



Land Acquisition in Asia

Towards a Sustainable
Policy Framework

Edited by
Naoyuki Yoshino · Saumik Paul

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CHAPTER 1

Introduction

Naoyuki Yoshino and Saumik Paul

“Everything comes from land and ultimately goes back to it” explains an old Indian saying. All sense of value in an enterprise is rooted in the value of land. From business to warfare, the characteristics of land have the power to determine the ultimate success of the endeavour. From maintaining biodiversity to ensuring prosperity for all, the sound management of land resources is vitally important to the achievement of the Sustainable Development Goals (SDGs). The Asian Development Bank notes that more than 400 million Asians still lack electricity; roughly 300 million have no access to safe drinking water, and 1.5 billion lack basic sanitation. In many countries, power outages constrain economic growth. Development of infrastructure is a prerequisite for long-term sustainable economic growth (Yoshino et al. 2018; Banerjee and Duflo 2003; Paul and Sarma 2017). However, more than 8.8% of the GDP is needed to finance infrastructure-related projects in South Asia which are expected to have a spillover on the achievability of the SDGs.

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Infrastructure investment needs in Asia and the Pacific (2016–2030)

	<i>Baseline total</i>	<i>% of GDP</i>	<i>Climate adjusted</i>	<i>% of GDP</i>
Central Asia	33	6.8	38	7.8
East Asia	919	4.5	1,071	5.2
South Asia	365	7.6	423	8.8
Southeast Asia	184	5.0	210	5.7
The Pacific	2.8	8.2	3.1	9.1
<i>Asia and the Pacific</i>	<i>1,504</i>	<i>5.1</i>	<i>1,745</i>	<i>5.9</i>

Source: Meeting Asia's infrastructure needs, ADB (2017)

Note: Price in billion dollars for 2015 (annual average)

This book begins by questioning the problems faced in the process of gaining access to land for development purposes. One that dominates this narrative the most is that of Land grab without proper compensation. An issue, which is more prevalent in developing as compared to developed countries, is the imperative to study the effect of land grabbing if one is even to attempt to gain insights into solving the land crisis. Throughout this book, we have focussed on doing just that. We begin with an interdisciplinary approach by combining anthropology and economics. This is done to capture not only the outcome but also the process to help reduce the issue further. This approach not merely allows us to understand the direct livelihood impacts better but also provides insights at the complex ways that displaced communities' capacity for coping with displacement intersects with local historical context over different time periods.

We have also included longitudinal studies by analysing short term versus long term to gauge the adverse impact displacement has on people. The use of longitudinal data in social sciences, particularly in economics, is rare. We have put together a novel panel data set based on our field surveys in Nepal and Indonesia. The case studies concluded that the adverse short-term impact on the displacees normalized over the long term, and the long-term effect could be positive if exact state mechanisms, adequate compensation, and inherent adaptability amongst the displacees were in place. The Asian context is diverse not just regarding various economic structures, but also in the many social hierarchies, which at most are rigid. To further understand these hierarchies and the binding nature they have on social relations, we also studied caste and ethnicity and the impact displacement has on them. Complementing it with a study on the cause or willingness of landowners to sell their land has aided us further in pursuing our multidisciplinary approach.

Having focussed on the above exploratory studies in the first half of the book, we concluded that a robust institutional overhaul is needed to facilitate a smooth and peaceful land transfer. We thus propose the Land Trust Method as a policy framework for more inclusive and secure development. The use of third-party guarantors has a benefit of introducing a check and balance system which we found missing in some of our regional experiences. The Japanese Land Trust Method is explored for feasibility and accessibility in India by employing a legal framework and an inter-temporal analysis. Our findings have encouraged us to pursue this method further by adapting the technique to other Asian countries.

The book is divided into three parts. Part I is dedicated to the conceptual foundations of land grab induced displacement. The second chapter provides an overview of long-term welfare effects of displacement using an interdisciplinary approach. The third chapter studies the short-term versus long-term effects of forced displacement.

Part II focuses on the socio-economic issues and its effects post-displacement, showcasing multiple regional accounts from Asia. The fourth chapter shows the long-term effects of conservation-led displacement in Nepal. The fifth chapter studies the attitudes towards land acquisition in Indonesia whereas the sixth chapter looks at the political economy of caste, displacement, and welfare in Nepal. The seventh and eighth chapters throw light on India, particularly the special economic zones and following livelihood changes as well as specific focus on attitudes towards displacement in West Bengal, respectively.

Finally, Part III proposes the Land Trust Method as a feasible solution and studies its adaptability and accessibility using India as a case study. The ninth chapter introduces the Land Trust Method of Japan and how it may assist in smooth land transfer in other Asian regions. The 10th chapter discusses the Method's accessibility by employing an inter-temporal analysis and spill-over effect whereas the 11th chapter concludes by studying the adaptability of Land Trust Method in India through the existing land pooling structure and its applicability in diverse and non-homogeneous regions.

CHAPTERS' OVERVIEW

In Chap. 2, Lam and Paul explore what each discipline of anthropology and economics offers and attempt to identify whether their broken communication can be resolved in particular to the field of displacement

studies. Based on the first-hand research regarding the long-term impacts of displacement on local communities, they find that the combination of anthropology and economics offers the most holistic perspective to assess the multi-dimensional effects of displacement because it can capture both the ‘process’ and the ‘outcome’ of displacement. The approach not only allows us to understand the direct livelihood impacts better but also provides insights into the complex ways that displaced communities’ capacity for coping with displacement intersects with local historical context over different time periods. They use this interdisciplinary model to study long-term livelihood and welfare consequences of forced displacement in Asia in subsequent chapters.

In Chap. 3, Khatua and Sarma examine the short-term versus long-term effects of displacement. In particular, the study explored development-induced displacement and summarized evidence of its short-term and long-term effects from around the developing world. Evidence in the literature points out to adverse short-term effects among displacees that normalize over the long term. In the long term, however, adaptability among displaced and state mechanisms may help displacees normalize and settle-down especially if adequate compensation policies are sanctioned.

In Chap. 4, Lam, Pant, and Sarma focus on the long-term livelihood effects of displacement using a novel panel data set comprising of households affected and unaffected by the Shuklaphanta National Park Extension Programme in Nepal. This study disentangles the impact of displacement along ethnic lines. The main results illustrate that displaced households diversify their livelihoods and work more to compensate for the loss of traditional livelihood. The evidence indicates that almost all ethnic groups were adversely affected: emotionally, they felt a longing for their original lands and felt a lack of communal spirit. The results also show that it is essential to understand the effect of displacement beyond material well-being and across ethnic groups.

In Chap. 5, Yoshino, Parinduri, and Oishi evaluate the attitudes towards land acquisition in Indonesia. They investigate the relationship between landowners’ willingness to lease land for infrastructure projects and the characteristics of the agricultural land, household head, and village. The investigation of the determinants of leasing provides insights for land planning and the negotiation process. They found landlords are less willing to rent out their land if they self-cultivate the plots, if plots have been obtained through inheritance, if plots have been owned for a longer period of time, if the land area is small (particularly in the case of non-wetlands

and plots located in their villages), and if the ask price demanded is higher than current prices. For the better facilitation of land acquisition for infrastructure projects, it would be advisable to take the above factors into account, as it would encourage landowners to accept the proposed compensation.

In Chap. 6, Lam, Pant, and Sarma explore the deep-rooted ethnic/caste divisions in Nepal and the nexus of displacement and ethnic divisions on welfare heterogeneities since displacement. The main results indicate that there is no difference in the effect of displacement across ethnic lines. However, displaced households fared worse than non-displaced households across all ethnic groups regarding economic and emotional welfare.

In Chap. 7, Paul and Sarma examine livelihood changes of households affected by special economic zones led displacement using a novel data set comprised of households displaced due to the setup of the Falta Special Economic Zone (FSEZ) in India and households indirectly affected by FSEZ. The results indicate lower labour market participation among members of affected households. The results also suggest lower returns in education for displaced households working within the FSEZ, particularly women. However, once pre-FSEZ characteristics are controlled to address endogeneity, the outcomes for displaced households become similar to that of non-displaced households.

In Chap. 8, Paul and Sarma, continuing from the forced displacement experiences of those in the vicinity of the FSEZ in West Bengal, India, herein identify factors that contribute to the willingness to (re-)move. Their study used data generated from a unique household survey administered around the FSEZ region, where people who were already forced to move and those who were not were consulted about their willingness to relocate. They found support for residential land transfer to be stronger among those with property rights, but stronger social capital and current wealth dampens it. Overall, they posit that the propensity to move and expectations for compensation are lower for those with prior displacement experiences.

In Chap. 9, Yoshino, Paul, Sarma, and Lakhia consider the recent political upheaval transgressing from the industrialization drive to violent land-grab in many parts of Asia (India, Indonesia, Nepal, and the Philippines in particular). They posit the need for a sustainable policy—a framework that results in a decisive sum game, benefiting the landowners without hurting the growth prospects. Combining the tools from the fields of law and economics, they propose land trust or land lease for the development of

infrastructure investment and industrialization purposes. They argue that this is one of the best ways to increase the rate of return to invite private investors into infrastructure investment. Through evidence from the success stories of land trust initiatives in many Asian countries, they showcase the relevance of this alternate method.

In Chap. 10, Bharule evaluates economic development and its effect on land, focussing on the sequence of decisions which create externalities over the period that either helps in attaining the envisioned development or completely changes the form of spatial development. The chapter explains the process of adopting specialized transport infrastructure like the Mumbai Pune Expressway in case of a developing country like India and the decision-making which went in the process of selecting such infrastructure projects known as road development plans.

In Chap. 11, Lakhia explores the applicability and feasibility of the Land Trust Method in India by studying the region's tumultuous relation with land laws. The chapter considers the existing land pooling structure in India as a probable precursor to the Land Trust Method and identifies likely stakeholders and their roles to facilitate the Land Trust Method within the region.

This book is aimed not just for policy and academic experts within Asia and the Pacific in the diverse fields of economics, anthropology, sociology, international and Asian development studies, displacement studies, and applied economics, amongst others; but also for the emerging leaders of tomorrow—the graduate and undergraduate students from the fields mentioned and more. We hope this book will engage with its multi-dimensional approach and intrigue those interested in understanding the question and consequences of land displacement within the Asian context.

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