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Pg 22

India needs Productive & Efficient use of Land



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Per capita land availability in India is about 16% of world's average. Therefore, we must ensure productive & efficient use of such a scarce resource. But our current land allocation, classification & usage policy is a big bottleneck, which is not supporting development. We must change it without any pre-bias. Recently enacted land acquisition bill needs rewriting the failings, which our economy can't revive.

India embraces about 16% share of world population spread on about 2.6% share of the world's land area. The land is fixed but the population is growing every year. Our land usage policy is old dated and based on Agro-economy (with low population in the past). Now, it needs a total changeover. Big projects are stuck up for land. Mineral resources can't be exploited owing to

overlapping of forest land. Development of tribal belt is blocked due to land transfer restrictions. Recent enactment of land acquisition bill has almost stalled the development process. We are converting India into a big Importer and helping other countries. We must change land policy at the earliest and emphasize on the productive & efficient use of land. The development agenda must supersede populist politics which has damaged the nation enough already.

Total land in India is about 3.29 million square kms and its approximate usage & classification is mentioned in the table.

| Land Usage | Allocation |
|----------------------------------|---------------|
| Agriculture excluding waste land | 27.00% |
| Forest | 21.50% |
| Water Bodies, Rivers & Lakes | 11.00% |
| Desert | 6.70% |
| Coastal Border* | 0.50% |
| Island & Miscellaneous* | 0.30% |
| Total | 67.00% |

Source: Turn Around India Book

*Estimated

(Note: Figures are extracted from various reports, averaged and rounded off)

We are left with only 33% land for which priority will go to inhabitation, associated utilities, plantations and infrastructure. As per the estimate, allocation to industry & mines is maximum 8-10% of this area i.e. about 2.75-3% of the country's total land. In other words, we have allocated about 2% land for industry & mines excluding plantation &

residential colonies. As per Ministry of Environment & Forest Report 2009, land occupied by mines is barely 0.06%. On such a low allocation, there are several barriers on development of mines & industries, which are growth engines of Indian economy. India has been converted to a big import hub of mineral, energy and manufactured goods despite of having domestic capability. Can we afford to continue with such state of affairs? This requires introspection by all.

We have reserved about 21.5% land for forest and diversion of forest land for other use is prohibited. Surprisingly, 40% forest land has nominal or nil trees and about 50% has moderate forest. Actual dense & thick forests are below 10% (1.66% of country total land). We can increase forest cover even by reducing forest land allocation. We must convert moderate to thick & dense forest. There is no prudence for keeping scattered & thin

forest in small patches. A revised plan must be chalked out for efficient use of forest land. Then, we must release at least 20% of the forest land for productive use without affecting green cover. Few forests those are interfering with mineral deposit, infrastructure & large size projects should be shifted. We must take a logical & balanced view with unbiased

mind and giving due weightage to development agenda.

We have allocated about 27% land to agriculture. Unfortunately, agro productivity in India is below 50% compared to many other countries. We can enhance agro production even by reducing agriculture land. We must improve agro productivity by investing in technology & infrastructure. Such investments will pay back when surplus agro land is used for other commercial & productive activities. Although, we must not compromise with food security but it can't be achieved solely with land. We can't afford to have under-utilized productive land. We must reduce food wastage by building post farming infrastructure.

About 11% of the area is occupied with water bodies, rivers and lakes but still we are facing water shortage. Silt & sand on these water bodies should be continuously removed and depth should be increased wherever feasible. We must club productive activities with water storage. This includes systematic development of Fishing, Farming & Tourism. Clubbing solar power over water canal in Gujarat is an innovative example of productive use of area. Similar ideas must be promoted.

Desert constitutes about 6.7% of total land. We must invent methods for using deserts for productive purpose. Possibilities may be explored for constructing water canal. Mineral & Oil exploration must be done in a big way in deserts. We must study use of deserts by other countries and explore further options. At least, we can use it for solar & wind power.

Urban land prices are sky rocketing. Owning a house for middle class is indeed a dream, considering expensive land in cities & metros. Then what to

speak of poor class? At one point of time, residential flat rates in Mumbai surpassed that of Tokyo & New York. Is this logical? We must increase supply of land to cities & metros and relax FSI norms in the public interest. There is no prudence of permitting forest or agro activities in land attached to cities. Those must be shifted and land can be used for residential & commercial purpose.

There are several small countries like Dubai, Hong Kong & Singapore. These countries do not have adequate land. Dubai is full of desert. They have given priority to productive and efficient use of land. In fact, they have even reclaimed a portion of land from sea. Hong Kong has relaxed FSI norms for most optimum use of commercial land. Even they have sacrificed agricultural production, which generates low public income with respect to land requirement. Though Indian conditions are different, but still we can take inputs from development in these countries.

Importance of energy & mineral is well known in the modern economy. We can't afford losing mineral wealth below the ground. There should be a reverse restriction on the use of mineral bearing land for other purposes. Also, we must amend Forest Dweller Act which crafts an entry barrier to development process. We can shift forest & agriculture to other areas but we can't shift mineral deposits. This becomes more relevant because most of the mineral bearing zones are in forests. However, a balance needs to be struck while diverting.

Transfer of tribal land in scheduled districts is restricted. This creates a big impediment for development of tribal districts. Such old dated restrictive laws deprive tribal population from taking benefits of

modern economy; in addition, it keeps them in poverty. With such laws, how can we spread prosperity in the tribal area and bring about an inclusive growth?

Unlike other countries, most of the land is under private ownership and that too in fragmented plots. Government also owns several scattered & smaller plots. The problem aggravates when there's a small patch of forest, tribal or other similar restrictive classified land. Such fragmentation prohibits entry of any large project. Even large scale farming is not possible. Therefore, we must allow mergers, mutual transfers for creating larger plots. The restrictive classification of land must be reviewed. This will ease out the problem to some extent.

Once we've re-worked on the entire land classification and its permitted usage, there'll be surplus land availability. The surplus land can be transferred to a land bank under government ownership. Intermittent private plots can be acquired with suitable compensation. However, the land acquisition act needs a total change with logical and judicious approach, giving priority to developmental agenda.

Revised land policy must result in surplus land for development, inhabitation & commercial activities. A logical approach will reduce artificial shortage and ease land prices to an affordable level. Government should adequately compensate for acquiring private land. Unless, we make a productive & efficient use of land, we will continue to suffer with low growth, high imports & high inflation. Choice is left to decision makers and all of us. ■