

PM's land transfer relaxation won't help that much

With the defence ministry holding around 17 lakh acres of land, the Railways around 4-5 lakh acres and the major ports another 2-3 lakh acres, it's obvious the government is the biggest holder of land in India. To that extent, when the prime minister decrees that certain types of projects that require land from the government will no longer need Cabinet approvals, this is to be applauded. Except, it's hardly the kind of path-breaking move the PMO's press release made it out to be when it said "PM resolves major Land Transfer bottleneck". Before a PPP or any other project comes to the Cabinet for clearance, it has to contend with several other procedural bottlenecks. It wasn't the lack of a Cabinet clearance that ensured the Railways hasn't been able to set up an engine-manufacturing plant for years on the land it controls, for instance, it was the opposition within the Railways to the proposal—many within the Railways wanted to continue with the current system of importing engines. It is for this reason, in fact, that the PMO note says "requiring Cabinet approval for each PPP project meant adding a few months to complete the processes for securing Cabinet approval." Given the huge delays, surely shaving off a few months from the clearance procedure isn't such a big deal.

In which case, if the government wants to resolve the land tangle, it will have to expend some serious political capital on getting Parliament to clear a rational land acquisition bill. Under the Bill after the Standing Committee's recommendations, there is virtually no scope for the government helping private firms to acquire land. And since PPP projects also fall in this category, it also means big projects like airports will find it very difficult to acquire land—why a PPP airport shouldn't get government help in buying land while a government-run airport should isn't quite clear. And given how both agriculture and forest land are a holy cow and cannot be acquired for industrial purposes, this means over 90% of the land in most states is inaccessible for large projects. This is not to say this land cannot be bought by private firms, but given the problem with title, buying land is a very tedious task. In other words, the big bottleneck as far as India's infrastructure, industrialisation and urbanisation is concerned still remains.