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The Indian government intends to reform Land Acquisition Act to make it more industry-friendly

Following the declarations by the Indian government of its intention to “review some illogical provisions” in the Land Acquisition Act (LAA - in full: The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act) that came into effect only one year ago, there have been strong reactions criticising the government’s initiative.

Proposed changes were aimed at “complicated procedures” that make it “almost impossible” to acquire land for building private hospitals or schools and other projects in priority sectors. The targeted procedures include those that make it compulsory to obtain approval of 80% of the people whose land is being used for private projects, and 70% for private-public partnerships.



Changes envisaged in the LAA are said to include toning down of these conditions and extending the list of projects for which there are exemptions in order to fasttrack projects for defence and defence production, rural infrastructure (including electrification), housing for poor (including affordable housing), industrial corridors and infrastructure projects (including projects taken up under the public-private partnership mode).

They would imply faster processing of land acquisition and cancelation of compulsory social impact assessment.

Several states have already declared that they would not apply the envisaged changes as they would be unfavourable to farmers and make the LAA too industry-friendly. Opposition leaders and land activists have also strongly criticised the government intention.