informants say, was acquired in the late 1990s. This gradual phasing of the acquisition process may be another reason why there has been no concerted resistance. There are a few cases of landowners appealing to the court against forced acquisition even during this period, but there is no evidence of any collective move to resist such acquisitions.

TN was again one of the first states to have a state level SEZ policy formulated in 2003 and a state level SEZ Act passed in 2005. A reading of the Act along with the earlier government order reveals that the district level authorities – the collector in particular – have been given greater powers to negotiate, fix prices and acquire land as compared to the central Act. Though these processes have not led to large-scale resistance to land acquisition, there have been sporadic protests, particularly in the Kancheepuram, Tiruvallur and Tiruvannamalai districts (bordering Chennai) from farmers. These are regions that are home to most of the SEZs that have come up in the state, and hence, sites of extensive land acquisition. A few civil society organisations too are involved in mobilising the farmers on this issue. With mounting nationwide evidence on SEZ promotion not bringing in anticipated benefits and land acquisition getting tougher, the TN government has made a few more policy adjustments.

It has decided to create a land bank of 10,000 acres over the next five years for industrial parks (Industrial Policy 2007). The New Industrial Policy also stipulates that 10% of the land acquired should be used to build social infrastructure for the poor. Twenty per cent of land in joint or state ventures will now be allotted to small vendors who would be providing inputs and other services to firms within the SEZ. This move is meant to facilitate integration of the SEZ with the local economy. The policy also reaffirms promotion of SEZs in industrially backward areas as an important tool for equitable regional

development and provides more fiscal incentives for development of industrial estates/SEZs in industrially backward areas, and more particularly, away from Chennai, Tiruvallur and Kancheepuram districts. The government also provides a grant of Rs 2 crore or 25% of the total fixed assets, whichever is lower to firms setting up parks 50 kms away from Chennai city, provided that the zone attracts at least 20 units in the manufacturing sector and generate employment of not less than 2,000 persons.¹²

The policy further mandates that promoters of private industrial parks should purchase land directly. The land for private parks/SEZs should, as far as possible, be barren, non-irrigated and dry land and the government will not allow proposals for industrial park involving more than 10% of cultivable land. The finance minister has also declared that the state government would pay careful attention to the livelihood security of farmers when establishing the SEZs. The budget speech of 2009 claims that the government would take efforts to ensure a job to at least one person in families who have given an acre or more for setting up of the SEZ. Towards this, SIPCOT has been directed to build skill training institutions to equip the youth with the required skill sets.¹³ Given the fact that SEZ development has slowed down dramatically over the last year, none of these policy pronouncements on rendering SEZ-based growth more equitable has been translated on the ground. Lands continue to be, however, acquired by SIPCOT as a part of its efforts at building up a land bank, but the uses to which it will be put to and how much of the cultivated lands will become a part of one SEZ cannot be known at this stage. However, interviews with senior bureaucrats reveal that several measures are being put in to attract investments in SEZs in southern TN and also in other less developed areas.¹⁴ It is interesting to note that while earlier land acquisition was carried out more through the 1894 Land Acquisition Act, there is an increasing use of the Tamil Nadu Act at present.

Even as lands are being acquired by SIPCOT and other private corporates from farmers, the current government is committed to an electoral promise to provide two acres of land to all the landless

households in TN. There have been moves to distribute *poramboke* (government) lands to the lower castes earlier as well. A note by the government claims to have provided nearly 6,000 acres of land to over 10,000 dalit and MBC families in 2003-04.¹⁵ Following up on its promise made in the election manifesto, the present government claims to have distributed 2.174 lakh acres of lands to 1.75 lakh poor agricultural families since it came to power in May 2006.¹⁶ This initiative has to be also viewed in the context of dalit movements in the state seeking to recover *panchami* lands, i.e., lands given to the dalits by the British during the colonial period. The policy initiative does provide dalit movements and political parties a lever to stake local level claims on lands that are transacted. It also ought to be read as an important component of political management of market-oriented reforms. The next section draws attention to the micro-level processes of land acquisition so as to empirically ground the discussions on the structural factors and the changing policy frameworks outlined thus far.

3 Processes of Land Acquisition and Resistance

The growing negative public opinion about SEZs at the national level, particularly in the aftermath of agitations by farmers

elsewhere against forcible land acquisition, has not deterred the TN government from promoting SEZs. The finance minister of Tamil Nadu, for instance, acknowledges the increasing problems of acquiring land in the recent budget speech, but it is perceived that the problems are more to do with the higher prices sought by the farmers for their lands than with a reluctance to leave the agricultural sector.¹⁷

The structural reasons laid out in Section 1 do seem to inform the decision-making of landowners and farmers concerning sale of their lands. In areas where the lands have been barren and rain-fed, farmers have sold their lands as the prices offered by the developer or the government tend to be higher than the prevailing market prices. Further, farmers whose family members are employed in the urban economy too are more often than not willing to sell and move. The case of lands acquired in two villages from about 66 farmers near Coimbatore by Suzlon Infrastructures is a clear example of this phenomenon. The only time farmers protested here was when they felt that those who sold the lands later were offered better prices than what they were offered. Another case, which senior bureaucrats hail as a model for land acquisition, is the Perambalur multi-product SEZ, where farmers are supposed to have come in large



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numbers (nearly 1,000) to sell their lands when they thought that prices offered were much higher than anticipated. Even in the areas where some farmers have gone to court, there are several who felt that agriculture was unsustainable and settled for the prices offered. Shortage of labour, depleting groundwater tables, rising input costs and lack of good prices for output are repeatedly cited by farmers for their willingness to part with lands.

The offers of above market prices are, however, often the result of protracted and several rounds of negotiations, mediated by members of local political parties, or by informal leaders. Government officials see this process as a means by which the local leaders accumulate by being paid off by the private developers. Such intermediaries are also used by the private developers to convince and mobilise support from the villagers for selling the lands. Usually, the developer hires a “real estate consultant” who is then given the responsibility of identifying a local intermediary for the acquisition process. Given the increasing prices that farmers demand when they know of SEZs being set up, the intermediaries and “real estate consultants” cite other needs like large-scale farms for buying the lands. The intermediary, if he owns land, also sets an example by being the first person to sell the land. In cases where the government is directly involved in land acquisition or when parastatal bodies like SIPCOT and TIDCO are part of the SEZ development, this seemingly transparent bargaining process also tends to be often backed by the veiled threat that the lands would be acquired anyway by the government.

In most cases where people have protested through resolutions in the gram sabha, presenting memorandums to the district collector, etc, the government’s initial response is to offer better compensation. The cases where they have not worked and where protests are more sustained are by and large done by farmers whose titles to the lands are legally challenged, and hence, hardly compensated. Else, on a much smaller scale, like in the case of a proposed SEZ in Krishnagiri, farmers multi-crop on their lands, find farming quite remunerative, and hence, unwilling to give up their livelihoods from

agriculture. A few civil society organisations like Corporate Accountability Desk and Other Media have been involved in mobilising farmers on this issue. Local committees are formed comprising members from a few villages to resist and negotiate with the government. At the local level, one can also observe that irrespective of political affiliations, elected representatives support resolutions against land acquisition wherever farmers have resisted en masse. Over time, however, some of them are rumoured to be paid off, some of them settle for better prices leaving only a few resisting in the long run.

Subsequent to the formation of local level committees, a state level anti-SEZ front called the Sirapu Porulaathara Mandalam Ethirpu Iyyakam (SPMEI) has been formed to fight against forcible land acquisition. While most farmers in the front are from the Sriperumbudur/Ranipet region, where land acquisition has been most acute, there are also a few farmers from other districts in the committee. Importantly, fronts like the SPMEI have fed off the resistance in other states and there is definitely greater awareness among farmers on the viability of negotiation and resistance. Since the front has members from civil society organisations which are a part of all-India movements like National Alliance for People’s Movements (NAPM) and are involved in campaigns in other parts the country, the strategies and tactics adopted, state responses to resistance elsewhere tend to diffuse better.

People’s Audit

A southern level coordinating/campaign committee has been formed to integrate the campaigns within south India. A recent move is to conduct a people’s audit on SEZs in a few states by a national level initiative. The front is also networked with several similar fronts and organisations in other states under an umbrella campaign called the National Campaign against SEZ and Land Displacement. Conduct of public hearings on the plight of the dispossessed, use of the internet and print media to diffuse information, conducting cost-benefit studies on specific SEZs, use of right to information (RTI) to get details on the transactions between the state and the

private developers are some of the activities undertaken. Further, the front also helps the affected farmers to identify lawyers, file cases and run awareness campaigns on their rights.

Prior to the recently concluded elections, the SPMEI also tried to include a clause against forceful land acquisition in the election manifestoes. However, it has neither been included in the ruling party’s or the opposition party’s manifestoes. While the opposition leader Jayalalitha did campaign for return of lands in the specific villages where the protests have taken place, there was no formal political position taken on SEZs. Also, the Sriperumbudur constituency which is home to several SEZs was won by the ruling party candidate who was also the highways minister at the centre. His campaign focused on his role in building up roads in the region and also on the party’s achievements in terms of transforming the town into an industrial hub by attracting private investments.

Also, while media reports and allegations by activists that fertile lands are being acquired by the government abound, the government has denied this, claiming that only fallow lands and drylands (single crop lands) have been acquired in addition to the “poramboke” and other common lands like “wastelands”. A key issue, therefore, is to understand the politics of land classification and how this process is accomplished. As is probably the case with most states, land classification has not been revised in recent years, particularly after the “pumpset” revolution that happened in the state in the 1970s and 1980s (MIDS 1988: 181). The government policy of supplying free electricity to farmers facilitated the expansion of irrigation through tube well irrigation during this period. A substantial portion of the lands that were irrigated through tube wells are classified as “dry” as they were rainfed earlier. This has led to conflicting claims on the nature of the land acquired by the authorities and the farmers. There are also instances where villagers have protested over the takeover of what the state classifies as “wastelands” which have been used for grazing by the villagers.¹⁸ A major set of farmers who have resisted the acquisition of land are ones who have been

denied compensation due to lack of clear titles. Dalit farmers who have been given land under the Bhoodan scheme are now fighting what seems to be a losing battle because the government has argued that the lands are owned by the Bhoodan board and not by the farmers. Again, in the Nanguneri taluk, without the knowledge of tenant farmers who have been cultivating for several generations, a temple trust has sold off land to TIDCO for an SEZ. When the farmers approached the trust, they were told that the lands have already been sold off and they can do little about their livelihoods destruction.

4 Regional Political Economy and Neoliberal Development

"If agriculture needs to be saved, agricultural labour has to be saved from agriculture" says Ravikumar, a member of legislative assembly, an activist and an ideologue of Viduthalai Chiruthaikal, the prominent political party representing dalits in the state.¹⁹ To him and other dalit activist groups and political parties, the

first step towards addressing caste-based inequalities and oppression involves dalits moving out of their caste-based occupations like agricultural labour. To the extent that recent changes in agrarian relations, the agrarian crises and rural-urban mobility open up avenues for such movement, the changes do represent a progressive moment for dalit politics. This political position is reminiscent of the earlier anti-caste movements in the state which used the democratising impulses of modernisation. In addition, given the low returns to agriculture on the one hand, and vibrant land markets on the other, driven largely by speculation and the rise of new uses of land, for many farmers in TN, land appears to be more a store of value than a source of livelihood. Even in the past, lands have been acquired by several private firms for development of plantations and other purposes (Pandian 1996). The relatively silent process of land acquisition in TN seems to be therefore secured more through a process of consent than coercion. Interestingly,

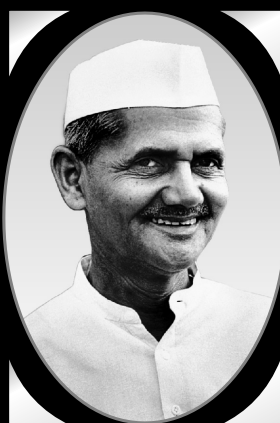
even at the all-India level, the desire to move away from agriculture appears to be widespread among farmers. Narayanamoorthy (2006) cites a Situation Assessment Survey undertaken by the NSSO to point out that 40% of Indian farmers would prefer to move out of agriculture if they have a choice (p 472). It is, therefore, plausible that more choices are available to farmers in TN than in the other states where resistance has assumed larger proportions. The pattern of industrialisation and urbanisation, social mobility and provision of welfare measures have all contributed to the expansion of choices in TN.

Simultaneously, the government has also been able to explicitly flag promotion of SEZ as a success story and build a degree of consensus. The development of a hardware hub in the Sriperumbudur region, the arrival of a number of auto majors and software firms moving to Tier two towns like Coimbatore have all been part of this "success story". This success is, of course, not without its chinks. The recent crises due to power shortage in the state posed a

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number of issues. Local industrialists felt that the government was giving highly subsidised quality power to multinationals just as it denied power to them. Many saw the shortage arising precisely because firms in SEZs and other multinational corporations were eating into their share. Further, actual employment generated has fallen far short of promises and assurances of jobs to the members of families who sold their lands. The assurances are, in fact, given by SIPCOT or the private developer who is mostly not involved in setting productive capacities within these zones. Even when the developer is involved in setting up productive investments, the assurances do not have any legal backing. A recent study of the Nokia SEZ (Dutta 2009) reveals the enormous costs that the state government has incurred to attract Nokia to invest in the state and the few benefits such investments create. The veiled threat of compulsory takeover, the denial of compensation on the basis of lack of clear titles, and the takeover of wastelands and drylands using classificatory schemes that deny the experiences of the people living and relying on these lands are definitely symptomatic of the dominance of the rule of private property witnessed elsewhere. The processes unfolding in TN, therefore, opens up another question: How we do reconcile the democratising politics of caste with resistance to the incursions of global capital and market-led growth?

Further, regional variations in politico-economic configurations in India always confound attempts to categorise and characterise changes at the level of the nation state. A range of instances can be cited in this regard. The debate around characterising the dominant mode of production in India that was waged in the 1970s and early 1980s is a prime example. Differences in agrarian relations across regions were too high to confirm to a single theoretical construct. Responses to policies of affirmative action by political parties and scholars too varied across regions.²⁰ Market-oriented reforms since the 1990s have further accentuated regional variations. Ongoing resistance to neoliberal reforms may, therefore, have to contend with these variations to construct viable alternate political spaces.

NOTES

- 1 <http://www.ficci.com/media-room/speeches-presentations/2002/Mar/march-sez-maran.htm>, accessed on 27 August 2009.
- 2 By "concerted resistance", I refer to a more broad-based one that includes and cements an array of actors ranging from opposition parties at the state and local levels, dalit and farmers' organisations/movements and other civil society organisations.
- 3 According to the National Human Development Ranking developed by the Planning Commission, Government of India, cited in GoTN (2003: 14.)
- 4 For instance, many entrepreneurs in the knitwear industry simultaneously trade in land and seek better prices by converting dry agricultural lands into plots for residential or industrial use. (Fieldwork undertaken in Tiruppur January to June 2009.)
- 5 Report No 516: Employment and Unemployment among Social Groups in India, 2004-05.
- 6 The weekly magazine *Outlook*, for instance, points out how the DMK Members of Parliament and Union Minister for Shipping and Surface Transport in the previous UPA government T R Baalu, worked overtime when it came to investing in TN, but tended to neglect investments in other states. "As one official put it 'Baalu would have been a good minister if he did for the rest of the country what he did for Tamil Nadu'". ("His Master's Minister", *Outlook*, 29 June 2009, <http://outlookindia.com/polscape.aspx?5001> accessed on 25 September 2009.)
- 7 <http://www.sezindia.nic.in/HTM/Statewise%20Distribution%20-%20SEZ%2019.6.09.pdf>, accessed on 12 June 2009.
- 8 "However, in terms of policy pronouncements, we find much less evidence for any systematic efforts on the part of the AIADMK to use the EPZ or the SEZ plank to promote industrial development", R Mukherji and Aparna Shivpuri Singh (2006: 41).
- 9 Kennedy (2004) highlights the continuity in strategies adopted by DMK and the AIADMK in attracting investments despite pronouncements to the contrary when they are out of power.
- 10 C H Gopinatha Rao, "A Flexible Land Acquisition Process", 1 November 2008, *The Hindu*, Property Plus, <http://www.hinduonnet.com/pp/2008/11/01/stories/2008110150010100.htm>, accessed on 12 March 2009. Oragadam is a region on the outskirts of Chennai where lands have been acquired and given by the government for development of SEZs.
- 11 <http://www.indiankanon.org/doc/985043/> accessed on 28 August 2009.
- 12 This incentive has not worked to shift creation of SEZs further away from Chennai city at all. As described in Section 2, most of the SEZs are located at a distance of 50-150 kms from the city.
- 13 http://www.tn.gov.in/budget/budsp_2009_10_2.htm#Industries, accessed on 28 August 2009.
- 14 A new IT SEZ has been notified in Hosur in June 2009 which is seen to create employment for educated youth in a backward region (<http://www.thehindu.com/2009/06/09/stories/2009060957720100.htm> accessed on 28 August 2009).
- 15 <http://www.tn.gov.in/policynotes/archives/policy2004-05/revenue2004-05-3.htm>, accessed on 12 March 2009.
- 16 "Karunanidhi Refutes CPI(M) Charge", *The Hindu*, 15 October 2009, p 8 (Chennai edition).
- 17 To quote, M F Farooqui, principal secretary, Industries Department said, "People do not want to give up their lands, they want to wait for a better price..." In Sangeetha Neeraja, "Cheyyar SEZ, a Growth Engine?", *New Indian Express*, 31 August 2009, Chennai edition.
- 18 This has happened in the case of takeover of lands in Theruvokandigai, a village north of Chennai.
- 19 Telephonic interview by the author on 14 September 2009.
- 20 The launching of the journal *South Indian Studies* in the 1990s, despite its short life, was a clear response to the limitations of such theorising on a singular scale.

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