SOCIO-ECONOMIC STUDY OF FARMERS WHOSE LANDS WERE ACQUIRED OR SOLD FOR NON-AGRICULTURAL USES

H.S. Sidhu

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The Punjab State Farmers Commission

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Foreword

One of the key inputs in the economic progress of a country is the availability of basic infrastructure projects e.g. roads, schools, hospitals, airports, new residential colonies etc. but acquiring land for these infrastructural projects have emerged a major challenge. With the change in India's economic policy in early 1990's a greater role has been assigned to PPP projects and private players. To attract investments state governments are competing with each other in providing facilities to these private players including acquiring land for them. At times, it becomes a matter of tension between the land owners and acquiring agencies. Besides government, some corporate entities are also buying land directly from farmers for industrial and housing projects. As a result, vast tracts of fertile agricultural land are going from under agriculture to non-agricultural uses. In Punjab nearly ten thousand hectares of agricultural land is goining under non-agricultural uses every year since 2001.

The Punjab State Farmers Commission is obviously concerned about the fate of these affected farmers whose lands are being acquired /sold for non- agricultural uses. No information is available about them regarding their present socio-economic condition or whether they have been able to buy any alternative land or how they have utilized the money received as compensation or what is their present condition in terms of assets and incomes etc. How far these affected families have been able to rehabilitate and resettle themselves with the money received as compensation? How sudden influx of large cash and displacement from land may have affected their children's education? To find an answer to these questions the Punjab State Farmers Commission initiated this study.

The most important conclusion that emerges from this study is that farmers from only such locations are well settled and more or less satisfied where the compensation paid was at least double or more than double the market price of land prevailing at that time. However, those who were living on the urban fringe and who sold their lands privately are now better off in almost all respects because they received the price which was four to five times more than the prevalent market price of land. The recently enacted Central Legislation on Land Acquisition does provide for a compensation which is four times the market price of land in rural areas and two times the market price of land in urban areas. But if the market price is to be determined on the basis of an average of last three years sale deeds in the area, then even the new provision will not be able to bring it to the level of double the actual market price because sale deeds are registered at circle rate of the property which is, in most cases,

less than one fourth of the actual price. Thus, the study brings out the urgent need to rationalize the circle rates of property and bring them in line with the prevailing market price of land. This will not only help in arriving at the reasonable benchmark price for land acquisition but will also increase government's revenue from stamp duty and largely eliminate the role of black money in land transactions. Besides this, the study also throws light on the present economic condition and various other aspects of the life of those affected farmers.

This work was entrusted to Dr. H.S. Sidhu an eminent economist with vast experience in the state's economic issues. The work was carried out very systematically. The selection of the sample farmers, collection of vast data, its tabulation and analysis and writing of the report is highly appreciable and commendable. Assistance provided by Mr. Jaskaran Singh, Research Associate working for this project is also appreciable. I heartily congratulate and feel grateful to Dr. Sidhu for finding time and completing this study in a short period.

October 30, 2013

(Dr. G.S. Kalkat)
Chairman
Punjab State Farmers Commission
Government of Punjab
Chandigarh

Acknowledgements

This study was conceived, conceptualized and commissioned by The Punjab State Farmers Commission. The task of conducting this study was entrusted to me. Throughout the course of this study, Dr. G.S. Kalkat Chairman of the Commission has been a constant source of inspiration and encouragement. But for his keen interest and able guidance this study would have never taken its present shape. I am extremely grateful to Dr. Kalkat for giving me the opportunity to work with him in the Commission. I am also indebted to the Secretary PSFC Dr. B.S. Sidhu, Commissioner Agriculture, Govt. of Punjab, who despite his busy schedule took keen interest in this study and was always helpful.

Whenever I was in doubt, I always turned for guidance to my senior colleagues in the Commission Dr. Karam Singh and Dr. P.S. Rangi and they were always more than willing to help me. My sincere thanks to them for their constant guidance and unstinted support. Dr. S.S. Bains and Dr. Anil Kaura Consultants in the Commission always gave me their sagacious advice when ever I solicited it. I am thankful to all my collegues in the commission for their numerous acts of kindness.

In the actual conduct of this study, I received help from many friends and well wishes. I would specifically like to convey my sincere thanks to Dr. Gurmail Singh, Professor of Economics, P.U. Chandigarh, and Dr. M.S. Sarkaria, Deputy Director, SCERT, Punjab who with their vast experience of emperical research helped me right from the preparation of the questionnaire to the conduct of the field survey. Actual field survey was conducted by three teams led by Dr. Kashmir Singh of P.A.U. Ludhiana, Sh. Bhinder Singh of Mansa and Sh. Gurpreet Singh of Mohali. They worked hard and succeeded in extracting the minutest details from the respondents. Without their painstaking efforts, it would not have been possible to conduct such a large survey spread over 30 villages and 5 districts of Punjab. I take this opportunity to convey my sincere thanks to them all.

My thanks are also due to my co-researcher Sh. Jaskaran Singh, Research Associate with The Punjab State Farmers Commission who not only supervised the field survey, tabulated and analyzed data but also painstakingly typed the draft of the report. Last but not the least my thanks are also due to the Administrative Staff of the Commisssion led by Sh. R.S. Tiwana, Administrative Officer and his team of dedicated workers who provided me all the facilities and required support.

Needless to mention that I alone am responsible for any omissions and shortcomings that may have remained in this report for I sincerely believe that there is always a scope for doing things in a better way.

(H.S Sidhu)

Consultant

Punjab State Farmers Commission Mohali

October 30, 2013

Contents

Main Findings and Policy Implications

1. Land acquisition is a process where government acquires private property for public purposes using the concept of 'eminent domain' which is the power of the State to seize private property without the owner's consent. It has been a cause of very large number of legal conflicts in India in the recent past. Apart from land acquisition for public purposes howsoever defined by the state, private parties have also been purchasing large chunks of agricultural land for various non-agricultural uses. In Punjab during the last ten years on an average nearly 10.000 hectare of agricultural land has been going under non-agricultural uses every year and nearly 95% of that is going from under Net Area Sown. But we have no information on how the compensation received by the land ownwers was utilised or what is their present economic condition or how it has affected their children's education etc. This study is an attemt to fill this gap.

2. The present study is based on a primary survey of 500 households spread over five districts of Punjab.. There are two sets of data . One set of data called category-I relates to 300 households whose lands were acquired during the last few years. For this we selected 75 affected families from each of the four districts- Bhatinda, Mansa, Mohali and Tarn Taran. The second set of data called category-II relates to those households who were living in villages on the outskirts of fast expanding urban centers, such as Ludhiana and Mohali and who sold their lands privately. We selected 200 households from this category- 100 households from villages around Ludhiana and 100 households from villages around Mohali. Although we have studied the socio-economic condition of farmers belonging to both the categories, however, it must be stated that strictly speaking these two categories are not comparable as respondents belonging to category-II had locational advantage, which the farmers belonging to category-I from Bhatinda, Mansa, and Tarn Taran did not have. Secondly, while respondents of categoriy –II sold their lands at market determined price and at a time of their own choice, farmers belonging to category-I did not have these privileges. Therefore, the results of the study relating to these two categories must be interpreted with caution.

3. In category –I sample 67 (22.33%) are marginal farmers owning less than 2.5 acres of land, 92 (30.67%) are small farmers owning between 2.5 to 5 acres of land , 82 (27.33%) are semi-medium farmers owning between 5 to 10 acres of land , 46 (15.23%) are medium farmers owning between 10 – 20 acres of land and 13 (4.33%) are large farmers each one of them owning more than 20 acres of land, The average size of holding of this sample category works out to be 7.21 acres. In category-II sample, 62 (31%) are marginal farmers , 64 (32%) are small farmers 64 (32%) are semi-medium

farmers, 9 (4.5%) are medium farmers and there is only 1 large farmer in Ludhiana sample. The average size of holding for this category of sample works out to be 4.83 acres.

4. The average family size in our sample is 6.29 in case of category –I and 5.85 in category-II. The average years of schooling for respondent families belonging to category-I is 5.64 and for category –II it is 8.48. Thus the education level is higher among the respondent households belonging to category-II compared to the levels of education of category-I households.

5. The average per acre compensation paid to farmers whose lands were acquired works out to be Rs. 15.72 lacs in Bhatinda, Rs. 16.37 lacs in Mansa , Rs. 16.21 lacs in Tarn Taran and Rs. 73.31 lacs in Mohali. Thus for the sample of this category as a whole it works out to be Rs. 28.56 lacs per acre. But those who sold their lands privately on an average received Rs. 48.65 lacs per acre in Ludhiana and Rs. 95.63 lacs per acre in Mohali. Thus the average price per acre received by farmers belonging to category-II works out to be Rs. 66.39 lacs which was nearly two and a half times more than the compensation per acre paid to farmers belonging to category-I. But at no location in Punjab the compensation paid per acre was lower than the prevailing market price or the price at which farmers purchased land subsequent to land acquisition.

6. Nearly 76.43% of the total compensation received by farmers belonging to category-I and 72.67 % of the money received by respondents from category-II was invested in buying agricultural land. The second priority in both the samples goes to fixed deposits which account for 8.38% of the total compensation received for category-I and 13.70 % for category-II. Third priority in both the sample categories go to 'house construction / renovation'. Repayments of loans was the fourth most important item of expenditure for farmers belonging to category-I in Bhatinda , Mansa and Tarn Taran but for farmers from Mohali it was not an important item . Mohali farmers instead gave fourth priority to buying transport vehicles. Perhaps outstanding loan was not an issue for them. Farmers of both the categories spent nearly 95% of the amount received on necessary and / or useful items only.

7. There have been a lot of shuffling of farmers from one category to another after land acquisition /sale. In category-I out of 300 farmers only 127 (42.33%) continued to be in the same size category where ever they were, 95 of them (31.67%) moved to the higher categories and the remaining 78 (26%) slipped to lower size categories. In fact 22 of them (7.33%) became landless after land acquisition.

8. Out 300 farmers belonging to category-I in our sample 152 now own more land compared to their pre-acquisition position , 113 (37.67%) own less land now compared to their earlier position and the remaining 35 are maintaining the status –quo. An overwhelming majority of the farmers who

moved upward in terms of land owned are from district Mohali and village Ghudda of district Bhatinda because the compensation paid per acre was more than double the market price in village Ghudda and more than three times the market price of land in villages of Mohali. On the other hand a majority of those who slided downwards in terms of ownership of land after land acquisition are from villages of districts Tarn Taran and Mansa and village Fullokheri and Kanakwal of district Bhatinda. The compensation paid to these farmers was only marginally higher than the market price. However nearly 80% farmers in our sample of category-II from Ludhiana and 94 % from Mohali have moved upwards and have more land now compared to their position before sale of land. On an average a respondent household belonging to category-II now owns three times, more land compared to its position before the sale of land on the urban fringe. Besides, they now own platial houses, swanky cars and are also having handsome amounts lying in banks, as fixed deposits. An average household belonging to category –II has nearly Rs. 44 lacs lying in banks as fixed deposit .

The value of total assets of on average household belonging to category-I has gone up from Rs. 1.50 crores prior to land acquisition to Rs. 3.41 crores at present i.e 2.27 times. Similarly the total assets of an average household from category-II has gone up from Rs. 3.40 crores before land sale to Rs. 7.98 crores at present which means their assets have gone up 2.34 times . All these figures are at current prices. If, however, we take care of the price rise and compare their total assets at constant prices, we find that there are 81 households (27%) from category-I and 55 households (27.5%) from category-II who, in fact , have lower total assets now compared to their position before land acquisition /sale . Most of these households whose total assets at present are lower than their total assets before land acquisition /sale are the ones who did not invest a sufficiently large proportion of the compensation /sale proceeds on buying agricultural land and instead spent large sums on house construction/ renovation and/ or marriages / social ceremonies and/or buying costly transport vehicles and /or kept large sums in banks as fixed deposits.

10. An average household belong to category-I in our sample had annual income of Rs. 254259 prior to land acquisition while an average household belonging to category-II had an annual income of Rs.248870 before sale of land. Thus the farmers belonging to both the categories in our sample were more or less similar in terms of income before land acquisition/sale. The present income of an average household from category-I is 2.39 times higher at current prices. The average income of a household belonging to category-II has, in fact , gone up by more than four times since sale of land on the urban fringe. If, however, we compare the household income at constant prices our study shows that there are 75 (25%) households in our sample from category-I whose real income is, in fact lower than their household income before land acquisition. Similarly there are 8 (4%) households from category –II whose present household income is lower than their household income before land sale.

11. The main reason for reduction in real income of 25 % farmers from category-I are (a) reduction in land holding after acquisition, (b) land bought being far away from home and (c) land bought being of poor quality. In category-II, however, the reason for lower household income of the 4% households is their decision to sell milk animal and consequent reduction in income from sale of milk.

12. An average household belonging to category-I has monthly per capita expenditure of Rs. 4181 at 2012 prices. The figure for category-II is Rs. 5338 per month. If we draw a poverty line at Rs. 50 per capita per day , then only 3 (1%) households in our sample from category-I can be designated as 'poor' . There is no household below poverty line in category-II.The households belonging to both the categories in our sample enjoy a reasonably good standard of living. In fact their conditions in term of facilities available to them is much better now compared to their condition before land acquisition /sale.

13. Our study also shows that about 25 % households from category-I and more than 70 % households from category-II feel that land acquisition/sale had positive impact on their children's education. Another two third households from category-I and about 25% from category-II feel land acquisition/sale had no impact on their children's education. Only 8% households from category-I and 3% from category-II feel land acquisition /sale had negative impact on their children's education.

14. An important finding of our study is that while nearly 51% households in category-I now own more land than before , 73% households have more real assets than before and 75% households have more real household income than before yet when asked about their opinion only 28.6 % household said they are 'fully satisfied' with acquisition. Another 13 % said they are 'somewhat satisfied' . But a majority (58.33%) said they are not satisfied. The level of dissatisfaction is the highest in Tarn Taran (70.67%) , followed by Bhatinda (60 %) , Mansa (57.32%) and the lowest in Mohali (45%) .

15. As for as category-II sample is concerned (land privately sold) 94.5 % households now own more land compared to their position before sale of land, 72.5 % of them have total assets more than before and 96% of them have more real household income than before. It is not surprising, therefore, that almost all respondents (199 out of 200) belonging to category-II reported that they are fully satisfied.

Policy Implication

16. One of the main findings of our study is that most of the households who are worse off now in terms of land, assets and income are from villages Kanakwal and Fullokheri of district Bhatinda,all

the three villages of district Mansa and all four villages covered by our sample from district Tarn Taran, while almost all farmers from village Ghudha of district Bhatinda where the per acre compensation paid was nearly double the market price, and respondents from all the five villages of district Mohali where the land compensation was more than three times the prevailing market price, the farmers are better off now in almost all respects. Thus as a matter of policy it would be neceaaary to pay per acre compensation which is at least twice the prevailing market price of land in the area if we want to ensure that almost every farmer gets properly rehabilitated and resettled after land acquisition.

17. The Right to Fair Compensation and Transprency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, recently passed by Parliament, in fact, provides that land compensation should be four times of the market price in rural areas and two times the market price in urban areas. But the Act is silent on how the market price is to be determined. Past experience has been to take an average of last three years sales deeds as the market price. The sale deeds are done usually at the circle rates of the property which are anywhere between 20-25% of the actual value of transactions entered into. Thus even four times compensation would not be fair to the farmers if the market price of land is derived from the average of the sale deeds. It is, therefore, suggested that the market price of land should be arrived at by following the process of consultations with the community leaders and other prominent and knowledgeable persons of the area concerned. Alternatively, circle rates of property should be enhanced and brought at par with the actual market rates prevailing in the area. This will not only provide a fair benchmark for determining price of land but will also augment government ‘s revenue from stamp duty and will also eliminate the role of black money in these land transaction. However, if the government feels that the increase in circle rates would put heavy burden on the buyers of property, the stamp duty rates can be slashed simultaneausly. This will also help in achieving better compliance.

18. Our study shows that farmers belonging to both the sample categories kept large sums of money in bank deposits after receiving land compensation or sale proceeds. An average household belonging to category -I sample kept Rs 14.18 lacs (8.38% of the total compensation received) in fixed deposits, while an average household belonging to category-II kept nearly Rs. 43.93 lacs (13.70%) in bank deposits. This was done mainly to ensure enough annual income to meet their day to day family needs. That explain why interest emerged the third largest source of income for category-I in the post acquisition situation, while for category-II interest , in fact, became the second largest source of income . Keeping large sums of money in fixed deposits affected their growth of assets in the long run because in a situation of high inflation interest earned on fixed deposits does not even protect the real value of money. Thus by depending on income from interest these farmers were,

in fact, eating into their capital. Alternatively if this money had been invested in land or some other property, its value would have gone up substantially by now. To take care of this problem it is suggested that each farmer whose land is acquired should be paid an annual rent of land acquired @ Rs. 30000 per acre (with a minimum of Rs. 50000 per household) to take care of the family expenses in the near future. This amount should be linked with a suitable price index. This provision will enable the affected farmers to take rational investment decisions and they will not squander their capital on consumption needs. They will also be less vulnerable to the mechinations of the crafty representatives of financial institutions who convince the innocent farmers to invest in financial schemes of their institutions by showing a rosy picture, which more often than not,turn out to be false. During these 20 years the younger members of the family who are now studying will complete their education and training etc and can emerge successful farmers/ entrepreneurs if their capita stock remains intact till then.

19. Another finding of our study is that farmers from category-I whose real household income is lower than their income before land acquisition are primarily those who could not invest enough funds in buying alternative agricultural land. Some others reported that lands they bought are at a distance and/or the lands are of poor quality. Therefore the reduced income from land along with other incidental reasons like retirement of main earning member from job and /or any mishappening in the family etc explain fall in their present real household income. In the case of category-II sample, however, almost all those whose present income is less than their income before land sale, the reason is that they have sold most of the milk animals and their income from the sale of milk has come down . It is, therefore, suggested that the Government should facilitate tranining of the wards of affected farmers in skill and entrepreneurial development including modern dairy techniques. In fact, there should be some reservation of seats for the wards of such farmers in the technical educational institutions in the state so that they become successful farmers/entrepreneurs when they grow up.

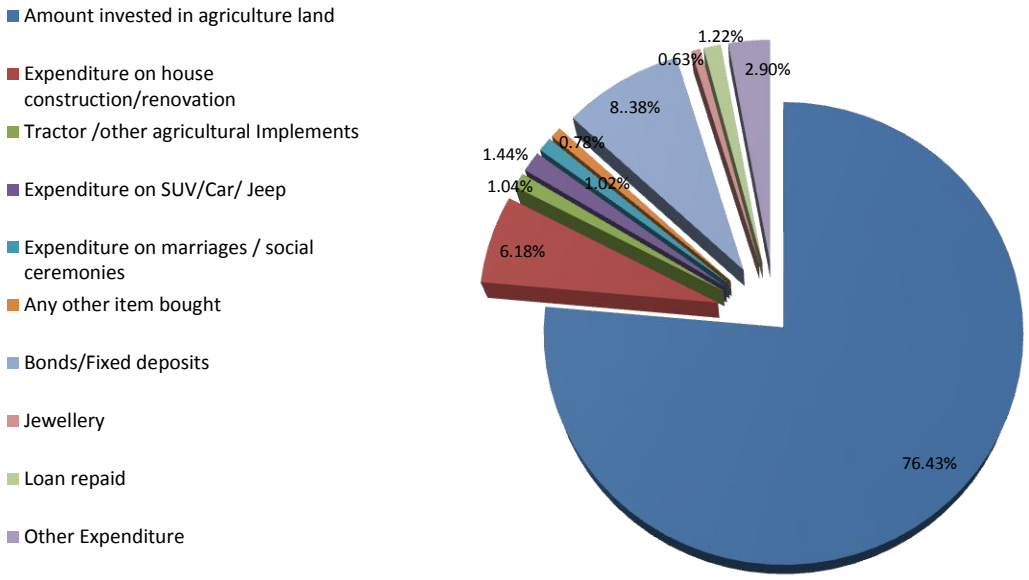
20. There is a substantial proportion of households in rural areas of Punjab who are not cultivators or may not be even land owners still their livelihood depends upon agricultural economy of the village. Some of them may be directly involved in agriculture as farm labourers etc., while some others have been involved in providing services such as artisans e.g the blacksmiths , the carpenters, the potters, the massons, the barbers etc. Any large scale land acquisition or sale of agricultural land for use of non- agricultural purposes is bound to affect adversely their job and earning prospects also. Earlier they were not entitled to any compensation for loss of jobs etc. Now some provisions for compensation is there in the recently enacted Central Legislation, but the amount mentioned there is very small (Rs 2500 per family). It is suggested that these landless households who are dependent on agriculture should get Rs 25000 per family as one time grant if 25 % land of the village is acquired.

This provision should go up with the proportion of area acquired going up. In case the entire land of the villge of their residence is acquired, each such household should get Rs 1 Lac as compensation for loss of remunerative work. This will enable such households to establish themselves in work at alternative sites. The policy should also focus on the creation and upgradation of skills of these people and their dependents so as to improve their employability in other sectors.

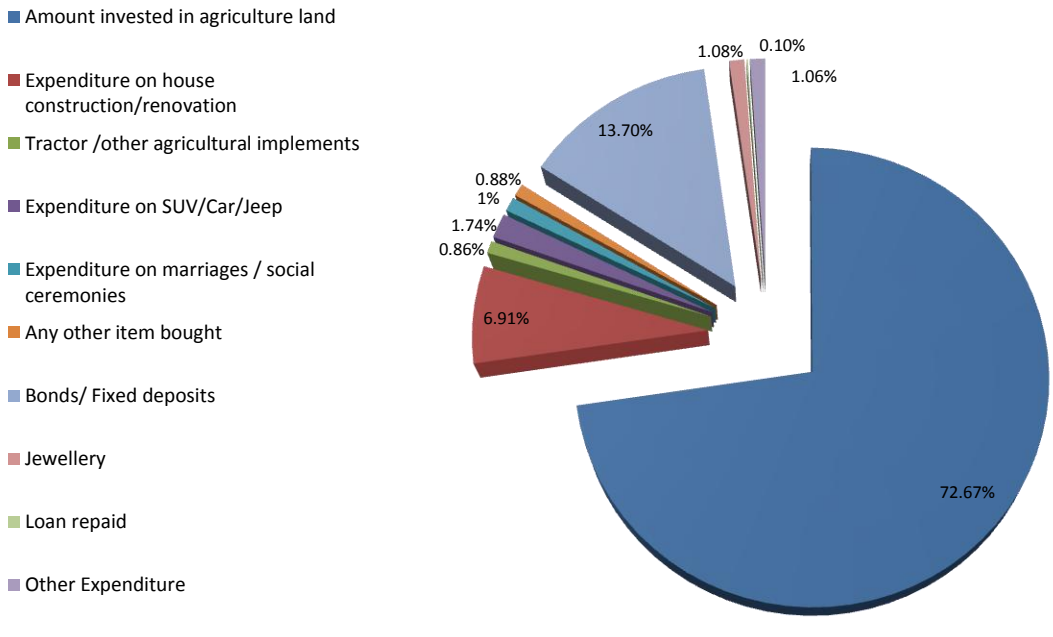
Diagrammatical Representation

Utilization of Funds Received

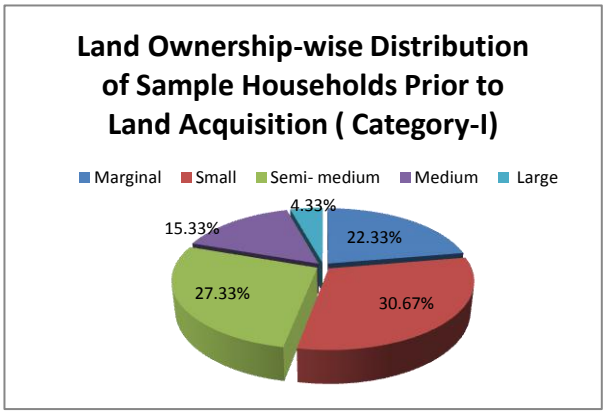
Utilization of Compensation Received (Category-I)

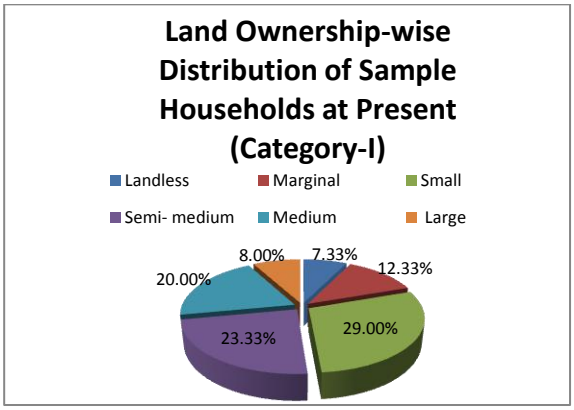


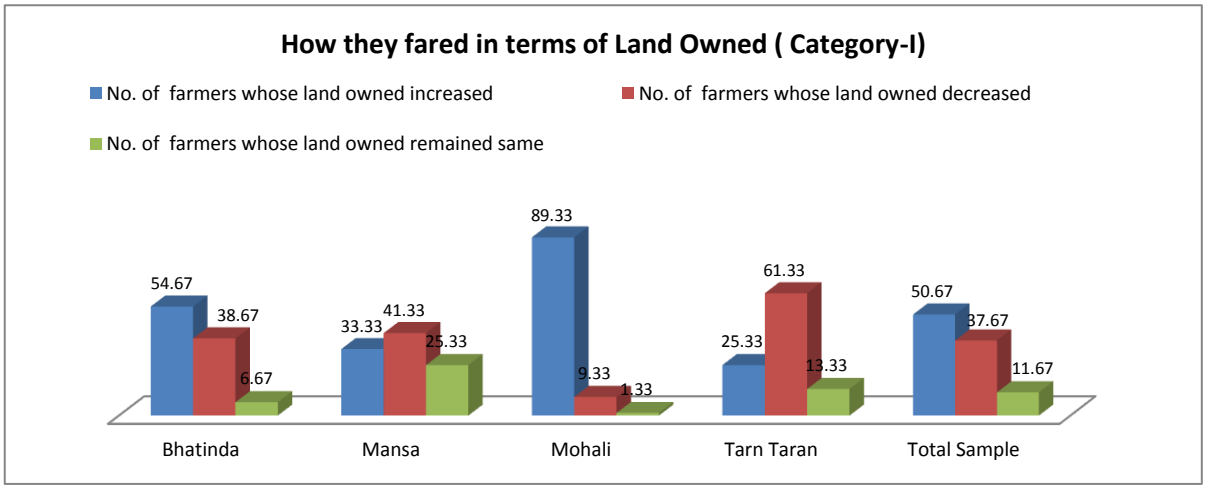
Utilization of Sale Proceeds Received (Category-II)

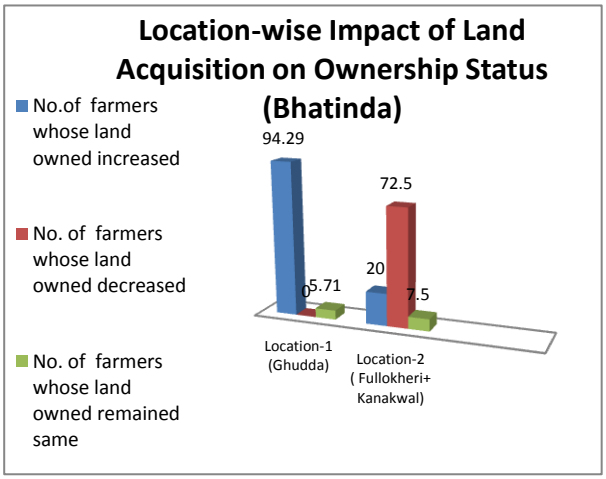


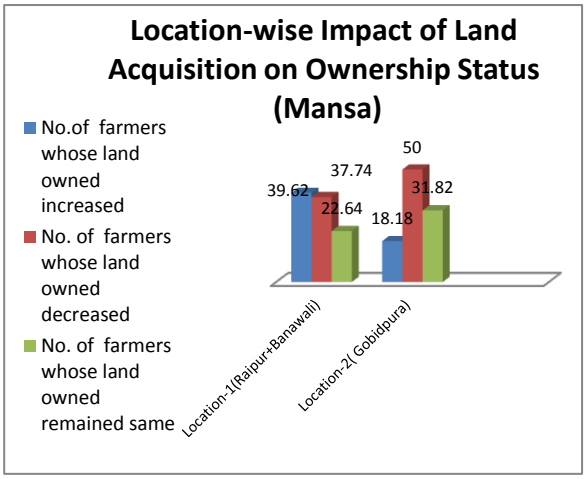
Impact of Land Acquisition on Distribution of Sample Households in terms of Land Ownership Status (Category-I)



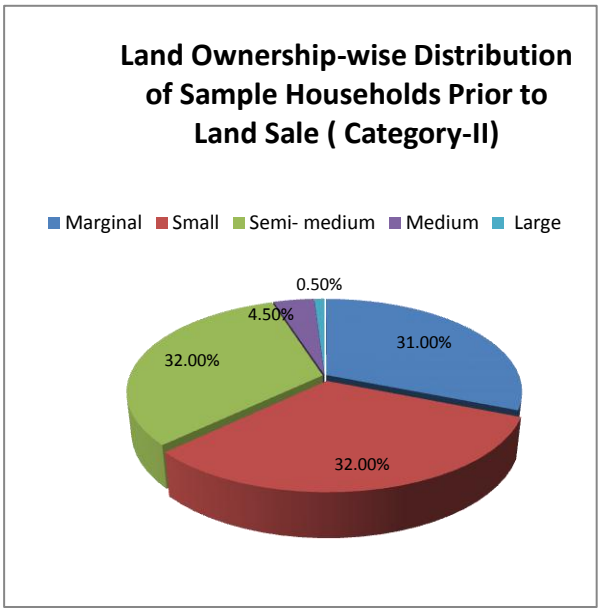


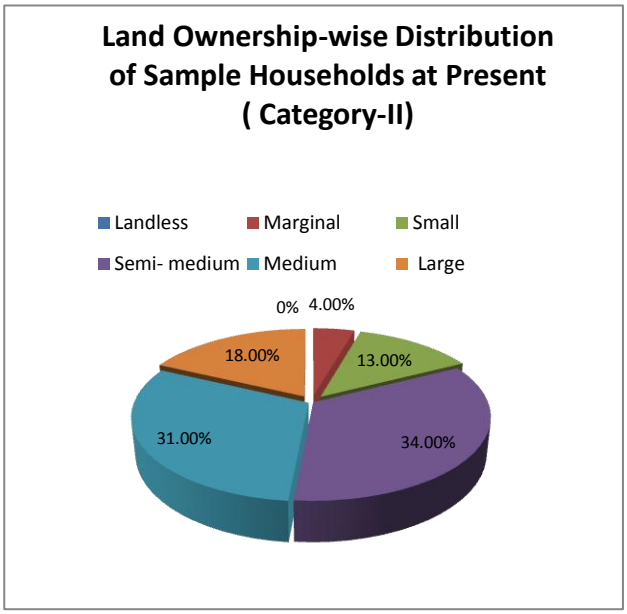


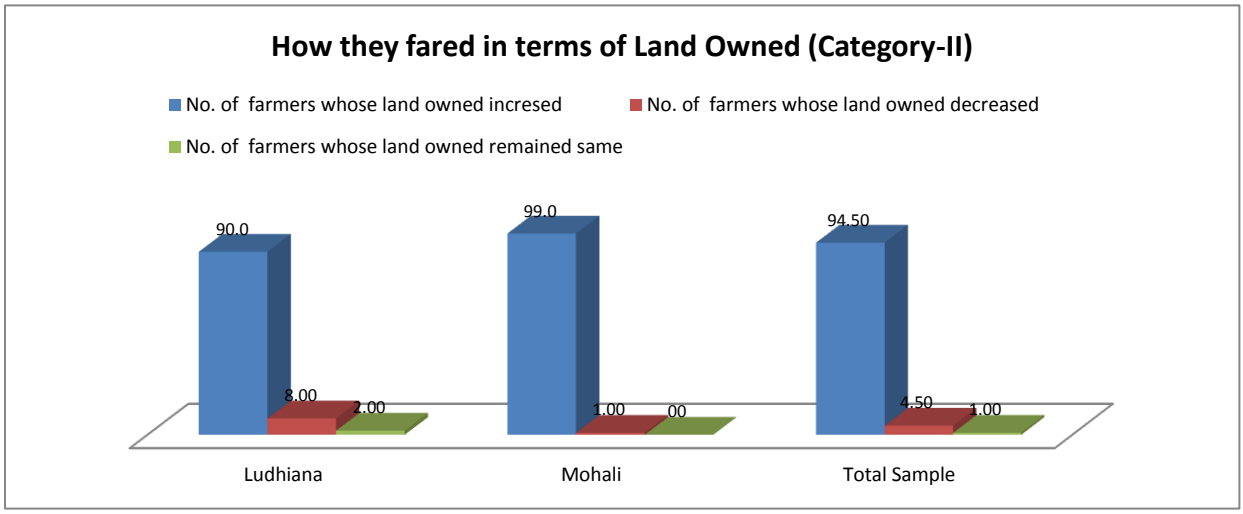




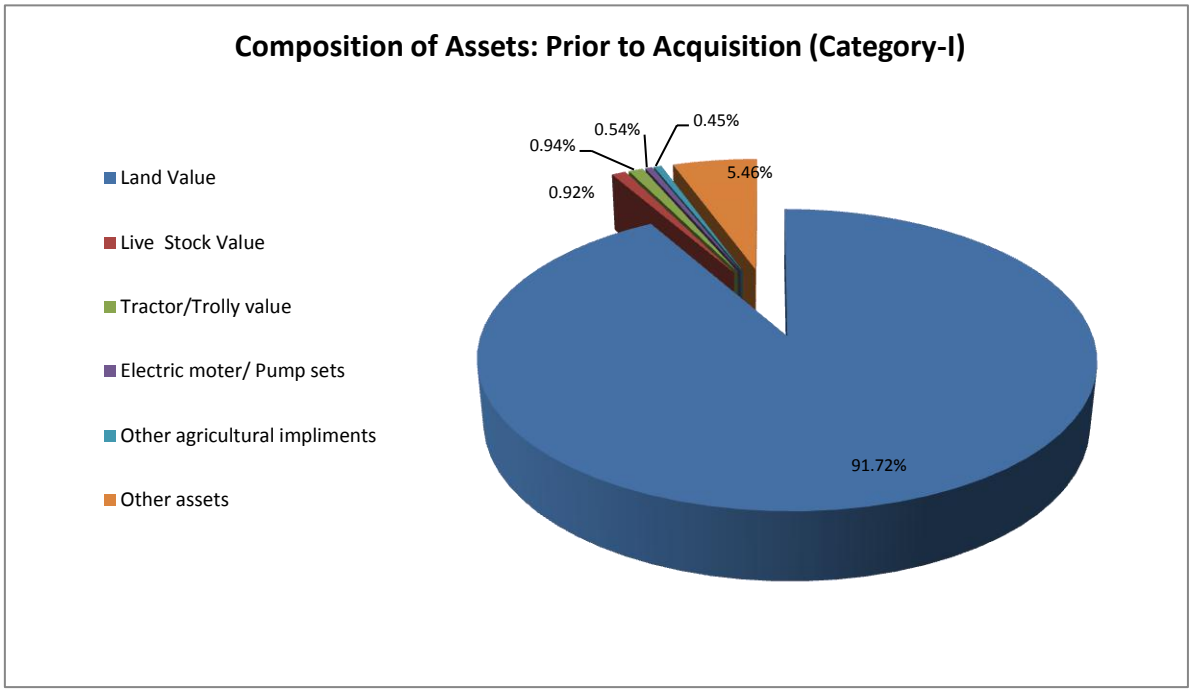
Impact of Land Sale on the Urban Fringe on Land Ownership Status (Catrgory-II)

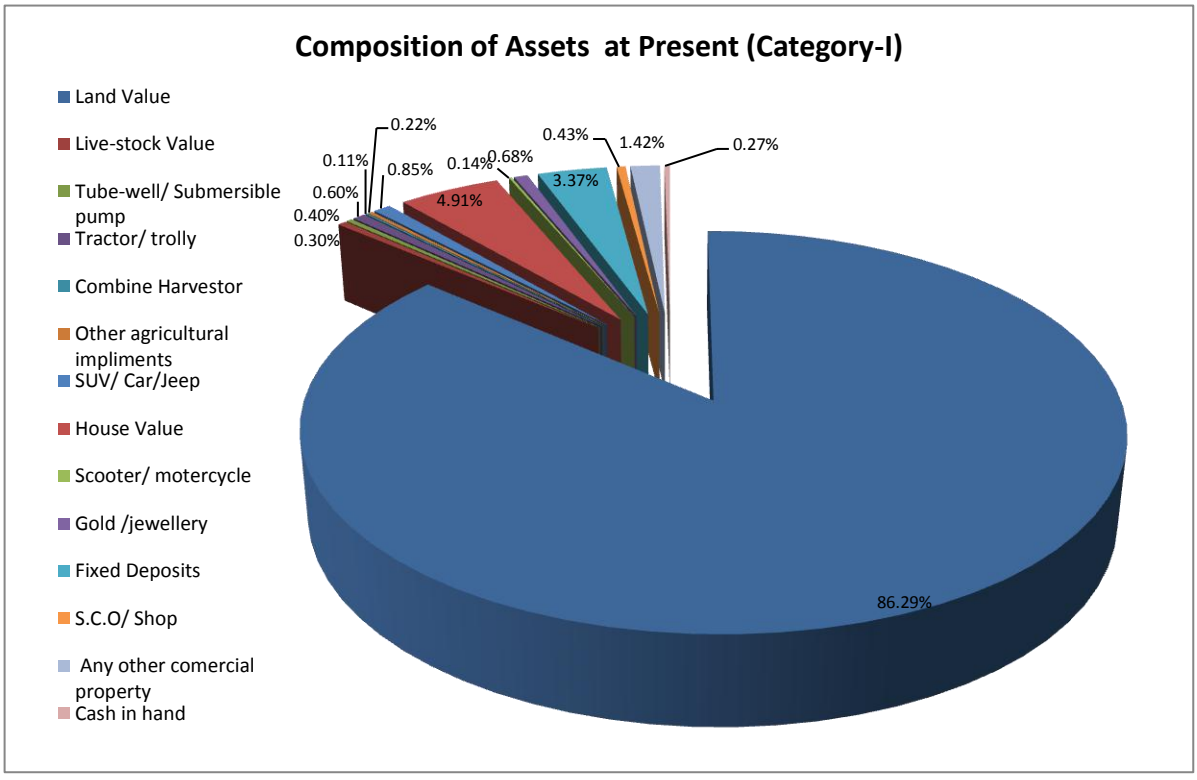




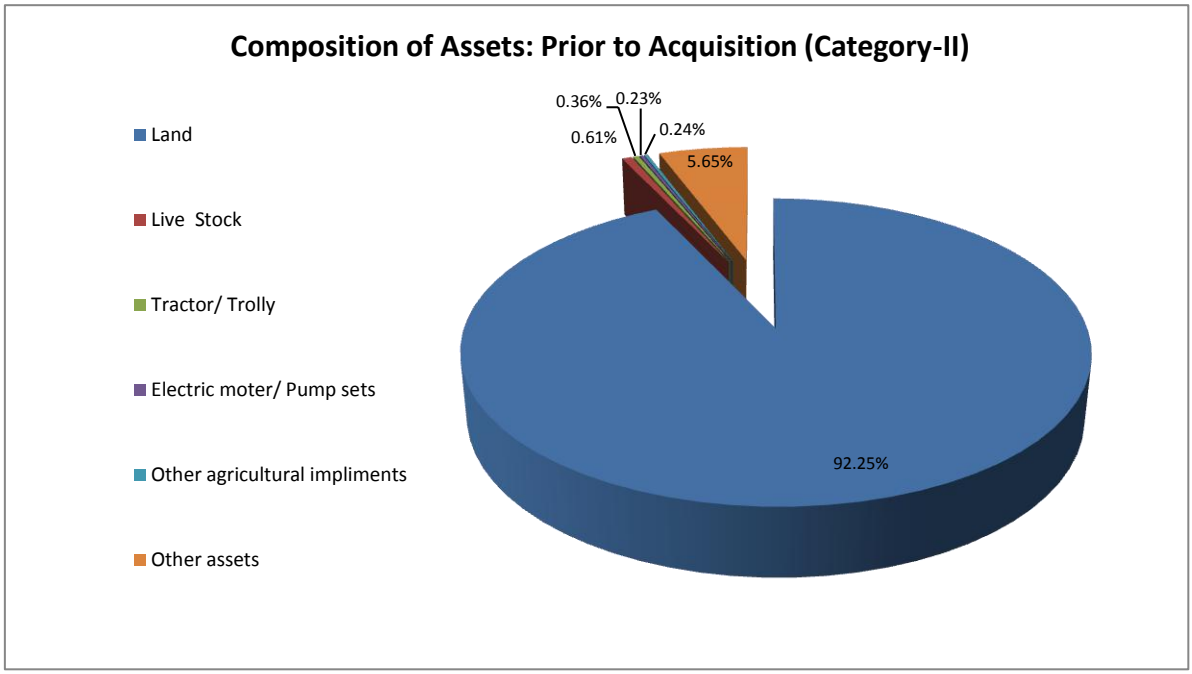


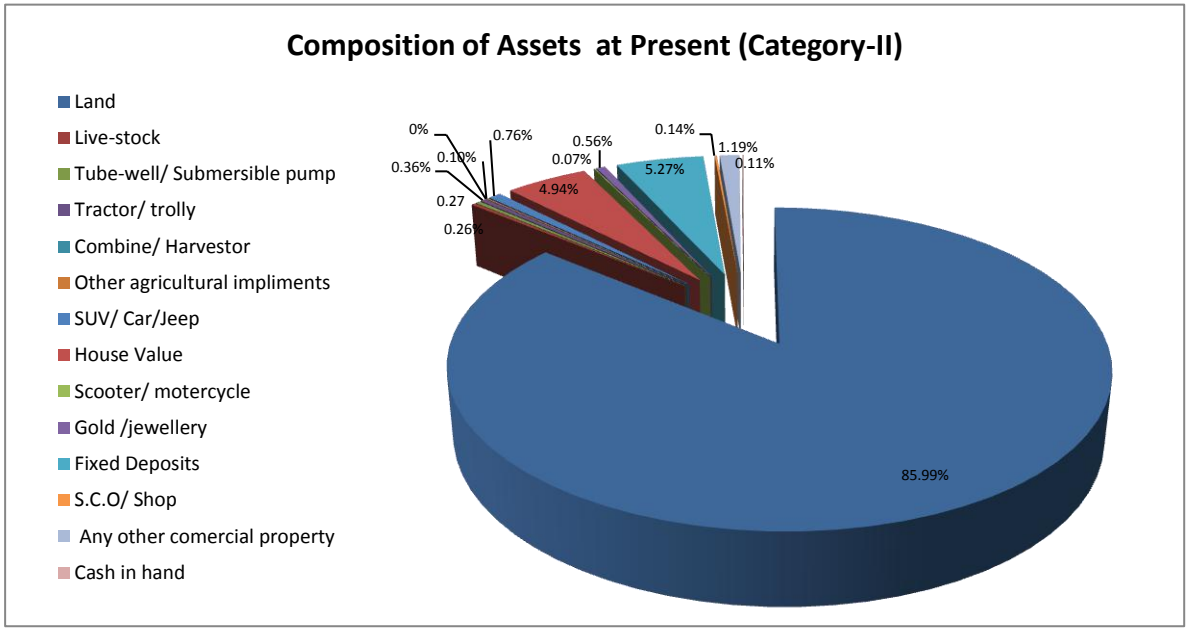
Impact of Land Acquisition on Composition of Assets (Category-I)



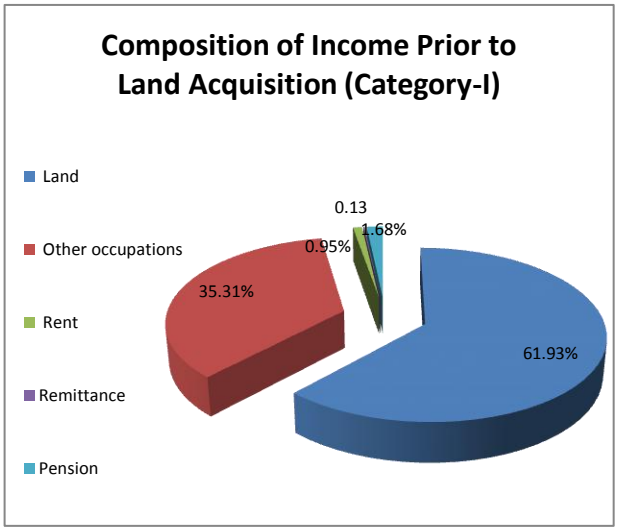


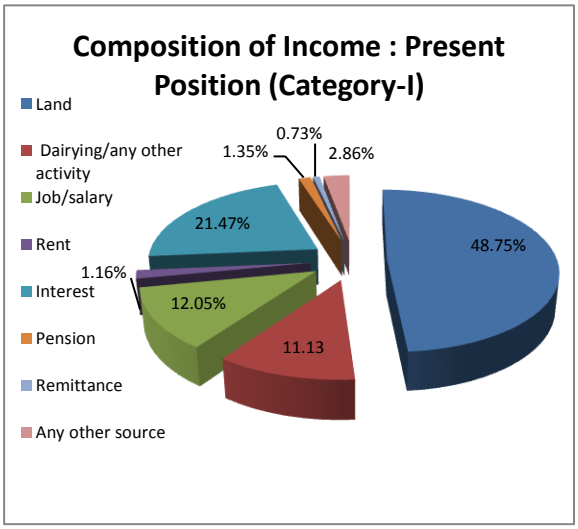
Impact of Land Sale on the urban fringe on Composition of Assets (Category-II)



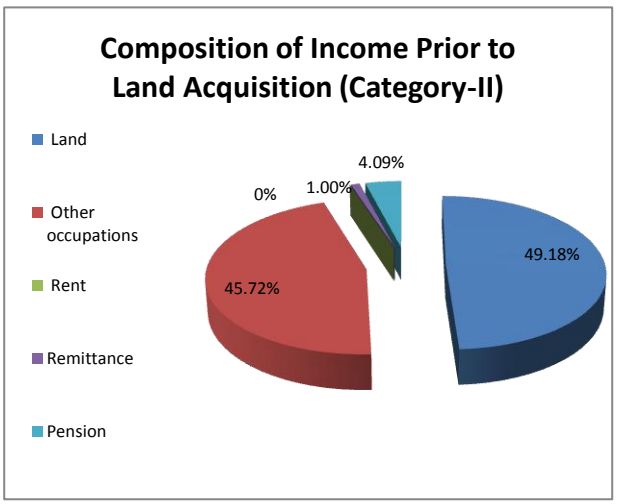


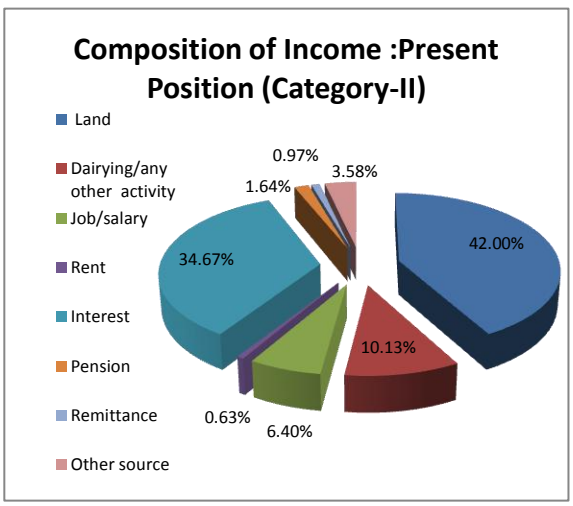
Impact of Land Acquisition on the Composition of Income (Category-I)



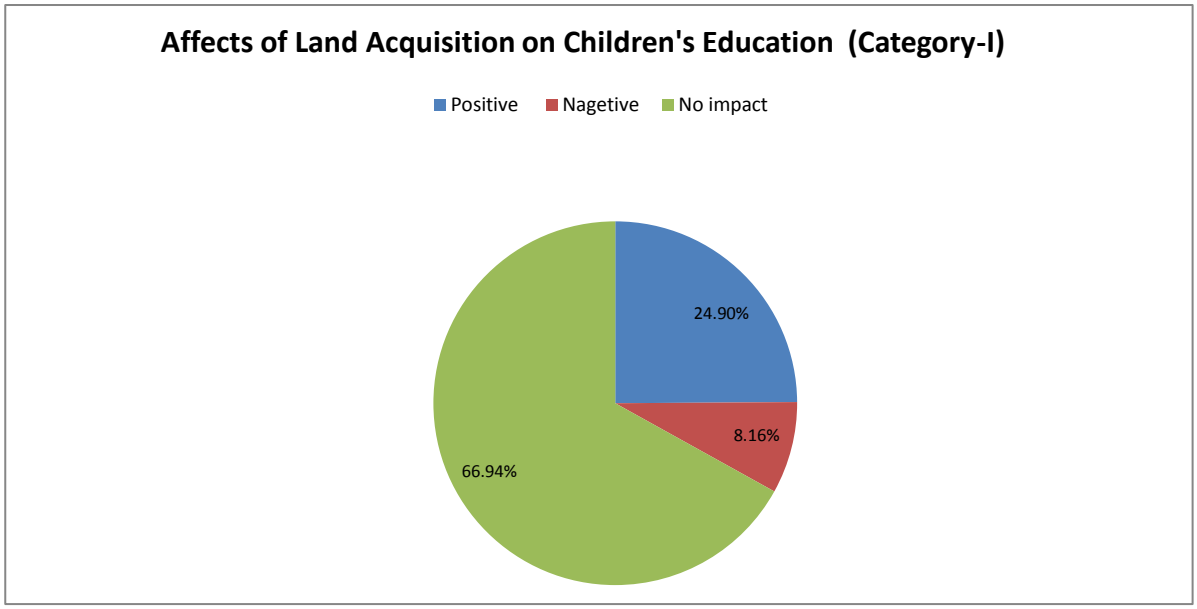


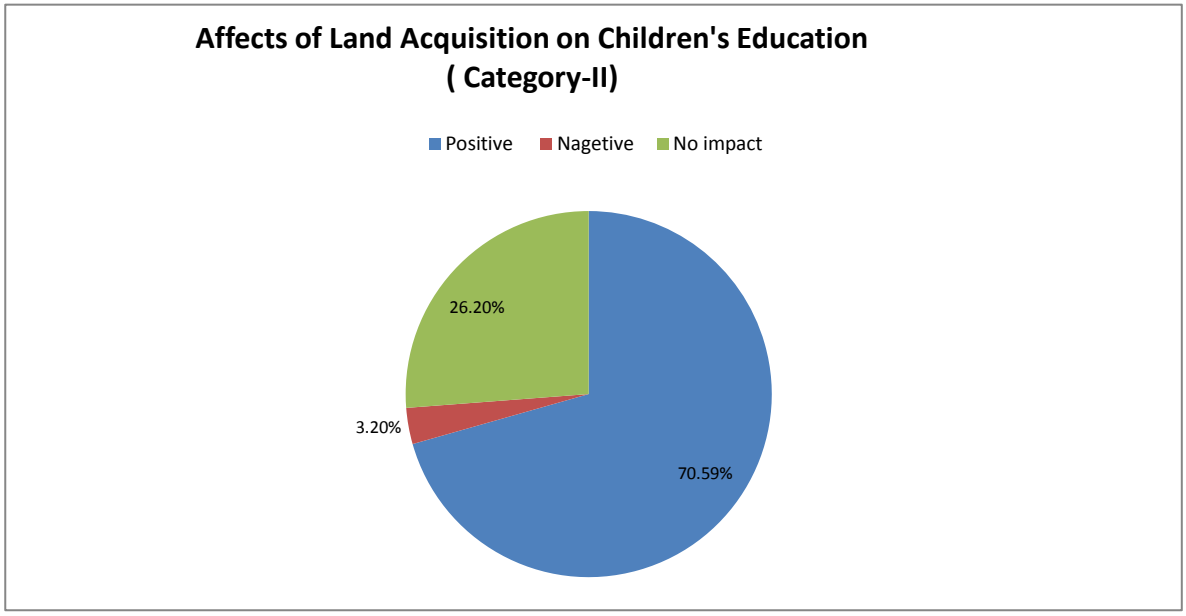
Impact of Land Sale on the Composition of Income (Category- II)



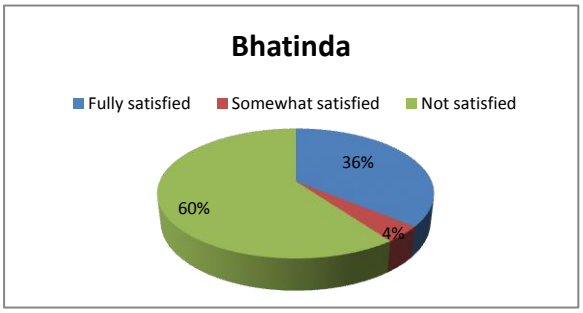


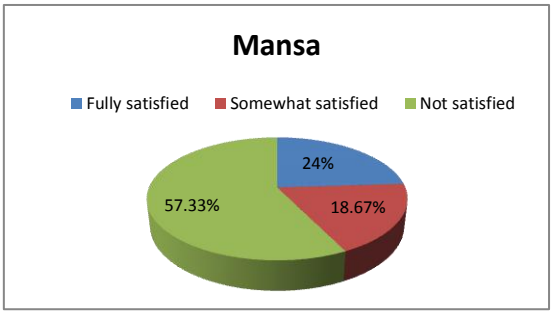
Impact of Land Acquisition /Sale on Children's Education

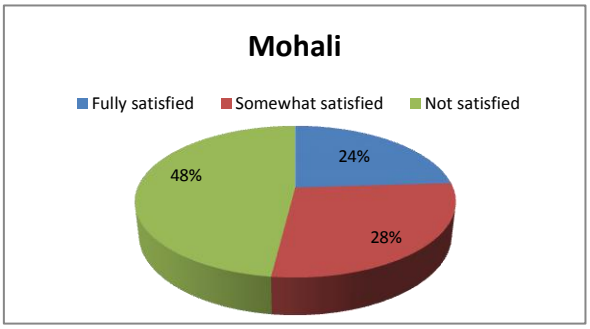


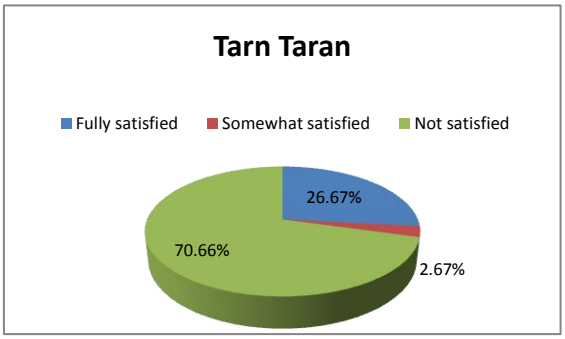


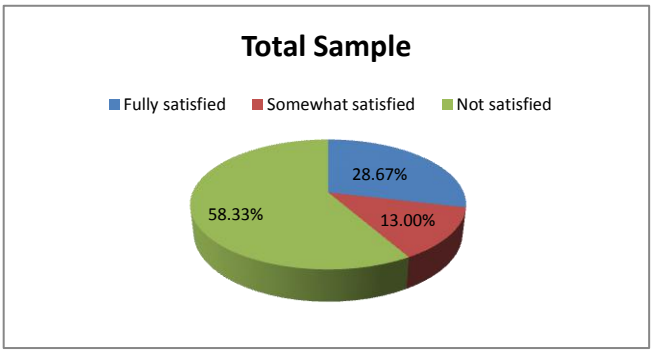
Level of Satisfaction of farmers whose Lands were Acquired











Chapter-1

Issues in Land Acquisition

Land acquisition is a process where government acquires private property for public purposes using the concept of 'eminent domain' which is the power of the State to seize private property without the owner's consent. It has been the cause of very large number of legal conflicts in India in the recent past. The conflicts range from tribal groups fighting private companies over land being acquired for mining and industrial projects, to farmers and environmentalists entangled in bitter battles with state governments over their land being taken for building highways, railways, airports, dams and industrial projects. With a paradigm shift in our economic policy towards liberalization and privatization since early 1990's the government is handing over more and more of these projects to private players. As the government tries to acquire more land for private companies there will be more and more conflicts between stimulating growth and extending the benefits of development to multiple stakeholders. Apart from the ideological question whether the government should acquire land for private industry or PPP projects using its 'eminent domain or not the major problem with the issue in India is that all the contestations and disputes that arise over it, the government continued to lean on the archaic colonial era Land Acquisition Act 1894 which, incidentally, does not provide for rehabilitation and resettlement. It is only recently that a new Land Acquisition Rehabilitation and Resettlement Act has been passed by Indian parliament.

However, it is not only in India that Government is acquiring land for the public purposes howsoever defined, but all across the world, the State is given the power to acquire land for public purposes . The power and the terms under which it can be exercised is either directly vested in the constitution (as in the case of Australia and China) or is specified in enacted legislation (as in case of Hong Kong and Malaysia and Singapore).

However, the definition of the term 'public purpose' and therefore, the justification for acquiring land varies across countries. Several countries such as France, Japan, China, Mexico and India explicitly enumerate situations and projects under which land can be acquired or appropriated by the State for the public use. Some other countries such as Malaysia , Brazil , U.S , U.K and Singapore use a more generic definition of the term 'public purpose' which can, therefore, be subject to interpretation and potential dispute . For example in Singapore, land can be acquired by the state if it is for "public benefit or public interest projects' (The Singapore Land Acquisition Act, 1916). In Australia land can be acquired for purposes that the Parliament has the power to define by legislation (Australian Expropriation Law).

Leaving aside the definition of public purpose the principles or philosophies that guide land acquisition in most countries can be classified into three main categories. These are (a) the value to the owner principle, (b) the just compensation principle and, (c) the reasonable compensation principle. The 'value to the owner' principle aims at compensating land owner to the tune of the market value of the land together with other losses suffered by the claimant. The 'just compensation' principle aims at providing dispossessed groups with adequate financial compensation. According to this principle the dispossessed person is entitled to compensation which will put him, as for as money can do it, in the same position as if his land had not been taken from him. Alternatively, it should enable the affected persons to have sufficient funds to acquire similarly situated lands of approximate area as those acquired from them by the government. The constitution of United States as also the Philippines Republic Act (2000) contains this provision. The guiding principle of reasonable compensation is that owner should be fully indemnified only for their direct losses but it does not take into account the intangible value associated with the land.

In summary "the value to the owner" principle takes into account socio- economic considerations related to the acquisition of the land and aims at compensating the landowners for the land value as well as tangible and intangible benefits that are attributable to the land through monetary and non- monetary means . The just "compensation principle "aims at providing the landowners with economic parity, primarily through monetary means such that land owner is at an economically comparable position post land acquisition. The 'reasonable compensation' principle envisages the land acquisition process to be a financial transaction where the value of the land alone will be disbursed in the form of monetary compensation without considering any intangible value associated with the land.

The forgoing discussion presumes that the value of land is known to the acquiring authorities or it can be easily measured. Actually, it is not that simple. In general there are four methods that are used world over to value land and to arrive at appropriate compensation. These are – (a) evaluating the market value of the land (b) evaluating the net value of the income from the land (c) determining original land use value as set by the State, and (d) arriving at land value through negotiations.

Asian Development Bank defines the fair market value of the land as "the amount that the land might be expected to realize if sold in the open market by a willing seller to a willing buyer." (Asian Development Bank (2007): "Compensation and Valuation in Resttlement: Combodia, People's Republic of China and India" ADB Manila , Philippines). Usually a comparable sales technique is used to determine the fair market value of land. This method takes into account the sales of land in nearby

area over a recent time frame. From recent sale deeds of similar land tractions, an average sale price is calculated that is supposed to represent the market value of the land. Many countries including Malaysia, China, the U.S and India follow this method for determing the value of land.

However, there are some disadvantages with this method. First, the sales data on comparable tracts of land may not be available. Secondly, the registered value of the sale may be kept artificially low to save on stamp duty. For example in India the new Land Acquisition, Rehabilitation and Resettlement Act 2013 provides that farmers in rural area whose lands are acquired by the government for public purpose will get four times the market value. But if the market value is determined on the basis of average of registered deeds, the farmers may still not get reasonable price because in Punjab, as in most of the other states in India, we all know that registration of property is done at circle value of property which is any where between one-fifth and one-fourth of the actual market price. Thus unless circle rates are revised and made reasonable or market value is determined through the process of consultations, the land will continue to be undervalued. Finally, an open reliable fair market environment may not be available thus distorting the value of land. For example, the value put on ancestral house by the owner may be many times higher for emotional reasons than the value put on that property by the buyer.

Another related method of land valuation is the 'replacement value' technique. Replacement value is the amount it would cost to replace the asset (land in this case) with a similar asset. This method is generally used in situations where land market is not well developed or does not provide active reliable information. Yet another method which is some times used to arrive at the value of land in situations where land market is not developed is the net value of income from land. In this method, the value of property is taken to be the value of expected economic income that could be earned through the ownership of property. The value of property is arrived at by taking the present value of future streams of income during the life time of the property and of the sale of property. Tanzania is one country where this method is used, primarily because the land market is assumed to be inefficient. However, this method is more suitable for assessing the value of building rather than the value of agricultural land.

In some of the communist countries where free transfer of land is not permitted and hence there is no active land market, the original use of land is used for compensation purposes. (Chan 2006). However, there are two major problems with this method. First, original uses are undefined. Secondly, the original use compensation principle assumes that agricultural use is the highest and the best use of all rural lands and, therefore, excludes the possibility that rural land may have other more profitable uses such as residential, commercial, or industrial development.

Finally, there is the fourth method of fixing compensation purely on the basis of discussions with stakeholders. For example, Peru follows a policy of compensation based strictly on negotiations with the affected parties; Singapore and Japan are other countries that endorse this approach.

The forgoing discussion shows that virtually every land acquisition technique has its limitation and, therefore, may lead to incorrect or incomplete assessment of the value of the land. Due to this reason, most countries also include some monetary composition for intangible losses suffered. It is some kind of solace or solatium for the intangible losses, which cannot be replaced. It is a value put on emotional ties with the area, friendship made, social relations, and so on i.e items, which are difficult to value otherwise. The new land bought by the affected farmer may be at a greater distance from his place of living. The additional cost incurred in term of travelling a longer distance, taking agricultural machinery along and hazards of settling in a new environment where his acceptability may take some time.

We tried to highlight some of the issues involved in any land acquisition and why, more often than not, land acquisition tends to become a contentious issue. In India we don't have clearly articulated land acquisition principle and in the absence of that government often tend towards providing land owners with reasonable compensation. Though solatium is generally paid to address the intangible costs of losing land , the basis for calculating this solatium does not always takes into account the context within which the land is being acquired . To top it all the process of acquisition is generally slow and by the time the compensation is actually paid to the farmers, the land prices normally shoot up in the mean time leaving the affected farmers at a disadvantage. Even otherwise land is not something, which can be bought off the shelf. Every affected farmer will have to find an alternative piece of land suitable as per his requirement and resources and carrying the deal through. Any delay in taking a timely and prudent decision may change the picture radically. All these things will have to be kept in mind while studying the socio –economic condition of farmers whose land were acquired for non-agricultural purposes. Apart from studying how they have utilized, the monetary compensation received, we will also be assessing their present condition in terms of land, assets, income, and levels of living.

Changing Pattern of Land Utilization in Punjab

Before we actually take up the present study on socio-economic condition of farmers whose lands have been acquired for non-agricultural purposes or those who sold their lands on their own accord and their lands have been diverted to non-agricultural uses, it would be useful and interesting to know how land use pattern in Punjab has been changing during the last 20 years or so and how

much land is being diverted to non-agricultural uses every year. Table 1.1 contains information about classification of area in Punjab since 1990-91. The latest year for which this information is available is 2010-2011. The data have been obtained from Statistical Abstract of Punjab for various years.

A look at the table shows that the total geographical area of Punjab as per village papers is 5033 thousands hectares. In 1990-91, 4218 thousands hectares (83.84%) of the total geographical area was under various crops i.e net sown area , 342 thousands hectares or (6.79%) was under non-agricultural uses and 222 thousands hectares (4.41%) was under forests . So these three categories together accounted for 4762 thousands hectares or 95.01% of the total geographical area of the state. All other categories, which included, barren and unculturalable land, 'culturable waste', 'pastures and other grazing land', 'land under miscellaneous trees and crops', 'current fallow and fallow other than current' together accounted for 251 thousand hectares or (4.99%) of the total geographical area of the state. During 1990's the area under three major categories i.e 'net area sown', 'area under non–agricultural uses' and area under 'forests' continued to rise. Between 1990-91 and 2000-2001 area under crops (Net Area Sown) increased marginally by 32 thousand hectares from 4218 thousand hectares to 4250 thousands hectares (84.44%), area under forests increased by 58 thousand hectares from 222 to 280 thousands hectares (5.56%), and the area under non-agricultural uses increased maximum by 68 thousand hectares from 342 to 410 thousand hectares and it constituted 8.14% of the total geographical area of the state in 2000-2001. Together these three categories accounted for 4940 thousand hectares or 98.15% of the total geographical area of the state. All other smaller categories put together had 93 thousand hectares in 2000 -2001 or 1.85% of the total geographical area of the state.

Between 2000-2001 and 2010-11 area under forests and area under non- agricultural uses continued to rise, however, Net Area Sown (NAS) started declining. Area under forests rose marginally during these ten years from 280 thousands hectares to 294 thousand hectares which now constitutes (5.84%) of the total geographical area of the state. Area under non- agricultural uses rose at a much faster rate during this period. It rose from 410 thousand hectares in 2000-2001 to 508 thousand hectares in 2010-2011. In 2010-11, it accounted for 10.09% of the total geographical area of the state. The NAS, however, declined by 92 thousand hectares from 4250 thousand hectares in 2000-2001 to 4158 thousand hectares in 2010-11 or 82.61%. Thus in 2010 -11 these three categories put together accounted for 98.55% of the total geographical area of the state. All other categories together were reduced to 1.45 % of the total geographical area of the state only.

Tables 1.1

Classification of Area in Punjab (000 hectares)

Year	Geographical area as per Professional surveys	Geographical area as per village papers	Forest	Barren and unculturable land	land under non-agricultural uses	Culturable waste	Pastures and grazing land	Land under miscellaneous trees crops etc	Current fallow	Fallow other than current	Net sown area
1	2	3	4	5	6	7	8	9	10	11	12
1990-91	5036	5031	222 (4.41)*	83 (1.66)	342 (6.79)	35 (0.69)	10 (0.20)	12 (0.24)	82 (1.63)	28 (0.55)	4218 (83.84)
1991-92	5036	5033	210 (4.17)	72 (1.43)	382 (7.59)	36 (0.71)	4 (0.08)	7 (0.14)	91 (1.80)	16 (0.31)	4215 (83.74)
1992-93	5036	5033	287 (5.70)	76 (1.51)	412 (8.18)	26 (0.52)	4 (0.08)	4 (0.08)	83 (1.65)	12 0.2)4	4139 (82.23)
1993-94	5036	5033	290 (5.76)	32 (0.64)	402 (7.98)	11 (0.22)	7 (0.14)	2 (0.04)	72 (1.43)	3 (0.06)	4214 (83.72)
1994-95	5036	5033	290 (5.76)	27 (0.53)	429 (8.52)	6 (0.12)	6 (0.12)	2 (0.04)	69 (1.37)	2 (0.04)	4202 (83.48)
1995-96	5036	5033	290 (5.76)	89 (1.76)	398 (7.90)	24 (0.47)	4 (0.08)	12 (0.24)	63 (1.25)	12 (0.24)	4139 (82.23)
1996-97	5036	5033	290 (5.76)	89 (1.76)	398 (7.90)	24 (0.47)	6 (0.12)	12 (0.24)	63 (1.25)	12 (0.24)	4139 (82.23)
1997-98	5036	5033	290 (5.76)	89 (1.76)	398 (7.90)	24 (0.47)	6 (0.12)	12 (0.24)	63 (1.25)	12 (0.24)	4139 (82.23)
1998-99	5036	5033	305 (6.06)	57 (1.13)	337 (6.69)	37 (0.73)	4 (0.08)	5 (0.10)	44 (0.87)	5 (0.10)	4238 (84.20)
1999-2000	5036	5033	305 (6.06)	57 (1.13)	337 (6.69)	37 (0.73)	4 (0.08)	5 (0.10)	44 (0.87)	5 (0.10)	4239 (84.22)
2000-2001	5036	5033	280 (5.56)	28 (0.55)	410 (8.14)	15 (0.29)	4 (0.08)	3 (0.06)	40 (0.79)	3 (0.06)	4250 (84.44)
2001-2002	5036	5033	306 (6.07)	32 (0.63)	402 (7.98)	4 (0.08)	3 (0.06)	6 (0.12)	25 (0.49)	1 (0.02)	4254 (84.52)
2002-2003	5036	5033	280 (5.56)	32 (0.63)	437 (8.04)	4 (0.08)	4 (0.08)	3 (0.06)	40 (0.79)	3 (0.06)	4250 (84.30)
2003-2004	5036	5033	308 (6.12)	21 (0.41)	429 (8.52)	9 (0.17)	4 (0.08)	4 (0.08)	13 (0.26)	0 (0.00)	4243 (83.44)
2004-2005	5036	5033	300 (5.96)	25 (0.49)	458 (9.09)	9 (0.17)	5 (0.10)	3 (0.06)	33 (0.65)	0 (0.00)	4200 (84.30)

1	2	3	4	5	6	7	8	9	10	11	12
2005-2006	5036	5033	288 (5.72)	26 (0.51)	479 (9.51)	11 (0.22)	5 (0.10)	3 (0.06)	50 (0.99)	1 (0.02)	4170 (82.85)
2006-2007	5036	5033	298 (5.92)	27 (0.53)	477 (9.47)	5 (1.00)	2 (0.04)	4 (0.08)	35 (0.69)	1 (0.02)	4184 (83.13)
2007-2008	5036	5033	287 (5.70)	24 (0.47)	483 (9.59)	3 (0.06)	3 (0.06)	3 (0.06)	41 (0.81)	1 (0.02)	4187 (83.19)
2008-2009	5036	5033	296 (5.88)	23 (0.45)	494 (9.81)	2 (0.08)	4 (0.08)	4 (0.08)	38 (0.75)	1 (0.02)	4171 (82.87)
2009-2010	5036	5033	295 (5.86)	25 (0.49)	503 (9.99)	4 (0.06)	3 (0.06)	5 (0.10)	37 (0.73)	4 (0.0)8	4158 (82.61)
2010-2011	5036	5033	294 (5.84)	24 (0.47)	508 (10.08)	4 (0.08)	4 (0.08)	4 (0.08)	33 (0.65)	4 (0.08)	4158 (82.61)

***Figures in the brackets are percentages**

Now what is important from the point of view of present study is the shift of area to non-agricultural uses. In this context three things need special mention. One that the area under non-agricultural uses continued to rises at an increasing rate since 1990. During 1990's on an average an additional 5.8 thousands hectares of area were being lost to non-agricultural uses every year. But during 2000 -2001 and 2010 -11 the annual area shift towards non- agricultural uses has been of the order of nearly ten thousand hectare (9.8 thousand hectares) annually.

Secondly during 1990's this area shift was not at the cost of net area sown. In fact net area sown also increased marginally during 1990,s. But since 2000-2001 this area shift toward non- agricultural uses is almost entirely at the cost of NAS. For example, while the area under non- agricultural uses increased by 98 thousand hectares during these ten years, NAS declined by 92 thousand hectares i.e at least 95 % of the area which have gone to non- agricultural uses has been taken from Net Area Sown. The area under forest is more or less stabilized at nearly 290 to 300 hectares.

Third, and the most important point which need special mention, is the fact that with area under minor categories already reduced to the minimum (all minor categories together have 1.45% of the total geographical area of the state) and the area under forests more or less stabilized, all future increases in area under non- agricultural uses will be at the cost of NAS. If we fit a trend line to the last 10 years data the projected figure of area under non- agricultural uses in 2030 -31works out to be 733 thousands hectares which is nearly 14.56 % of the total geographical area of the state . Even if we assume that the area under forests will continue be in the range of 6% of the total geographical area, NAS will necessarily come down to less than 78% of the total geographical area of the state by 2030-31. Such a massive shift of area from agricultural to non- agricultural uses in an agriculturally

prosperous state like Punjab will have serious implications for national food security and more importantly for water security of the region. Given that average size of holding in Punjab is around 4 hectares, diversion of nearly 10 thousand hectares every year to non agricultural uses largely from net area sown means, we are displacing nearly 2500 farming families every years.

Thus we find that in Punjab during the last ten years large chunks of fertile agricultural land have been either acquired or privately sold by land owners for non-agricultural uses. Nearly 2500 farming families are getting displaced every year. No study exist which tried to find out the present socio-economic condition of those whose lands were being acquired /sold for non- agricultural uses. We have no idea as to how they spent the money they received or whether they have been able to buy some alternative land and other assets. What are their present income levels? How this land acquisition / sale have affected their children's education? The present study is a modest attempt to fill this gap in empirical research on an important aspect of Punjab's rural economy and society.

Chapter-2

Data Base of the Study and Some Characteristics of the Sample Households

The present study is based on a primary survey of 500 households spread over five districts of Punjab conducted in the second half of 2012. There are two sets of data named category-I and category-II. Category-I consists of 300 households spread over four districts i.e 75 households from each viz Bhatinda, Mansa, Mohali and Tarn Taran, whose lands were acquired during the last few years. For this we selected two locations from Bhatinda i.e village Fullokheri and Kanakwal where land was acquired for setting up Guru Gobind Singh Oil Refinery and village Ghudha where land was acquired for setting up Central University of Punjab. Similarly we selected two location from Mansa i.e villages Banawali and Raipur where land was acquired for setting up Talwandi Sabo Thermal Plant and village Gibindpura where land was also acquired for setting up a thermal plant. Incidentally Gobindpura is a village which came to prominence because there the affected farmers resorted to an agitation on the question of compensation of land being paid to them. We also covered in our survey four villages from Tarn Taran district where land was acquired for setting up Goindwal Sahib Thermal Plant. These villages are Hansanwala, Hothian, Pindian and Varrowal. Finally we selected households from five villages of district Mohali whose lands were acquired for setting up new sectors and building airport road and other sectoral grid roads. These villages are Bakarpur, Chilla, Mauli, Mauli Baidwan and Sohana. Thus we selected 300 households, 75 households from each of these four districts, viz Bhatinda, Mansa, Mohali and Tarn Taran. In each village selected for the survey we prepared a list with the help of village patwari and other knowledgeable persons such a village sarpanch and namberdar etc of all those whose lands were acquired. To ensure that all size classes of farmers were adequately represented we arranged these households from each village in asending order in terms of their size of holding and then selected the required number of farmers randomly by first selecting a random number and then moving upwards and downwards. But we also kept in mind that only those households should be considered for selection whose at least 50 % land was acquired. If a randomly selected household does not fulfill this condition, we replaced it with another household of roughly the same size of holding. The condition of 50 % land having been acquired was kept because our feeling was that if only a small proportion of areas of a farmer is acquired that acquisition may not have measurable impact on the household. If, however, half or more (in at least half the cases the entire land owned was acquired) land is acquired then the impact would be visible whether positive or negative.

The second set of data i.e category-II consists of 200 households from amongst those who were residents of villages on the outskirts of Ludhiana and Mohali and who had sold their lands to Mega Housing Projects or other private buyers.The land they sold is being put to non-agricultural uses. Thus, we selected 100 households from five villages namely Iyali Kalan, Jhammat, Jhande, Lalton Kalan and Tharike villages from Ludhiana, and another 100 households from villages around Mohali such as Bhagomajra, Balomajra, Chhajomajra, Jhungian, Karala, Manakmajra, Papri, Santemajra and Tira- Togan. The same procedure was used in picking households in this category as was used for selecting households for category-I. Thus, we finally have two categories of samples category –I consisting of 300 households spread over four districts of Bhatinda, Mansa, Mohali, and Tarn Taran whose lands were acquired and category-II of 200 households who sold their lands privately on their own accord. The rest of this chapter is devoted to a discussion of the main characteristics of the sample households belong to Category-I and Category-II.

Age of the Heads of Households

Table 2.1 shows age composition of the head of sample households. Nearly 50 % of farmers in our sample are above 50 years of age in both the categories. In category -I consisting of farmers whose

Table:2.1
Age Composition of Head of Households (Category-I)

	Below 30	30-40	40-50	50-60	60 & above	
Batindha	1 (1.33)	17 (22.67)	21 (26.67)	15 (20.0)	21 (28.0)	75 (100)
Mansa	3 (4.0)	17 (22.67)	20 (26.67)	20 (26.67)	15 (20.0)	75 (100)
Mohali	3 (4.0)	20 (26.67)	16 (21.33)	13 (17.33)	23 (30.67)	75 (100)
Tarn Taran	4 (5.33)	14 (18.67)	17 (22.67)	20 (26.67)	20 (26.67)	75 (100)
Total	11 (3.67)	68 (22.67)	74 (24.67)	68 (22.67)	79 (26.33)	300 (100)

Age Composition of Head of Households (Category-II)

	Below 30	30-40	40-50	50-60	60 & above	
Ludhiana	1	16	31	29	23	100
Mohali	2	20	29	26	23	100
Total	3 (1.5)	36 (18.0)	60 (30.0)	55 (27.5)	46 (23.0)	200 (100)

lands were acquired for non-agricultural purposes, this percentage is 49%, while in the second category consisting of those who sold their land for non agricultural purposes on their own accord this figure is 50.5 %. However, there are minor inter district variations. In Bathinda district the farmers above 50 years of age constitute 48% of the sample and in Tarn Taran its 53.33%. Similarly in category –II, those heads having age above 50 years or above constitute 52 % of the sample in Ludhiana district and 49% in Mohali. Again 47.33% of the heads in category -I and 48% in category-II are between 30 and 50 years of age. Those below 30 years of age constitute 3.67% in category-I and only 1.5 % among those who sold their land own their own.

Caste Composition of the Sample Households

In our sample of 300 households whose lands were acquired for non-agricultural purposes, 272 i.e more than 90% are from the general category mainly Jatt Sikhs. There are 20 (6.67%) households in our sample which belong to the category of scheduled castes. All those 20 SC households are from Tarn Taran district whose lands were acquired for Goinwal Sahib Thermal Plant. They are from Pindian and Varrowal villages. Seventeen of those twenty households belong to 'sansi' community and the remaining three are Majhbi Sikhs. Eighteen of those 20 households are marginal/ small farmer having land less than 5 acre each. Only two households from this category had land above 5 acres prior to acquisition. One household had 5.5 acre and the other owned 9 acres.

Table:2.2
Caste Composition of the Sample (Category-I)

	SC	OBC	Gen
Bhatinda	0	3	72
Mansa	0	5	70
Mohali	0	0	75
Tarn Taran	20	0	55
Total	20	8	272

Caste Composition of the Sample (Category-II)

	SC	OBC	Gen
Ludhiana	3	0	97
Mohali	0	0	100
Total	3	0	197

Smilaraly there are 8 households in our sample (2.67) who belong to the category of Other Backward Castes (OBC,s). Out of these 3 are in Bathinda and 5 are from Mansa district. Categorywise three of these 8 OBC households belong to 'Prajapati' caste (potters) living in village Phullokheri and each one of them owned one acre of land prior to acquisition. This is the village on the outskirits of Bhatinda where Guru Gobind Singh Oil Refinerery stands now. Out of the remaing five households two are Ramgarias(one from village Banawali and one from Raipur, Districts Mansa), two are 'nai'(barber) again one is from Banawali and one from Raipur and fifth is a 'Rai Sikh' from Banawali. These are villages whose lands were acquired for Talwandi Sabo Thermal Plant. All of them are small / marginal farmers. As for as category-II households are concerned 197 out of 200 i.e 98.5 are from the general category. Only three households in our sample from village, Jammat, district Ludhiana are Ramdasia Sikhs, a scheduld caste. All three are marginal farmers with 2.5 acres of land each.

Educational Qualification of Heads

Table 2.3 contains information about educational qualification of the heads of the households. Out of 300 hundred households in category- I (i.e those whose lands were acquired by the government) 112 (37.33%) heads are illiterate. Another 84 (28%) are literate but below matric. 92 (30.67%)are matriculate but below graduate and only 12 heads in our sample constituting 5.64% of the sample households in this category are graduate and above .In terms of education level of the heads in our sample Mohali has least numbers of illiterate heads i.e 16 out of 75 or 21.33% . On the other hand in Tarn Taran nearly half i.e 37 out of 75 heads (49.33%) are illiterate. In Mansa 41.33% heads in our sample are illiterates.While in Bhatinda 37.33% are illiterate. Conversly while in Mohali heads of 37 households i.e 49.33% are matriculate or above. This figure is 34.6 % in Mansa, 28% in Tarn Taran and only 26.67 % in Bhatinda. Infact, in Bhatinda there is not even a single head in our sample who is graduate while there are 3 graduates in Tarn Taran, 3 in Mohali and 8 in Mansa .Average numbers of years put in schooling by the heads of the households in our sample in the acquisition category is the least 4.52 years in Tarn Taran, 5.08 years in Bhatinda, 5.75 years in Mansa and 7.25 years in Mohali As for as the second category of 200 households (who sold their land on their own accord) is concerned, the education level of the heads in the sample is much higher compared to first category. Here illiterates constitutes only 10.5% whereas 37% are literate but below matric, 45.5% are matriculate but below graduation, and 7% are graduates and above. Thus, in this category more than 50% of heads in both Ludhiana and Mohali are at least matriculate and above. The average numbers of years put in schooling in this category is 8.58 in Ludhiana, 8.38 in Mohali and 8.48 for the sample as a whole in this category.

Table:2.3
Educational Qualification of the Head of Sample Households
(Category-I)

	Illiterate	Literate but below Matric	Matric but below graduation	Graduation and above	Average years of schooling
Bhatinda	28 (37.33)	27 (36.00)	20 (26.66)	0 (0.00)	5.08
Mansa	31.00 (41.33)	18 (24.00)	20 (26.66)	6 (8.00)	5.75
Mohali	16 21.33	22 29.33	34 45.33	3 4.00	7.25
Tarn Taran	37 (49.33)	17 (22.66)	18 (24.00)	3 (4.00)	4.52
Total	112 (37.33)	84 (28.00)	92 (30.66)	12 (4.00)	5.64

(Category-II)

	Illiterate	Literate but below Matric	Matric but below graduation	Graduation and above	Average years of schooling
Ludhiana	8	41	43	8	8.58
Mohali	13	33	48	6	8.38
Total	21 (10.50)	74 (37.00)	91 (45.50)	14 (7.00)	8.48

Demographic Characteristics of the Sample Households

Table-2.4 contains demographic information of the sample households of category –I (whose land was acquired) as also households from category-II (who sold their lands on their own accord). For category –I in our sample consisting of 300 households, there are altogether 1888 family members giving an average family size of 6.29 per households. However there are inter-districts variations in the family size in our sample. For example in Tarn Taran the average family size is the largest 7.17, followed by Mohali 6.24, Bhatinda 6 and Mansa 5.76. Out of 1888 family members in our sample in this category 1479 are adults, 744 (51.75) are male and the remaining 695 (48.30) are female adults. Thus the female: male ratio among the adults in our sample works outs to be 934: 1000, i.e 934 females per 1000 males. As for as children are concerned out of 449 children 258 (57.46) are male children where as the remaining 191 (42.54%) are female children. Thus amongst children below 15

years of age the female male ratio is only 740: 1000 i.e there are only 740 females per 1000 males . Thus sex ratio is much worse among children compared to adults. The gap between males and females among adults is less than three and a half percentage points but among children this gap widens to nearly 15 percentage points. Across districts the worst ratio among children is observed in Tarn Taran where there is a gap of 18.3 percentage points among male and female children followed by Bhatinda with a gap of 17.38 percentage points, Mansa 15.34 percentage points and Mohali 6.6 percentage points.

The table also shows the numbers of male and female students in our sample. Altogether there are 532 students in our sample in the first category. Out of them 303 (56.95%) are males and 229 (43.05%) are females. Thus the ratio between male and female students is roughly the same as the ratio between male and female children. However, the number of students in our sample (582) is much larger than the number of children 449. Given the fact that at least 1/3rd of the children can not be students because they are not in the school going age group, a substantial proportion among students are in fact adults who are still studying.

Out of 744 males in our sample in this category 616 (82.79%) are in fact working. Given the fact that some of the adults are still students and therefore not available for work, while some may be too old to work, it seems every able bodied male who is available for work, is in fact, working. Out of these 616 working adult males 559 (74.51 %) are working in agriculture. Another 49 of them (7.75%) are doing government jobs. 108 males in our sample are doing private jobs outside agriculture. Thus nearly three forth of male adults in our sample are working within agriculture and the remaining one forth are working in government or private sector outside agriculture.

Out of 695 female adults in our sample no one has reported to be working in agriculture. Instead they have enlisted themselves as doing domestic work. Only those who are doing formal jobs outside agriculture have reported themselves as working. Altogether only 15 female adults in our sample have reported themselves doing formal jobs outside agriculture. Twelve of them are doing government jobs and three are working in the private sector.

As for as category-II is concerned (those who sold their land on their own accord), we have surveyed 200 households. Altogether there are 587 members in the 100 households surveyed from Ludhiana giving an average family size of 5.87. Similarly from 100 hundred households from Mohali there are a

total of 583 family members giving an average family size of 5.83. For the sample as a whole in this category the average family size works out to be 5.85 which is smaller than the family size of category-I which is 6.29.

There are 478 (81.43) adults out of 587 family members in Ludhiana and 489 (83.87%) out of 583 family members in Mohali. Thus in this category 967 (82.87) are adults and the remaining 203 i.e (17.36%) are children below 15 years of age. Out of adults nearly 51 % are males and 49 % females in both Ludhiana and Mohali. Thus the sex ratio is even more balanced in this category compared to category –I as for as adult population in our sample is concerned. As for as children are concerned in Ludhiana there are more female children (56) than male children (53). In Mohali, however , the number of male children 55 (58.51%) is much more than female children 39 (41.49%). But for the sample as a whole the male female ratio in this category even among children is not that adverse. It is 53.2% males compared to 46.8% females. Thus gap among male children and female children is around 6% compared to nearly 15 % in category –I.

As in category –I, in category- II also, the ratio among male and female students is roughly the same as the ratio among male and female children . Considering the fact that at least 35 to 40 percent children may not be in the school going age group, the number of students among both male and females include a substantial proportion of adults among them.

As for as the participation of adult males in work is concerned in Ludhiana nearly three forth (75.52%) males are working in agriculture and the remaining (24.57%) are working outside agriculture either in Government jobs (5.29%) or in private jobs / enterprises (19.28%). In Mohali , however in our sample more than 89% of males are working in agriculture or related activities and only (10.75%) are working outside agriculture both government jobs and private jobs / enterprises accounting for nearly 5% each . For this category as a whole 82.27% adults male workers are working in agriculture and related activities and the remaining nearly 18% are working outside agriculture.

Table:2.4

Demographic Information of the Respondents (Category-I)

	No. of family member	Adults			Children			No .of students			Male adults working in Agriculture	Male adults salaried jobs outside agriculture		Total Male work Force	Female adults saliried jobs outside agriculture			Average family size
		Male	Female	**Total**	Male	Female	**Total**	Male	Female	**Total**		Govt.	Pvt.		Govt.	Pvt.	**Total**	
Bhatinda	450	178 (49.72)	180 (50.28)	358 (100)	54 (58.69)	38 (41.31)	92 (100)	79 (59.4)	54 (40.6)	133 (100)	128 (83.66)	4 (2.61)	21 (13.72)	153 (100)	3 (100)	0	3	6
Mansa	432	165 (51.24)	157 (48.76)	322 (100)	63 (57.72)	47 (42.38)	110 (100)	68 (56.66)	52 (43.33)	120 (100)	113 (78.47)	17 (11.8)	14 (9.72)	144 (100)	3 (100)	0	3	5.76
Mohali	468	205 (53.24)	180 (46.76)	385 (100)	44 (53.3)	39 (46.7)	83 (100)	71 (54.19)	60 (45.8)	131 (100)	117 (78.52)	11 (9.38)	21 (14.09)	149 (100)	1 (33.33)	2 (66.66)	3 (100)	6.24
Tarn Taran	538	196 (52.4)	178 (47.7)	374 (100)	97 (59.15)	67 (40.85)	164 (100)	85 (57.43)	63 (42.56)	148 (100)	101 (59.41)	17 (10.0)	52 (30.59)	170 (100)	5 (83.33)	1 (16.66)	6 (100)	7.17
Total	1888	744 (51.70)	695 (48.30)	1439 (100)	258 (57.46)	191 (42.54)	449 (100)	303 (56.96)	229 (43.04)	532 (100)	459 (74.51)	49 (7.95)	108 (17.53)	616 (100)	12 (80.00)	3 (20.00)	15 (100)	6.29

Demographic Information of the Respondents (Category-II)

	No. of family member	Adults			Children			No .of students			Male adults working in Agriculture	Male adults salaried jobs outside agriculture		Total Male work Force	Female adults saliried jobs outside agriculture			Average family size
		Male	**Female**	**Total**	**Male**	**Female**		**Male**	**Female**	**Total**		**Govt.**	**Pvt.**		**Govt.**	**Pvt.**	**Total**	
Ludhiana	587	243 (50.83)	235 (49.16)	478 (100)	53 (48.62)	56 (51.38)	109 (100)	83 (49.70)	84 (50.3	167 (100	145 (75.52)	10 (5.29)	37 (19.28)	192 (100)	4 (66.66)	2 (33.33)	6 (100)	5.87
Mohali	583	252 (51.53)	237 (48.47)	489 (100)	55 (58.51)	39 (41.49)	94 (100)	93 (59.23)	64 (40.76)	157 (100)	166 (89.25)	11 (5.91)	9 (4.83)	186 (100)	2 (50.0)	1 (50.0)	3 (100)	5.83
Total	1170	495 (51.19)	472 (48.81)	967 (100)	108 (53.2)	95 (46.8)	203 (100)	176 (54.32)	148 (45.68)	324 (100)	311 (82.27)	21 (5.55)	46 (12.77)	378 (100)	6 (66.33)	3 (33.33)	9 (100)	5.85

As in category -I here also most of the women have reported doing domestic work only and less than 2% women have reported doing jobs outside agriculture and /or domestic work.

Land- ownership-wise Distribution of Sample Households (category-I)

Table-2.5 shows the land ownership-wise distribution of sample households in districts of Bhatinda, Mansa ,Mohali and Tarn Taran for category -1 (i.e those whose lands were acquired by the state) and for category -2 (who sold their lands privately on their own accord) for district Ludhiana and Mohali. Out of 75 households in our sample belonging to category -1 from Bhatinda 14 (18.67%) are marginal farmers having less than 2.5 acres of land. Another 11 (14.66%) are small farmers having ownership of land between 2.5 to 5 acres. Twenty six farmers (34.66%) in our sample from Bhatinda are semi -medium farmers owning between 5 and 10 acres of land. Twenty farmers (26.67%) fall in the category of 10-20 acres which we have designated as medium farmers. Six respondents (8%) own land more than 20 acres each and we have designated them as large farmers. Together these 75 farmers owned 692 acres of land . Thus the average size of land ownership in Bhatinda in our sample works out to be 9.72 acre.

In our sample from Mansa 11 respondents (14.67%) are marginal farmers, 23 (30.67 %) are small farmers , 20 (26.67%) are semi -medium farmers , 16 (21.33%) are medium farmers and 5 (6.66%) are large farmers . Together these 75 farmers owned 654 acres 5 kanals of lands giving an average size of ownership holding of 8.72 acres. In Mohali, however, there is a preponderance of marginal and small farmers . Out of 75, 20 farmers (26.67 %) are marginal farmers and another 30 (40%) are small farmers. There are 18 (24%) semi -medium farmers and (9.33%) fall in the category of medium farmers. No one in our sample from Mohali had more than 20 acres of land. The average size of ownership holding in Mohali works out to be 5.27 acres only. In Tarn Taran also more than two third of the farmers in our sample are small and marginal farmers.* 22 (29.33%) out of 75 farmers in our sample from Tarn Taran are marginal farmers and 30 (40%) are small farmers . 18 (24%) farmers from Tarn Taran are semi -medium farmers , 3 (4%) are medium farmers and 2(2.66) large farmers . One of these large farmer own 72 acres and the other owns 26 acres of land.

*** The reason for preponderance of marginal and small farmers in our sample from Tarn Taran lies in the fact that the area acquired for Goindwal Sahib Thermal Plant lies along the Bias river. In this 'Mand area' a medium numbers of landless families belonging to SC/ ST category were allotted small plots of lands in early 1970's . in fact all the 20 households in our sample of 300 which belong to the SC category are from village Pindian and Varrowal in Tarn Taran district, and all of them except two are small and /or marginal farmers.**

For the sample as a whole for category -1 (i.e those whose lands were acquired) out of 300 farmers 67 (22.33%) are marginal farmers, 92 (30.67%) are small farmers, 82 (27.33%) are semi -medium farmers , 46 (15.33%) are medium farmers and 13 (4.33) are large farmers . The average size of ownership holding in our sample works out to be 7.29 acres.

Table:2.5

Land Owership-wise Distribution of Surveyed households Prior to Land Acquisition (Category-I)

	Marginal	Small	Semi - medium	Medium	Large	Total Farmers	Total land owned	Average size of ownership holding
Batindha	14	9	26	20	6	75	692	9.22
Mansa	11	23	20	16	5	75	654.5	8.72
Mohali	20	30	18	7	0	75	395.6	5.27
Tarn Taran	22	30	18	3	2	75	422.1	5.62
Total	67	92	82	46	13	300	2164.4	7.21

Land Owership-wise distribution of Surveyed Households Prior to Land Sale (Category- II)

	Marginal	Small	Semi - medium	Medium	Large	Total Farmers	Total land owned	Average size of ownership holding
Ludhiana	37	30	28	4	1	100	457.6	4.57
Mohali	25	34	36	5	0	100	508.6	5.08
Total	62	64	64	9	1	200	966.4	4.83

As for the second category in our sample is concerned (i.e those who lived in village on the urban fringe of Ludhiana and Mohali and who sold their lands on their own accored largely for urban housing) we have sample of 100 households from each district. Out of 100 households from Ludhiana 37 are marginal farmers ,30 are small farmers , another 28 are semi -medium farmers , 4 belong to the category of medium farmers owning 10-20 acres and one is a large farmer owning 22 acres of land . From Mohali districts in category-II out of 100 sample households 25 are marginal farmers, 34 are small farmers, 36 are semi -medium farmers and 5 are medium farmers with more than 10 acres each. There is no one in our sample from Mohali who had more than 20 acre of land. The average size of ownership holding in our sample in category -II works out to be 4.67 acres in Ludhiana and 5.08 acres

in Mohali. For the sample as a whole in this category, the average size of ownership holding is 4.83 acres per household only.

Land owned by Various Categories of Sample Farmers before Land Acquisition, Land Acquired, Land Purchased subsequently and their Present Position

Table-2.6 shows the details of land owned by various categories of sample farmers/prior to land acquisition, how much of it was acquired and the area left with them. It also contains information about the land purchased by those farmers subsequently with the compensation received and the area presently owned by them. Column -1 of the table shows the numbers of holding falling in each size class . Column- 2 shows the land (in Acres) owned by that size class prior to land acquisition. Column-3 gives average size of ownership holding for each size class. Column-4 contains information about land acquired (in acres) from each size class. Column-5 gives us information about the percentage of land acquired out of the total land owned by each size class. Column-6 shows the land left with them after acquisition. Column -7 tells us how much land they subsequently purchased with the compensation received and columns-8 tells us how much land they now own. Column -9 shows land purchased as percentage of land acquired.

A look at column-1 shows those 300 households from category -1 (whose land was acquired) together owned 2164 acres and 4 knals of lands prior to land acquisition. Out of this 1758.2 acres were acquired. Thus 81.23% of the total land owned by these 300 sample households was acquired. This percentage, however, varies across categories as well as districts. For example, in case of marginal farmers 121.5 out of a total 125.1 acres owned by them was actually acquired which works out to be nearly 97 % of the total land they owned prior to acquisition . In case of small farmers this percentage is 82.69. It is 82.44 % in case of semi -medium farmers. This percentage further comes down to 77.70 % in case of medium farmers owning between 10 and 20 acres of land. It is 78.30 % in case of large farmers owning more than 20 acres of land each. Thus, there appears to be a negative relationship between the percentage of area acquired out of the total area owned and the farm size i.e as we move from smaller to larger land holders the area acquired as percentage of total area owned go on declining.

A more or less similar picture emerges at the districts level. Except Mohali where almost the entire land owned by almost all categories of farmers was acquired, in other three districts, except for a few exceptions, generally this pattern holds true even at the district level.

Column -9 of the table shows the land purchased by each size class as percentage of land acquired from them. A perusal of this column shows that for the sample as a whole for each 100 acres

acquired, 127 acres were purchased .Across categories this percentage is the highest (170.37%) for small farmers, followed by marginal farmers (148.23%) . For relatively larger size categories of semi - medium, medium and large farmers this percentage is 114.20, 119.08 and 112.16% respectively.

Table: 2.6

Land owned by various categories of sample farmers prior to Acquisition, Land Acquired, Land purchased subsequently and their present position (category-I)

	No. of farmers	Land owned before sale /acquisition	Average Size	Land acquired/ sold	Column 4 as % of 2	Land left with them	Land Purchased	Land in Acres at present	Land purchased as % of land acquired	Average Compensation received per acre
	1	2	3	4	5	6	7	8	9	10
Bhatinda										
Marginal	14	25.6	1.83	24.2	94.53	1.4	32.3	33.7	133.42	
Small	9	37.6	4.17	30.1	80.05	7.5	50.6	58.3	168.11	
Semi -medium	26	201.6	7.76	156.5	77.62	45.1	179.1	224.2	114.44	1572065
Medium	20	274.6	13.73	207.1	75.41	67.5	204.4	272.1	98.7	
Large	6	152	25.33	129	84.86	23	158	181	122.48	
Total	75	692	9.22	547.1	79.06	144.7	624.6	769.5	114.16	
Mansa										
Marginal	11	23.3	2.12	22.7	97.42	0.4	20	20.4	88.1	
Small	23	92.4	4.02	74.1	80.19	18.3	69.7	88.2	94.06	
Semi -medium	20	145.6	7.28	124	85.16	21.6	119.2	141	96.13	1636879
Medium	16	232	14.5	177.2	76.37	54.6	178.2	233	100.67	
Large	5	161	32.2	132	81.98	29	124.4	153.4	94.24	
Total	75	654.5	8.73	530.2	81.00	124.3	511.1	636.2	96.39	
Mohali										
Marginal	20	41.2	2.06	41.2	100	0	109.4	109.4	265.53	
Small	30	115.4	3.85	114.4	99.13	1	316	317	276.22	
Semi -medium	18	142.6	7.93	141.4	99.15	1.2	220	221.2	155.58	7331469
Medium	7	96.2	13.75	96.2	100	0	198	198	205.82	
Large	0	0		0			0	0		
Total	75	395.6	5.27	393.4	99.43	2.2	843.2	845.6	214.28	
Tarn Taran										
Marginal	22	35	1.59	33.2	94.85	1.6	18.2	20	54.82	
Small	30	116.1	3.87	80.3	69.16	35.6	73.1	108.7	91.03	1621191
Semi -medium	18	128	7.11	87.6	68.43	40.2	63.6	104	72.6	
Medium	3	45	15	23	51.11	22	19	41	82.6	

Large	2	98	49	63	64.28	35	81	116	128.57	
Total	75	422.1	5.62	287.3	68.06	134.6	255.1	389.7	88.78	
Total Sample										
Marginal	67	**125.3**	1.87	121.5	96.96	3.6	180.1	183.7	148.23	2886657
Small	92	361.7	3.93	299.1	82.69	62.6	509.6	572.4	170.37	
Semi -medium	82	618.2	7.54	509.7	82.44	108.3	582.1	690.4	144.2	
Medium	46	648	14.08	503.5	77.7	144.3	599.6	744.1	119.08	
Large	13	411	31.61	324	78.3	87	363.4	450.4	112.16	
Total	300	2164.4	7.21	1758.2	81.23	406.2	2235	2641.4	127.13	

*The area is in acres. The figure after the decimal point is in kanals.

A look at various districts shows that the major gainers are farmers from Mohali. Together they purchased 843.4 acres of land compared to 339.4 acres acquired which works out to be 214.38 % which means for every acre acquired they purchased 2.14 acres. The second position is taken by Bhatinda where land purchased by sample farmers is 624.6 acres compared to 547.1 acres acquired from them (114.16%). In both these districts the percentage of land purchased compared to land acquired is higher for the smaller categories i.e small and marginal farmers compared to relatively larger farmer categories. On the contrary in Tarn Taran and Mansa districts the area purchased is less than the area acquired .In these districts the worst suffers are also marginal and small farmers. Thus in districts where farmers are net gainers the major beneficiaries are small and marginal farmers. However, in districts where farmers are net losers, the major losers are also marginal and small farmers only.

Table -2.7 has information about our respondents belonging to category -II. As in category -1 , here also the land sold as percentage of area owned go on declining as we move from smaller to medium land holding categories. For example, for the sample as a whole this percentage is 90.98 for marginal farmers, it goes down to 86.17 % for small farmers, 86.04% for semi -medium category of farmers. 81.73% for medium farmers and only 54.54 % for large farmers (incidentally there is only one farmer owning more than 20 acres of land in our sample in this category). However, when we look at the two districts i.e Ludhiana and Mohali separately we find that while in Mohali almost the entire land (507 acres and 6 kanal out of 508 acres and 6 kanals) was sold, this inverse relationship between farm size and percentage of land sold in our sample in this category emerges entirely because of this phenomenon being observed in Ludhiana.

Another thing that emerges from these tables is the fact that while in category-I (Acquisition category) only respondent farmers from Mohali and some categories of the respondent farmers from Bhatinda were the net gainers in terms of land purchased subsequent to land acquired, in case of category -II

sample (land sold on their own accord) every category of farmers is a net beneficiary in term of land purchased subsequently to land sale in both Ludhiana as well as Mohali.

Table:2.7
Land owned by various categories of sample farmers prior to sale , land sold , land purchased subsequently and their present position (category-II)

	No. of farmers	Land owned before sale /acquisition	Average Size	Land acquired/ sold	Column 4 as % of 2	Land left with them	Land Purchased	Land in Acres at present	Land purchased as % of land acquired	Average Compensation received per acre
	1	2	3	4	5	6	7	8	9	10
Ludhiana										
Marginal	37	76.6	2.07	66	86.16	10.6	248.3	259.1	324.15	
Small	30	111	3.7	76.4	68.82	34.4	234.2	268.6	306.15	
Semi - medium	28	201	7.17	136.4	67.86	64.4	410.4	475	300.87	4865667
Medium	4	47	11.75	28	59.57	19	102.5	121.5	366.07	
Large	1	22	22	12	54.54	10	15	25	125	
Total	100	457.6	4.57	319	69.71	138.6	1011	1149.4	316.8	
Mohali										
Marginal	25	52	2.08	51	98.07	1	175.6	176.6	344.31	
Small	34	139.2	4.09	139.2	100	0	375	378	269.39	
Semi - medium	36	260.6	7.23	260.6	100	0	775	**772**	299.39	9563311
Medium	5	57	11.40	57	100	0	142	142	249.12	
Large	0	0	0.00	0				0		
Total	100	508.6	5.08	507.6	99.80	1	1468	1468.6	289.12	
Total Sample										
Marginal	62	128.6	2.07	117	90.98	11.6	424.1	435.7	362.47	
Small	64	250.2	3.90	215.6	86.17	34.4	609.2	646.6	281.16	
Semi - medium	64	461.6	7.21	397.2	86.04	64.4	1185	1247	298.43	6639132
Medium	9	104	11.55	85	81.73	19	244.5	263.5	287.64	
Large	1	22	22.00	12	54.54	10	15	25	125	
Total	200	966.4	4.83	826	85.53	139.6	2478	2618.2	299.83	

In Ludhiana sample except for the lone large farmer (who sold 12 acres and purchased 15 acres only) all others categories of respondent farmers purchased at least 3 acres of land elsewhere for every

acre sold on the urban fringe . This multiplier is 3.14 for marginal farmers, 3.06 for small farmers, 3.01 for semi -medium farmers and 3.66 for medium farmers . Similarly for Mohali districts this multiplier is 2.89 for all categories of farmers and it ranges from 3.44 for marginal farmers to 2.49 for medium farmers .Thus for the sample as a whole, 200 respondents in this category of farmers sold 826.6 acres and purchased elsewhere 2618.2 acres i.e purchased three times more land compared to what they sold on the urban fringe . They in fact, are the real beneficiaries of urban growth in the recent past.

Another interesting fact that emerges from table-2.7 is the wide difference in price received per acre by our sample farmers from Ludhiana and Mohali. While a farmer in our sample from Ludhiana received on an average Rs. 4865667 per acre for the land sold on the urban fringe, farmers in Mohali on an average received more than Rs. 95.63 lacs per acre. While there may be some under reporting by the Ludhiana farmers but largely this difference in price received is attributable to the fact that while Ludhiana respondents sold their lands quite a few year back (7-8 years), most respondents in Mohali sold their lands during the last 4-5 years . When Ludhiana farmers sold their lands at Rs. 48.65 lac per acre then price of agricultural land elsewhere was also low only in the region of 8-10 lacs per acre. By the time Mohali farmers sold their lands at an average price of Rs. 95.63 lacs, land elsewhere had also shoot up to more than 25 lacs per acre. That is why even though Ludhiana respondents received much lower per acre price compared to Mohali respondents, yet the multiplier (land purchased compared to land sold) is higher for Ludhiana respondents compared to farmers of Mohali in this category. But be as it may all categories of farmers living on the urban fringe who sold their lands on their own accord substantially benefited from rising land prices as a result of urban expansion in both Ludhiana as well Mohali.

Chapter-3

Utilization of Compensation Received / Funds Obtained from Sale of Land

The process of acquisition is considered complete once compensation has been paid and it is accepted by the farmers whose lands are acquired. Hence, it is logical to start our inquiry from how much compensation was paid to respondent farmers in each district and how the money received has been utilized by them. It is important to know how compensation received by farmers is utilized because large cash in the hands of semi-literate farmers can be easily squandered leading to affected families becoming impoverished over the period of time. Table 3.1 gives details of per household compensation received by each size category of respondent farmers in the four districts and for the sample as a whole. The table also contains information regarding how compensation received is utilized by each size class of respondent farmers. We have divided the expenditure out of compensation of these households into ten categories. Column-2 of the table shows the amount invested in agricultural land. Since land is the most important asset for a farmer, therefore the first thing a farmer would think of buying in case of land acquisition is to buy back as much land as possible. Thus we expect a large proportion of compensation received being invested in buying agricultural land. Column -3 shows amount invested on house construction / renovation. We expect a relatively large proportion of total compensation being spent on housing in the case of small and marginal farmers who may not be having reasonably good pucca houses earlier and may go in for some new construction or improvement in existing structures. Since agriculture continue to be the primary occupation of an over whelming majority of respondent households, we expect them to spend some money on agricultural implements which is shown in column-4. To meet the genuine transport needs of the family or to show off that they are well off now particularly in villages of Mohali where the per acre compensation was much higher (Rs7331469 per acre compared to average per acre compensation of Rs 1572065 in Bhatinda, Rs 1636879 in Mansa and Rs 1621191 in Tarn Taran) respondent families may have gone for buying car/Jeep or even SUV's. The expenditure incurred on these items is shown in column-5.

Farmers do spend money on marriages and other social and religious ceremonies even in the routine. But once they got large sums of money in hand, they may have spent on these items rather liberally. This is shown in column 6. Then they may have spent some money on other household articles. Some farmers also tried to set up some enterprises related to agriculture such as buying combine harvesters for custom hiring. Some tried their hands at the transport business. Some others set up

Table-3.1
Household-wise Compensation Received and its Utilization (in Rs) (Category-I)

	Total compensation received	Amount invested in agricultural land	Expenditure on house construction/ renovation	Tractor /other agricultural implements	Expenditure on SUV/Car/Jeep	Expenditure on marriage / social ceremonies	Any other item bought	Bonds / Fixed deposits	Jewellery	Loan repaid	Other Expenditure
	1	2	3	4	5	6	7	8	9	10	11
Bhatinda											
Marginal	4057143 (100)	2835938 (69.90)	388929 (9.59)	39286 (0.97)	8000 (0.20)	161607 (3.98)	14286 (0.35)	99643 (2.46)	14286 (0.35)	104107 (2.57)	391063 (9.64)
Small	6980972 (100)	5441667 (77.95)	435556 (6.24)	93889 (1.34)	0 (0.00)	544444 (7.80)	277778 (3.98)	55556 (0.80)	0 (0.00)	55556 (0.80)	76528 (1.10)
Semi-medium	9727692 (100)	8259904 (84.91)	332692 (3.42)	36538 (0.38)	53846 (0.55)	101058 (1.04)	105192 (1.08)	351731 (3.62)	0 (0.00)	95721 (0.98)	391010 (4.02)
Medium	12506913 (100)	10236275 (81.84)	530000 (4.24)	85250 (0.68)	101000 (0.81)	308813 (2.47)	370375 (2.96)	448100 (3.58)	25000 (0.20)	186250 (1.49)	215850 (1.73)
Large	39565000 (100)	30077083 (76.02)	2850000 (7.20)	206000 (0.52)	675000 (1.71)	66667 (0.17)	525000 (1.33)	3333333 (8.42)	0 (0.00)	400000 (1.01)	1431917 (3.62)
Total	11467693 (100)	9181648 (80.07)	609533 (5.32)	70480 (0.61)	101093 (0.88)	218217 (1.90)	213233 (1.86)	533360 (4.65)	9333 (0.08)	140950 (1.23)	389845 (3.40)
Mansa											
Marginal	4071136 (100)	2731614 (67.10)	145455 (3.57)	0 (0.00)	81818 (2.01)	45455 (1.12)	4545 (0.11)	707500 (17.38)	0 (0.00)	195455 (4.80)	159295 (3.91)
Small	6595820 (100)	5666652 (85.91)	208696 (3.16)	78261 (1.19)	26087 (0.40)	0 (0.00)	1717 (0.03)	163913 (2.49)	4348 (0.07)	186957 (2.83)	259190 (3.93)
Semi-medium	10323438 (100)	8584900 (83.16)	462500 (4.48)	30000 (0.29)	27500 (0.27)	0 (0.00)	105000 (1.02)	455000 (4.41)	50000 (0.48)	388500 (3.76)	220038 (2.13)
Medium	16724266 (100)	13603375 (81.34)	678750 (4.06)	86875 (0.52)	59688 (0.36)	198438 (1.19)	281250 (1.68)	725625 (4.34)	0 (0.00)	375000 (2.24)	715266 (4.28)
Large	39466000 (100)	35841000 (90.81)	500000 (1.27)	100000 (0.25)	400000 (1.01)	100000 (0.25)	0 (0.00)	2160000 (5.47)	0 (0.00)	235000 (0.60)	130000 (0.33)
Total	11571645 (100)	9719170 (83.99)	386800 (3.34)	57200 (0.49)	66733 (0.58)	55667 (0.48)	89193 (0.77)	574167 (4.96)	14667 (0.13)	285267 (2.47)	322782 (2.79)
Mohali											
Marginal	13937500 (100)	10186250 (73.09)	1236250 (8.87)	131250 (0.94)	307750 (2.21)	120000 (0.86)	75000 (0.54)	1252500 (8.99)	107000 (0.77)	80500 (0.58)	441000 (3.16)
Small	33346000 (100)	25683333 (77.02)	1778667 (5.33)	410000 (1.23)	626333 (1.88)	208333 (0.62)	143333 (0.43)	2761667 (8.28)	420000 (1.26)	108333 (0.32)	1206000 (3.62)
Semi-medium	39515000 100	29661111 (75.06)	3005556 (7.61)	513889 (1.30)	961111 (2.43)	161111 (0.41)	4444 (0.01)	3844444 (9.73)	345556 (0.87)	125000 (0.32)	892778 (2.26)
Medium	12768571 4 (100)	98200000 (76.91)	9971429 (7.81)	628571 (0.49)	1639286 (1.28)	600000 (0.47)	0 (0.00)	1167142 9 (9.14)	1307143 (1.02)	190000 (0.15)	3477857 (2.72)
Large	-	-	-	-	-	-	-	-	-	-	-
Total	38456000 (100)	29273667 (76.12)	2693133 (7.00)	381000 (0.99)	716267 (1.86)	210000 (0.55)	78400 (0.20)	3450667 (8.97)	401467 (1.04)	112533 (0.29)	1138867 (2.96)
Tarn Taran											
Marginal	2356409 (100)	422727 (17.94)	379432 (16.10)	77273 (3.28)	34091 (1.45)	148153 (6.29)	62955 (2.67)	1021305 (43.34)	0 (0.00)	142159 (6.03)	68315 (2.90)
Small	4320175 (100)	2590958 (59.97)	420000 (9.72)	25333 (0.59)	33333 (0.77)	187000 (4.33)	63000 (1.46)	677467 (15.68)	0 (0.00)	228333 (5.29)	94750 (2.19)
Semi-medium	8079559 100	4558958 (56.43)	337500 (4.18)	391667 (4.85)	168889 (2.09)	235625 (2.92)	255556 (3.16)	1623889 (20.10)	0 (0.00)	305556 (3.78)	201920 (2.50)
Medium	12381667 (100)	10916667 (88.17)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	1100000 (8.88)	0 (0.00)	300000 (2.42)	65000 (0.52)
Large	50872500 (100)	32962500 (64.79)	5000000 (9.83)	2500000 (4.91)	1000000 (1.97)	1112500 (2.19)	1697500 (3.34)	4100000 (8.06)	0 (0.00)	2500000 (4.91)	0 (0.00)
Total	6210244 (100)	3570200 (57.49)	493633 (7.95)	193467 (3.12)	90533 (1.46)	204475 (3.29)	150267 (2.42)	1113636 (17.93)	0 (0.00)	285033 (4.59)	109000 (1.76)
Total Sample											
Marginal	6450351 (100)	4220535 (65.43)	598769 (9.28)	72761 (1.13)	118164 (1.83)	125700 (1.95)	46791 (0.73)	846212 (13.12)	34925 (0.54)	124552 (1.93)	261941 (4.06)
Small	14614325 (100)	11168878 (76.42)	811739 (5.55)	170707 (1.17)	221630 (1.52)	182174 (1.25)	94886 (0.65)	1167870 (7.99)	138043 (0.94)	161957 (1.11)	496441 (3.40)
Semi-medium	16049888 (100)	12224595 (76.17)	952134 (5.93)	217683 (1.36)	271829 (1.69)	119131 (0.74)	116037 (0.72)	1422866 (8.87)	88049 (0.55)	219619 (1.37)	417946 (2.60)
Medium	31492859 (100)	24837598 (78.87)	1983913 (6.30)	162935 (0.52)	314130 (1.00)	294592 (0.94)	258859 (0.82)	2295043 (7.29)	209783 (0.67)	259891 (0.83)	876114 (2.78)
Large	41266538 100	32737885 (79.33	2276923 (5.52	518154 (1.26	619231 (1.50	240385 (0.58	503462 (1.22	3000000 (7.27)	0 (0.00)	659615 (1.60)	710885 (1.72)
Total	16926396 (100)	12936171 (76.43)	1045775 (6.18)	175537 (1.04)	243657 (1.44)	172090 (1.02)	132773 (0.78)	1417957 (8.38)	106367 (0.63)	205946 (1.22)	490123 (2.90)

brick kiln, saw mill and other such enterprises. Some of the farmers bought residential and commercial property in the nearby urban centers. Some bought cows and buffalos to set up and expand dairy activity. All these expenses are put under the category of “other items bought” and are shown in column 7 of the table. Most respondent tried to keep some money, with them in the liquid form, which was kept with banks as bonds and fixed deposits. This was observed particularly significant in the case of two types of households. One, those who are in regular jobs somewhere else and were doing agriculture as part time activity even before land acquisition. Secondly those farmers who got large sums of money as compensation as happened in the case of farmers of district Mohali in our sample. So money kept in banks as fixed deposits is shown in column-8.

We Indians generally have weakness for buying gold and when funds are available the temptation to buy gold is all the more pronounced. Expenditure on gold and jewellery is given in column-9. We all know that farmers in Punjab have borrowed large sums of money for both production and consumtion purposes. This is particularly significant in areas like Bhatinda, Mansa and Tarn Taran. Once they got liquid cash with them, one of the first thing they did was to repay these outstanding loans. Even otherwise once they have sold their lands (even if acquired) even the creditors would not leave them until they pay back their money. So column -10 shows money out of compensation spent as repayment of loans. Any other expenditure which is not covered in the already mentioned categories is shown in ‘other expenditure’ in column 11.

A look at the table shows that average per household compensation received is the lowest (Rs. 6210244) in Tarn Taran and highest (Rs 38456000) in Mohali . In Bhatinda the average per household compensation received was Rs 11467693 and it was Rs 11571645 in Mansa. The unusually high per households compensation received in Mohali is because of the fact that average per acre compensation was very high. On the contray the unusually low per household compensation received in Tarn Taran despite the fact that the per acre compensation paid was, in fact, slightly higher than the per acre compensation paid in Bhatinda and Mansa is attributable to the fact that there was a preponderance of marginal and small farmers in our sample from Tarn Taran. As already mention in the proceeding chapter nearly 70 % of the households in our sample from Tarn Taran are, in fact, small and marginal farmers only and a substantial proportion among them are from scheduled caste families who were allotted small plots of land by the government in 1960’s and early 1970’s under the category of surplus land to the landless families.

As for as the utilization of compensation is concerned the table shows that the first priority of almost all size classes of farmers in all the districts (except marginal farmers of Tarn Taran has

been buying agricultural land. The proportion of total compensation received being invested in land varies from 83.99 percent in Mansa, to 57.49 percent in Tarn Taran. It is 80.07 in Bhatinda and 76.12% in Mohali. For the sample as a whole 76.43% of the total compensation received by respondent farmers has been spent on buying agricultural land. Thus we find that more than three fourth of the total funds received as compensation have been invested in agricultural land.

The marginal farmers category from Tarn Taran in our sample is the only category which invested only 17.94% of the total compensation received in agricultural land. In fact 12 respondent households out of a total of 22 marginal farmers from Taran Tarn did not buy any land. Caste-wise four of them are from the Sansi caste and three are Majhbi Sikhs which means that seven out of these twelve are from the traditional non-cultivating classes. They became land owners only recently courtesy Government of Punjab which allotted them plots. Out of the five Jat Sikh families who were marginal farmers at the time of acquisition and who did not buy any land post acquisition , four are having regular jobs outside agriculture. One of them is now working as agricultural laborer.

The second priority at the state level for sample as a whole goes to fixed deposits. Some 8.38% of the total compensation received by the respondents have been kept with the banks in the form of fixed deposits. This percentage varies from 17.93% in Tarn Taran to 8.97 % in Mohali, 4.96% in Mansa and 4.65 % in Bhatinda. Infact, in Bhatinda fixed deposits have third rank and the second rank in terms of relative priority goes to house construction / renovation. In all other districts as well as for the sample as a whole the third largest item of expenditure has been house construction/renovation. It accounts for 7.95% of the total funds received in Taran Tarn, 7% in Mohali, 5.32 % in Bhatinda, 3.34 % in Mansa and 6.18% for the sample as a whole. As expected, marginal farmers in Bhatinda, Mohali, Tarn Taran and sample as a whole spent significantly higher percentage of funds on house construction / renovation compared to relatively larger categories of farmers.

The fourth most significant item of expenditure out of funds received as compensation has been "Other Expenditure" in the case of Bhatinda, Mansa, Mohali and total sample while in the case of Tarn Taran farmers the fourth largest item of expenditure has been loans repaid. The first four item together account for nearly 95% of the total compensation received by farmers in Bhatinda and nearly 88 % in Tarn Taran. It works out to be nearly 94 % for the sample as a whole.

Other items which account for more than one percent of the total compensation received are loan repaid and marriages and social ceremonies in Bhatinda, loans repaid in Mansa, buying SUV/Car/Jeep in Mohali and all three i.e settling old loans , marriage/ social ceremonies and buying SUV/ Car / Jeep in Tarn Taran. Thus settling old debts has been an important item of expenditure in

Tarn Taran, Mansa and Bhatinda but it is not very significant in Mohali . On the other hand buying SUV/ Car / Jeep is a significant item of expenditure in Mohali and Tarn Taran but not in Bhatinda and Mansa.Expenditure on marriages / social ceremonies is relatively larger in Bhatinda and Tarn Taran but not in Mohali and Mansa. In absolute terms repayment of loans accounted for approximately Rs. 2.85 lac per households in Mohali and Tarn Taran Rs 1.41 lac in Bhatinda and Rs. 1.12 lac in Mohali. Similarly an average household spent more than Rs 2 lacs on marriage and social ceremonies in Bhatinda, Mohali and Tarn Taran but it was nearly 55 thousands in Mansa. The money spent by the average household on buying SUV/ Car/ Jeep was 7.16 lacs in Mohali followed by Bhatinda Rs. 1.01 lac, Tarn Taran Rs. 90.5 thousands and Mansa Rs 66.7 thousands.

Again expenditure on buying tractor and other agricultural machinery is significant in Tarn Taran (3.1%) (largely because one medium farmer bought three combine harvesters for custom hiring) and Mohali 0.99 % but not in Bhatinda and Mansa . Similarly expenditure on buying jewellery is nil in the case of Tarn Taran, very minor in the case of Bhatinda and Mansa but quite significant 1.04 % in Mohali (It works out to be more than Rs 4 lac per household in absolute terms). The reason for this is obvious as in Mohali farmers got large sums of money as compensation and perhaps they could spare some money even to buy jewellery.

Even if we take money spent on land purchase, house construction and / or renovation, tractor and other agricultural implements, bonds/ fixed deposits and old debt settlements as money well spent then, for the sample as a whole 93.08% of the total amount received as compensation fall in this category. This figure stands at 91.08% for Tarn Taran, 93.07 % for Mohali, 94.05% for Bhatinda and 95.57 % for Mansa. This, however, does not mean that the remaining (nearly7%) spent on other item was necessarily wasteful expenditure. At least a portion the expenditure on other item must have been necessary and / or useful. Thus generally we can say that the money received by the respondent farmers as compensation was spent wisely and if a section of these farmers have still not come up to their pre - acquisition position then the problem lies not with the farmers decision making but it may be because of the low compensation per acre paid to them in relation to the prevailing price of land in the market at that time. We will discuss this issue in detail in the next chapter.

Table 3.2 shows the sale proceeds received by households belonging to various size categories of farmers in villages of district Ludhiana and district Mohali belonging to category -II and the utilization of that amount on various items. Column-1 of the table shows that an average household in our sample from Ludhiana received Rs 15521575 from the sale of land they sold for urban housing and other non-agricultural purposes. As discussed in the proceeding chapter, it must be born in mind that a majority of the households in Ludhiana sold only a part of the land they were having and are

Table:3.2

Household-wise Compensation Received and its Utilization (in Rs)

(Category-II)

	Total compensation received	Amount invested in agricultural land	Expenditure on house construction/renovation	Tractor /other agricultural implements	Expenditure on SUV/Car/Jeep	Expenditure on marriage / social ceremonies	Any other item bought	Bonds/Fixed deposits	Jewellery	Loan repaid	Other Expenditure
Ludhiana	1	2	3	4	5	6	7	8	9	10	11
Marginal	10321622 (100)	6835270 (66.22)	1536486 (14.89)	37162 (0.36)	179459 (1.74)	366216 (3.55)	31351 (0.30)	1145946 (11.10)	49324 (0.48)	0 (0.00)	140405 (1.36)
Small	13496667 (100)	8269500 (61.27)	1676667 (12.42)	55000 (0.41)	315333 (2.34)	400000 (2.96)	177917 (1.32)	2171667 (16.09)	79667 (0.59)	93333 (0.69)	257583 (1.91)
Semi-medium	23248482 (100)	11111607 (47.79)	2264286 (9.74)	128571 (0.55)	340536 (1.46)	150000 (0.65)	407143 (1.75)	8408571 (36.17)	115000 (0.49)	107143 (0.46)	215625 (0.93)
Medium	23000000 (100)	16450000 (71.52)	1850000 (8.04)	137500 (0.60)	675000 (2.93)	0 (0.00)	0 (0.00)	3800000 (16.52)	42500 (0.18)	0 (0.00)	45000 (0.20)
Large	22400000 (100)	11700000 (52.23)	3600000 (16.07)	0 (0.00)	700000 (3.13)	0 (0.00)	0 (0.00)	6000000 (26.79)	250000 (1.12)	0 (0.00)	150000 (0.67)
Total	15521575 (100)	8896150 (57.31)	1815500 (11.70)	71750 (0.46)	290350 (1.87)	297500 (1.92)	178975 (1.15)	3641900 (23.46)	78550 (0.51)	58000 (0.37)	192900 (1.24)
Mohali											
Marginal	18996000 (100)	12614000 (66.40)	1408000 (7.41)	121600 (0.64)	562000 (2.96)	63200 (0.33)	0 (0.00)	3628000 (19.10)	372000 (1.96)	16000 (0.08)	211200 (1.11)
Small	43925000	34005882 (77.42)	2330588 (5.31)	535588 (1.22)	825000 (1.88)	323529 (0.74)	79412 (0.18)	4820588 (10.97)	602941 (1.37)	2941 (0.01)	398529 (0.91)
Semi-medium	61265278 (100)	48661111 (79.43)	3202778 (5.23)	623778 (1.02)	913889 (1.49)	416667 (0.68)	950000 (1.55)	5261111 (8.59)	713889 (1.17)	0 (0.00)	522056 (0.85)
Medium	138000000 (100)	109890000 (79.63)	6400000 (4.64)	918000 (0.67)	1488000 (1.08)	1400000 (1.01)	392000 (0.28)	14100000 (10.22)	1140000 (0.83)	0 (0.00)	2272000 (1.65)
Large	-	-	-	-	-	-	-	-	-	-	
Total	48639000 (100)	37728000 (77.57)	2617400 (5.38)	482960 (0.99)	824400 (1.69)	345800 (0.71)	388600 (0.80)	5145000 (10.58)	612000 (1.26)	5000 (0.01)	489840 (1.01)
Total Sample											
Marginal	13819355 (100)	9165403 (66.32)	1484677 (10.74)	71210 (0.52)	333710 (2.41)	244032 (1.77)	18710 (0.14)	2146774 (15.53)	179435 (1.30)	6452 (0.05)	168952 (1.22)
Small	29661719 (100)	21941953 (73.97)	2024063 (6.82)	310313 (1.05)	586094 (1.98)	359375 (1.21)	125586 (0.42	3578906 (12.07)	357656 (1.21	45313 (0.15)	332461 (1.12)
Semi-medium	44632930 (100)	32233203 (72.22)	2792188 (6.26)	407125 (0.91)	663047 (1.49)	300000 (0.67)	712500 (1.60)	6638125 (14.87)	451875 (1.01)	46875 (0.11)	387992 (0.87)
Medium	86888889 (100)	68361111 (78.68)	4377778 (5.04)	571111 (0.66)	1126667 (1.30)	777778 (0.90)	217778 (0.25)	9522222 (10.96)	652222 (0.75)	0 (0.00)	1282222 (1.48)
Large	22400000 (100)	11700000 (52.23)	3600000 (16.07)	0 (0.00)	700000 (3.13)	0 (0.00)	0 (0.00)	6000000 (26.79)	250000 (1.12)	0 (0.00)	150000 (0.67)
Total	32080288 (100)	23312075 (72.67)	2216450 (6.91)	277355 (0.86)	557375 (1.74)	321650 (1.00)	283788 (0.88)	4393450 (13.70)	345275 (1.08)	31500 (0.10)	341370 (1.06)

still retaining the remaining part with them which have now become urban and semi- urban property and commands a very high price. The average per acre price which they received works out to be Rs 4865667. Of course the per household average amount received varies across categories from Rs 10321622 for marginal farmers to Rs 13496667 for small farmers, Rs 23248482 for semi-medium farmers, Rs 23000000 for medium farmers and Rs 22400000 for large farmers . The amount received by an average households belonging to medium and large farmers categories is, infact, less than the amount received by an average household belonging to 'semi-medium farmers category'. This is because of the fact that farmers belonging to these two larger size categories sold a relatively lower proportion of the total land owned by them (large 54.54% and medium 59.57%) compared to smaller categories (semi-medium 67.86%, small 68.82% and marginal 86.16%) . Thus, they retained a relatively larger proportion of the land with them, which has now become very costly.

Compared to Ludhiana farmers, the farmers in Mohali however received much larger amounts. For example, an average farmer in our sample from Mohali received Rs 48639000 from the sale of land. All categories of farmers in Mohali received much larger amount compared to their counterparts in Ludhiana. This is attributable to two factors. One, while in Ludhiana sample the farmers sold their lands quite some time back i.e between 2002 to 2007 whereas respondents in Mohali sold their lands only recently (Mostly between 2007 and 2011).Therefore the average per acre price received by Mohali farmers is much higher (Rs 9563311) compared to Rs 4865667 in Ludhiana . Secondly, while in Ludhiana sample, as already mentioned, farmers sold only a part of their total land (319 acres were sold out of 457 acres and 6 kanals owned by them), in Mohali those farmers sold almost their entire land they had. Infact in Mohali they sold 507 acres and 6 kanals out of a total of 508 acres and 6 kanals i.e only 1 acre land was retained by one farmer. In terms of total assets Ludhiana farmers may be much better off than their Mohali conterparts because the land they retained has now become very costly (we will discuss this issue in a subsequent chapter) but presently suffice it to mention that the funds whose utilization we are going to discuss are much larger with Mohali farmers compared to what was available with the Ludhiana farmers.

A close look at the table shows that investment in agricultural land gets the first priority in both Ludhiana and Mohali sample. And this is true for all size categories of farmers in both the districts. An average household in Ludhiana sample spent 57.31% of the total money received from sale of land on the outskirts of Ludhiana in agricultural land elsewhere. In Mohali this figure is much higher being 77.57%. Thus, for the sample as a whole (200 respondents belonging to this category) 72.67% of the amount received was invested in agricultural land. There is no clear cut pattern between the size of holding and percentage spent on agricultural land. In Ludhiana it is 66.22% for marginal farmers, it goes down to 61.27% for small farmer category and 47.79% for semi-medium farm category but

shoots up to 71.52 % for medium farmers and is down to 52.23 % for large farmers (There is only one large farmer in our sample in this category). On the contray in Mohali where there are only four size categories the percentage spent on agricultural land go on increasing with the size of holding.

The second most important item of expenditure from the sale proceeds of land is 'bonds and fixed deposits' in both Ludhiana and Mohali as also for the sample as a whole. On an average 23.46 % of the available funds in Ludhiana and 10.58% in Mohali are kept in bonds and fixed deposits. For the sample as a whole this percentage work out to be 13.70%. Across size categories this items getting the second priority is true for all size class of farmers in both the districts except marginal farmer category of Ludhiana in whose case the second priority goes to house construction / renovation and bonds and deposits are pushed back to the third position.

The third priority in both the district and all size class of farmers in our sample (except marginal farmers of Ludhiana as mentioned above) goes to expenditure on house construction /renovation : On an average a respondent household spent 11.70 % of the available funds on this item while in Mohali this figure is 5.38 %. For the sample as a whole 6.91% of the total funds have been spent on house construction/ renovation. These three major items put together account for 92.47% of the of total available funds in Ludhiana and 93.13% in Mohali. For the sample as whole of the total funds 93.28% were spent on these three items by our sample farmers belonging to category-II.

Two other items which account for more than one percent of the total funds in both Ludhiana and Mohali, as also for the sample as a whole , are expenditure on 'SUV/car/ jeep and other expenditure' largely consisting of furniture and other furnishing and modern electronic and electrical goods like LCD's, washing machines , air conditioners and other gadgets. Expenditure on SUV/ Car / Jeep account for 1.87% of the total available funds in Ludhiana and 1.69% in Mohali. For this category as a whole nearly a quarter to two percent of the total funds are spent on this item. All size categories have spent money on buying transport vehicles depending upon their capacity. Other expenditures account for 1.24 % of the total funds in Ludhiana and 1.01% in Mohali. Two other items which account for nearly one percent of the total funds available with category-II are 'expenditure on marriage and social ceremonies' and 'gold and jewellery'. However, while marriages and social ceremonies got larger share (1.92 %) in Ludhiana compared to Mohali (0.71%), gold and jewellary figure more prominently in Mohali (1.26%) compared to Ludhiana (0.51%) . Again 'tractor and other agricultural implements' account for less than half a percentage in Ludhiana and slightly less than one percent (0.99%) in Mohali. Similarly 'any other item bought' account for 1.15% in Ludhiana and only 0.80 % in Mohali.

Incidentally resettlement of old debts is not at all an important item of expenditure for this category (i.e those who sold their land on their own accord). It accounts for 0.37 % of the total funds in Ludhiana only 0.01 % in Mohali. For this category as a whole only one tenth of one percent goes to repay old loans. Compared to this in the case of category -1 (whose lands were acquired) it accounted for more than 4.5 % of total funds in Tarn Taran , and 2.47% in Mansa. Even in Bathinda it was 1.29%. Only in Mohali it was insignificant. Perhaps the respondent households belonging to category-II, being on the periphery of large urban centers, were having some subsidiary occupations and were not entirely dependent on farming only and therefore were relatively less indebted.

Thus, to sum up, we can say that the farmers belonging to both the categories in our sample gave first priority to investment in agricultural land. This was followed by money kept in banks as 'bonds and fixed deposits', and 'construction / renovation of house'. In both the categories nearly 95% of the total funds available with them were spent on necessary and / or useful items. The remaining five percent spent on Car /Jeep / SUV, 'marriages and social ceremonies', 'gold and jewellry' and 'other items bought' etc are also not entirely superfluous expenditures. At least a part of these expenditures may be called necessary and / or useful. So we can say that the available funds were rather well spent and if some of the farmers still could not come up to their pre- acquisition / sale position the reasons must be found elsewhere and not in their wrong decision making.

Chapter-4

Impact of Land Acquisition / Sale on Land Ownership Status of Respondent Farmers

In this chapter, we will discuss the impact of land acquisition / sale on land ownership status of respondent farmers. To achieve this objective we will first compare the present position of various size categories of respondent farmers with their position prior to land acquisition or land sale in terms of land owned. In the second exercise, we will discuss shuffling of individual farmers across categories upwards or downwards as a result of land acquisition or land sale. In the third exercise we will undertake the analysis at a more disaggregate level i.e at village level by taking individual farmer into consideration. Our endeavor would be to understand the factors which explain why farmers in some villages / locations now have much more land compared to their position before acquisition/ sale while in some other villages they are not able to sustain their earlier position in terms of land owned and are, therefore, feeling cheated and dejected.

In an agrarian society agricultural land is the most important asset for the farmers because it is the most important and many a times the only source of income which can act as a hedge against any disaster or bad times. It can be used as a collateral to access credit . It is wonderful asset to pass on in inheritance for future generations. It provides insurance for old age and is a source of social status. As Raj (1970) puts it apart from being a source of income, "land is held for its power, prestige and status value." Even the matrimonial prospects of a farmer's sons and daughters are determined by his status as land owner. Thus apart from its economic value as a source of income, land has utility as an asset, insurance and status good. That is perhaps why land is valued differently from all other assets by its owners. That also explains why agricultural communities are generally very reluctant to part with their land. They are always very apprehensive about their ability to buy back land after they have sold it once. In these circumstances the first thing a farmer would think in case of land acquisition is to buy back as much land as he can, the bench mark being the amount of land he owned before acquisition.

Impact of Land Acquisition on Land Ownership Status (Category-I)

Table 4.1 gives information about the ownership-wise distribution of sample households from various districts at the time of land acquisition. The second part of the table shows the present position of those households .A look at the first part of the table reveals that out of 300 farmers whose land were acquired and who are included in our survey, 67 (22.33%) were marginal farmers. 92

(30.67%) were small farmers, 82 or (27.33 %) were semi-medium farmers, forty six of them (15.33%) were medium farmers owning between 10 and 20 acres of land each. And only 13 households in our sample constituting 4.33% were large farmers, each one of them owning more than 20 acres of land .The first four rows of the first part of the table show district- wise details of the sample households.

Table 4.1
Land Ownership-wise distribution of Sample Households Prior to Land Acquisition and their Present Position (Category-I)

	Marginal	Small	Semi-medium	Medium	Large	Total Farmers
Bhatinda	14 (18.67)	9 (12.00)	26 (34.67)	20 (26.67)	6 (8.0)	75 (100.0)
Mansa	11 (14.67)	23 (30.37)	20 (26.67)	16 (21.33)	5 (6.67)	75 (100.0)
Mohali	20 (26.67)	30 (40.07)	18 (24.0)	7 (9.33)	0	75 (100.0)
Tarn Taran	22 (29.33)	30 (40.0)	18 (24.0)	3 (4.00)	2 (2.67)	75 (100.0)
Total Sample	67 (22.33)	92 (30.67)	82 (27.33)	46 (15.33)	13 (4.33)	300 (100.0)

Present Position

	Landless	Marginal	Small	Semi-medium	Medium	Large	Total Farmers
Bhatinda	3 (4.0)	7 (9.33)	18 (24.00)	19 (25.33)	19 (25.33)	9 (12.00)	75 (100.0)
Mansa	1 (1.33)	11 (14.67)	27 (36.00	20 (26.67)	9 (12.00)	7 (9.33)	75 (100.0)
Mohali	3 (4.0)	1 (1.33)	18 (24.0)	21 (28.0)	26 (34.67)	6 (8.00)	75 (100.0)
Tarn Taran	15 (20.0)	18 (24.0)	24 (32.0)	10 (13.33)	6 (8.00)	2 (2.67)	75 (100.0)
Total Sample	22 (7.33)	37 (12.33)	87 (29.00)	70 (23.33)	60 (20.00)	24 (8.00)	300 (100.0)

The second part of the table shows the present position i.e after acquisition and after having received compensation, and in fact years after having spent that money what is their distribution now in terms of land ownership. The most striking fact that emerges from this part of the table is that not all of them are land owners now. In fact, 22 of them (i.e 7.33%) have become landless i.e they could not buy or did not buy any land and the entire compensation they received was spent on items /needs other than agricultural land.

On the other hand the number of farmers owning more than 10 acres of land has swelled from 59(46+13) prior to land acquisition to 84 (60+24) . So these large two categories put together constituted 19.66% of our sample prior to acquisition. Now they constitute 28 % of the sample .The number of marginal, small and semi-medium categories of farmers in our sample has declined from 241 to 194 i.e by 47. While 25 of the farmers missing from these three categories have joined the ranks of medium and large farmers, 22 of them have slided back and have become landless. Thus land acquisitions have led to partial disintegration of small peasants (with less than 10 acres of land). While some of them moved upward and joined the ranks of large categories, a few unfortunate one's have, in fact, become landless.

Who Became Landless?

Districts-wise details show three households have become landless after land acquisition in Bhatinda district. Two of these are from village Fullokheri whose lands were acquired for Guru Gobind singh Oil Refinery. Both these households belong to parjapati (Gumar) caste and had one acre land each before acquisition. The third household from Bhatinda sample who became landless is a jat sikh from village Fullokheri. He had 2 acres of unirrigated land before acquisition. He received only Rs. 7.30 lacs as compensation in the year 2000 out of which he repaid outstanding loan of Rs 3 Lacs, spend Rs 2 lacs on his daughter's marriage and put the remaining amount of Rs 2.3 lacs in 'fixed deposits'. He now works as agricultural laborer.

One household in the sample from Mansa became landless after acquisition. He is a 'Jat Sikh' from Village Gobindpura. He owned 1 acre and five kanals of land, which was acquired. He received a compensation of Rs 41.73 lacs in 2008. He bought a car for Rs 5 lacs and put the remaining amount in a bank as fixed deposit. He is presently working as an E.T.T teacher.

Three households in our sample from Mohali became landless. All three are from village Sohana. Two of them are 'jat Sikhs' with one and three acres of land respectively. After buying car and spending some amount on house construction they put the remaining amount (a major portion) in bank

deposits. One of them is a class four employee in P.G.I Chandigarh. The second farmer is running an Atta Chaki in the village itself. The third household belongs to Khatri (Narula) caste. This household had 7 acres of land in the village which was acquired. Even before acquisition the family had a cloth shop. The family received a compensation of Rs. 5.2 crores. Now this family runs a cloth shop in Phase VII market Mohali and is also involved in sale/ purchase of property.

However, most of the landless as a result of acquisition (15 in all) in our sample are from Tarn Taran district. Here 20 % households in our sample became landless after acquisition of land. One of them is from village Hansanwala, four are from village Pindian and the remaining 10 households are from village Varrowal. The one from Hansawala is a jat sikh who had 4.5 acres of land which was acquired. He received Rs 7267500 as compensation, He repaid a loan of Rs. 10 lacs, spent Rs 12 lacs on his daughter's marriage and put the remaining amount (approximately Rs. 50 lacs) in a bank as a fixed deposit. The four households from village Pindian who became landless are Jat Sikhs. All four are marginal farmers with a land holding of 2 acres, 1.25 acres and two of them had half an acre of land each. All of them received compensation @ Rs 16.15 lacs per acre. All of them after repaying old debts (which was not much) and meeting other urgent needs (marriage of son in one case), put major portion of the compensation received in banks as fixed deposits. Perhaps they were not left with enough money to buy land whose price was increasing at a fast rate.

Out of the 10 households from Varrowal 3 are jat Sikhs. Two of these three are marginal farmers having 2 acres and 1.3 acres each respectively. The one with 2 acres of land received nearly 32 lacs out of which he spent Rs 5 lac on house construction, mortgaged-in two acres of land for ten lacs and put the remaining 17 lacs in fixed deposits. The other one received nearly 22 lacs in compensation out of which he repaid Rs 1 lac loan , spent Rs 5 lac on a marriage and put the remaining (about Rs 16 lacs) in bank. The third jat sikh household had 7.5 acres of land. He received Rs 1.21 crore as compensation. He repaid loans of about 15 lacs , spent some money on marriage and other social ceremonies, put Rs 42 lacs in banks and bought three combine harvesters with Rs 50 lacs for custom hiring. There were three Majbhi Sikh families who became landless after acquisition. They were marginal farmers. Two of them had one acre of land each and the third one had 1 acre and one kanal. All of them spent some amount on house construction. One of them mortgaged in 2 acres of land for Rs 10 lacs . The other one bought half a share in a brick kilin with Rs 10 lacs. They together had about Rs 30 lac in bank deposits. The remaining four households from Varrowal who became landless after acquisition belong to 'Sansi' caste. Three of them were marginal farmers having 14 kanals of land each. All three received an amount of Rs 2884000, individually as compensation. The three spent some money (Rs 14 lacs in all) on house construction .One of them spent Rs. three lacs on marriage. The other one bought a car for Rs 4.5 lacs. Each of the three mortgaged in 2 acres of land. The three

families together have about Rs 25 lacs in bank deposits. The fourth 'Sansi' family had five and a half acres of land. He received Rs 8882500 as compensation. He constructed a good house for Rs 20 lacs, repaid aloan of Rs 6 lacs , put Rs 42 lacs in bank deposit and also invested Rs 18 lacs in a brick kilin.

So we find that 9 out of 22 households in our sample who became landless after acquisition are from traditionally non-cultivating classes being scheduled castes. (2 'prajapaties', 3 'majhbi Sikhs' and 4 'sansis'). Twelve of them are jat Sikhs who could not buy any land, one is a khatri (narula) by caste and he has gone into business (cloth shop) and also acts as a property dealer. In terms of size categories 17 of 22 respondents who became landless were marginal farmers , two were small farmers and the remaining three were semi-medium farmers before acquisition.

Impact of Land Sale on Land Ownership (Category-II)

Table 4.2 gives us information about 200 households from Ludhiana and Mohali who sold their lands on their own accord. We find that in our sample from Mohali before land sale there were 25 marginal farmers. 34 small farmers, 36 semi-medium farmers and 5 medium farmers. But no respondent from Mohali had more than 20 acres of land . After the sale of land, there is no landless and there is no one who is a marginal farmer in Mohali .So all marginal farmers have moved to higher categories of land ownership. Similarly almost all small farmers have also moved to higher categories. Instead of 5 now we have 36 medium farmers, and as compared to none earlier now we have 18 large farmers in Mohali after sale of land. It appears every one is a gainer in Mohali in this category.

A more or less similar picture emerges from Ludhiana. There were 37 marginal farmers and 30 small farmers in our sample before land sale i.e 67 % household in our sample were small and/ or marginal farmers . After land sale now there are 9 marginal farmers and 17 small farmers. That means nearly 60 % of the households from these small and marginal farming categories have moved to the higher categories. On the other hand there were only 4 medium farmers in our sample from Ludhiana prior to land sale. Now after land sale there are 25 medium farmers and 18 large farmers. Thus, as in the case of Mohali, similarly in Ludhiana also most of the farmers who sold their lands privately are net gainers in term of land owned.

Table-4.2

Land Ownership-wise distribution of Sample Households Prior to Land Acquisition and their Present Position

(Category-II)

	Marginal	Small	Semi-medium	Medium	Large	Total
Ludhiana	37	30	28	4	1	100
Mohali	25	34	36	5	0	100
Total Sample	62 (31.0)	64 (32.0)	64 (32.0)	9 (4.5)	1 (0.5)	200 (100.0)

Present Position

	Landless	Marginal	Small	Semi-medium	Medium	Large	Total
Ludhiana	0	9	17	31	25	18	100
Mohali	0	0	9	37	36	18	100
Total Sample	(0.0)	9 (4.5)	26 (13.0)	68 (34.0)	61 (30.5)	36 (18.0)	200 (100.0)

In the proceeding pages, we discussed how land acquisition led to change in the status of farmers from one category to the other. While some joined the ranks of larger categories, some others became landless. In category-II, however, most of the respondents moved upward in both Ludhiana and Mohali. But we still do not know how many respondents moved from a particular category to which other category i.e how land acquisition or sale led to shuffling of land owner in our sample from one category to other category. This information is contained in table-4.3 and table-4.4 for category -I and category -II respectively.

Shuffling of Farmers as a Result of Land Acquisition/ Sale

A look at table 4.3 shows that in our sample from Bhatinda 14 respondents were marginal farmers before acquisition. Now 3 of them are landless, 3 are even now marginal farmers, and 8 moved to small farmers category. However none of them joined the ranks of semi-medium, medium or large category . Out of the 9 small farmers, 3 slipped back to become marginal farmers, one continued to be a small farmer, 4 became semi-medium farmers and one is a medium farmer with more than 10 acres of land. Of 26 semi-medium farmers, nine got downgraded to lower categories

(one marginal and 8 small) 9 moved to higher category of medium farmers and the remaining 8 continued with the status quo. Again out of 20 medium farmers eight slipped to lower categories (1 small and 7 semi-medium), 4 joined the ranks of large farmers and the remaining 8 continued to be in the category of medium farmers . Of the 6 large farmers, five are still large farmers but one slipped to medium farmer category. Thus in our sample from Bhatinda out of 75 farm households 27 (36%) moved downward 26 (34.67%) moved upwards and the remaining 22 (29.335) remained where they were.

In Mansa district out of 11 marginal farmers in our sample , one became landless after acquisition, 8 continued to be marginal farmers and 2 moved upwards to became small farmers . Out of 23 small farmers, 3 slipped down to join the ranks of marginal farmers, one moved upward to the category of semi-medium farmers and the remaining continued to be small farmers. Of the 20 semi-medium farmers, 5 slipped to lower category of small farmers and the remaining 15 are still semi-medium farmers. No one of this category moved up. Similarly, out of 16 medium farmers four slipped to lower categories, 3 moved up and joined the ranks of large farmers and the remaining 9 continued to stay put as medium farmers. Thus in Mansa 55 farmers out of 75 countinued to be in the same category where ever they were. Out of the remaining 20 which changed categories, 6 improved their position and 14 slipped downwards.

In Mohali district , however, we find that an over whelming majority of the respondents from each size category moved upwards largely because the average compensation received per acre of acquired land was much higher in Mohali district compared to compensation received by farmers in other districts. For example, in Mohali out of 20 marginal farmers in our sample before acquisition , one became landless , one continued to be a marginal farmer but the remaining 18 have moved to higher size categories(8 Small and 10 semi-medium) .Similarly out of 30 respondents who were small farmers before acquisition , one became landless, seven continued to be in the small farmers category while the bulk (22 out of 30) moved to higher land categories (8 semi-medium , 13 medium and 1 large) . Again out of 18 semi-medium farmers one became a landless, 3 continued to be in the semi-medium farm size category but a bulk i.e 11 out of 18 moved up to next higher categories . Of the 7 medium farmers, 3 are still in the category of medium farmers, 4 have become large farmers after land acquisition. Thus in Mohali we find that out of 75 respondents, 14 continued to be in the same category where they were prior to land acquisition, six joined smaller farm categories but an overwhelming majority 55 (73.33%) moved up and are now part of bigger farm categories.

Table-4.3

Shuffling of land- owners from different categories after Acquisition (Category-I)

	Marginal						Small						Semi-medium						Medium						Large					
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Batindha	14						9						26						20						6					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	3	3	8	0	0	0	0	3	1	4	1	0	0	1	8	8	9	0	0	0	1	7	8	4	0	0	0	0	1	5
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Mansa	11						23						20						16						5					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	1	8	2	0	0	0	0	3	19	1	0	0	0	0	5	15	0	0	0	0	1	3	9	3	0	0	0	1	0	4
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Mohali	20						30						18						7						0					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	1	1	8	10	0	0	1	0	7	8	13	1	1	0	3	3	10	1	0	0	0	0	3	4	0	0	0	0	0	0
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					

Tarn Taran	22						30						18						3						2					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	12	8	2	0	0	0	1	9	16	3	1		2	1	6	7	2	2	0	0	0	0	3	0	0	0	0	0	0	2
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Total Sample	67						92						82						46						13					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	17	20	20	10	0	0	2	15	43	16	15	1	3	2	22	33	21	1	0	0	2	10	23	11	0	0	0	1	1	11

LL= Landless, MR= Marginal, SM=Small, SME= Semi-medium, ME =Medium, L=Large

The worst affected by acquisition are farmers from Tarn Taran. Here out of 22 marginal farmers 12 have become landless after acquisition , 8 continue to be marginal farmers and only 2 of them have joined the next higher category of small farmers. Similarly out of 30 small farmers in our sample, one become landless, nine are marginal, 16 continued to be small farmers and only 4 of them moved to bigger land categories (3 semi-medium and one medium farmer) . Out of 18 semi-medium farmers in the districts, two became landless, one became a marginal farmer, six are small farmers and seven continued to be semi-medium farmers. Only four of them moved up to join the categories of medium and large farmers. All the three medium farmers in our sample continued to be in the same category. Similarly both large farmers continued to be large farmers though the land area owned by them has increased substantially. Thus we find that in Tarn Taran 31 out of 75 (41.33%) respondents in our sample are net losers who could not maintain their status in terms of land owned after land acquisition . They have either become landless or slipped to lower categories. Only 36 (48 .0%) continued to be in the same size class where they were prior to land acquisition . Another 8 (10.67%) have joined larger land owning categories after acquisition .

Thus, our study shows that there has been a lot of shuffling from one category to another as a result of land acquisition. For the sample as a whole 127 respondents (42.33%) stayed put in the same category where ever they were prior to land acquisition , 95 of them (31.67%) in fact moved to higher categories but 78 (26%) unlucky ones could not hold on to their earlier position and slided to lower size categories . Districts-wise, respondents from the Mohali district have been the major beneficiaries with nearly three fourth of them upgrading to bigger land owning categories and 14 (8.67%) maintaining status quo . Only 6 (8%) slipped downwords. Tarn Taran represents the other extreme where only 8 respondents or (10.67%) improved their position , 36 (48%) were able to maintain their earlier position and 31 (41.33%) slipped to lower land holding categories . Mansa presents a picture of status quo with nearly 73% farmers remaining in the same size class. Out of the remaining 20 only six improved their position and 14 slipped back. Bhatinda district presents a picture of substantial upheaval only 22 (29.33%) are where they were before land acquisition and out of the remaining 53, 26 moved up but 27 slipped down. Thus the land acquisition affected large sections of land owners positively in Mohali (where compensation paid was much higher compared to the prevailing rates in the state at that time) but generally negatively in Bhatinda, Mansa and Tarn Taran (where compensation paid was much lower). We will discuss this issue in greater detail in the succeeding pages.

Table 4.4 contains the same information about 200 farmers from Ludhiana and Mohali belonging to category -II i.e those who sold their lands on their own accord which have largely been used for urban housing. The very fact that they sold their lands willingly, one would expect that they were satisfied with the price per acre, which they got, and they would have also made prior plans to utilize the money they were to receive in the best possible way. This comes out clearly in the table also where we find that in Ludhiana, leaving out the only household in the large category, who theoretically can not go to next higher category as it is an open ended size class, out of the remaining 99 farmers in our sample only 11 (4 marginal,1 small, 5 semi-medium and 1 medium) are maintaining status quo, 7 households slipped to lower size categories and all other households in our sample have moved up the size ladder . Thus, 90% respondents in our sample from Ludhiana are much bigger farmers now compared to their position before they sold their lands for non-agricultural purposes. No wonder then that the total land they now own is more than 3 times of what they had before their decision to sell land on the urban fringe.

The case of Mohali is even more interesting where none of the 25 marginal farmers in our sample is a marginal farmer now. Every household has moved to the higher size categories 8 marginal farmers have become small farmers and 17 of them are, infact semi-medium farmers now. Similarly none of the 34 small farmers in our sample is a small or marginal farmer now. Every household in this category has moved to the higher size categories. 18 of the earlier small farmers are now semi-medium farmers and the remaining 16 have joined the ranks of medium farmers .Out of 36 respondents in our sample who belonged to the category of semi-medium farmers, one is now a small farmer, two continued to be semi-medium farmers, 17 of them have upgraded to become medium farmers and 16 of them have ,in fact, become large farmers. Out of 5 medium farmers, 3 continue to be medium farmers while 2 have become large farmers. Thus, while there was no farmer in our sample from Mohali district who owned more than 20 acres of land prior to land sale, now we have 18 of them who are large farmers as per our definition. It is interesting to note that no farmer in Ludhiana or Mohali became landless in this category. In fact in Ludhiana only 29 out of 100 farmers in our sample had sold out their entire land. The remaining 71 farmers retained a portion of their landholding. Out of these 29 farmers who sold their entire land, 28 farmers bought more land individually than what they had sold. There is only one farmer in Lalton village

Table-4.4

Shuffling of land owners from different categories after Land Sale (Category-II)

	Marginal						Small						Semi-medium						Medium						Large					
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Ludhiana	37						30						28						4						1					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	0	4	14	11	8	0	0	4	1	15	8	2	0	1	2	5	8	12					1	4	0	0	0	0	0	1
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Mohali	25						34						36						5						0					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	0	0	8	17	0		0	0	0	18	16		0	0	1	2	17	16	0	0	0	0	3	2	0	0	0	0	0	0
	Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition						Prior to Acquisition					
Total Sample	62						64						64						9						1					
	Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition						Post Acquisition					
	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L	LL	MR	SM	SME	ME	L
	0	4	22	28	8	0	0	4	1	33	24	2	0	1	3	7	25	28	0	0	0	0	4	5	0	0	0	0	0	1

LL=Landless, MR=Marginal, SM=Small, SME=Semi-medium, ME=Medium, L=Large

who sold his entire land owned (six and half acres) and bought six acres only. In Mohali , however, all the respondents in our sample sold their entire land they had with them except one farmer who retained one acre. But here also except for one, everybody else bought more land elsewhere compared to what they had sold. There is only one farmers in Mohali sample from village Jhuggian who had sold 8 acres he had in Jhuggian and bought only 4.4 acres elsewhere. That is the lone farmer in the table 4.4 who slipped downwards being a semi-medium farmer before land sale became a small farmer post sale. This near total upward movement of almost all farmers in our sample from Ludhiana and Mohali who sold their lands privately on their own accord is attributable to two factors. One, the price per acre of land received by them was so high that even after incurring wasteful expenditure and meeting genuine housing and transport needs etc, they are still able to buy at least three times more land compared to what they had sold. Secondly, their selling decisions were well thought of and they had enough time to plan their spending decisions before carrying out the actual sale. So they are the real beneficiaries of ever increasing urbanization largely because of their location being on the fringe of fast expanding urban centres of Ludhiana and Mohali.

In the proceeding pages, we discussed the change in fortunes of farmers whose lands were acquired or who sold their lands willingly dictated by market forces but the analysis was carried out size category-wise and district-wise. But categories and districts are large units and upward or downward movements within the category will not to be recorded. Similarly within the district the experience of farmers in one location may be totally different from experience of farmers in an other location/ village particularly if the acquisition in those villages took place at different points of time and the compensation paid vary widely. For example, in Bhatinda district our sample belongs to two locations. First, Fullokheri and Kankwal villages whose lands were acquired in late 1990's for Guru Gobind Singh Oil Refinery and most of them got compensation in 1999-2000. The compensation was relatively small – Rs 36500 per acre for unirrigated land and Rs 465000 per acre for irrigated land. The second location is village Ghudda where the Central University of Punjab was set up. Here the land was acquired in 2008 and some households got compensation in 2009, and some in 2010. The compensation paid was much larger Rs 28 lacs per acre to Rs 30 lacs per acre depending upon the type of land. Therefore, clubbing together farmers from these two locations as sample from Bhatinda district would not reveal the real story. Obviously the fate and experience of farmers from these two locations is entirely different. Therefore, it would be prudent to discuss the impact of land acquisition or sale on individual farmers separately for each village / location to have a closer reality check. This is what we propose to do in the following pages.

Table 4.5 contains household –wise and village-wise information about the number of farmers whose land owned increased / decreased as a result of land acquisition. Column-1 of the table shows

the number of farmers whose land owned increased after acquisition. Column -2 shows the number of households whose land owned decreased after acquisition. Column -3 tells the number of farmers whose land ownership remained the same. Column-4 shows total number of farmers covered by our

Table 4.5
Village-wise Position of Respondent farmers (post-acquisition) in term of land owned

Villages	No of farmers whose land owned increased	No of farmers whose land owned decreased	Land Owned remained same	Total respondents	Average per acre compensation	Average price paid per acre purchased land	Ratio price received and price paid
	1	2	3	4	5	6	7
Bhatinda							
Follokheri	2	8	0	10	401204	262507	1.54
Ghudha	33	0	2	35	2819412	1515344	1.86
Kanakwal	6	21	3	30	412662	263584	1.56
All	41	29	5	75	1572065	1102503	1.42
Mansa							
Banawali	16	15	12	43	1365792	1135427	1.20
Gobindpura	4	11	7	22	2420206	2384320	1.01
Raipur	5	5	0	10	1312586	1013187	1.29
All	25	31	19	75	1636879	1426213	1.14
Mohali							
Bakerpur	19	0	0	19	13231517	3699600	3.57
Chilla	13	1	0	14	4447431	1731531	2.56
Mauli	7	0	0	7	8579159	2778151	3.08
Mauli Baidwan	15	1	0	16	5954545	1987567	2.99
Sohana	13	5	1	19	4438037	2147598	2.06
All	67	7	1	75	7331469	2604418	2.81
Tarn Taran							
Hansa wala	5	4	1	10	1511324	1049647	1.44
Hothian	3	11	5	19	1640893	1333103	1.23
Pindian	2	14	0	16	1646582	1280530	1.28
Varrowal	9	17	4	30	1650804	1275000	1.29
All	19	46	10	75	1621191	1104683	1.31
Total Sample	152	113	35	300	2886657	1735835	1.66

survey from each village. Column -5 shows the average per acre compensation received in each village and column -6 shows the average per acre price paid by the respondents from that village when they bought land in the village or in the surrounding villages after receiving compensation. This, in a way, is the price of land per acre in the village or the area at the time of land acquisition or more accurately the per acre price which they faced in the market. Last column of the table shows compensation per acre received as a percentage of price prevailing in the area or more accurately the price per acre, which these farmers paid when they bought land subsequent to acquisition.

The table shows that in district Bhatinda we have three villages in our sample. As is already mentioned Fullokheri and Kankwal belong to one location and here acquisition took place in 1999 while in Ghudda village acquisition took place in 2008. There are wide variations in the price paid at the two locations as also the price of land at that time which the farmers have to pay in the land market when they purchased land in the village and /or surrounding villages. The table shows that out of ten respondents from Fullokheri village only two have more land now compared to what they had before land acquisition whereas 8 have less land with them now. Similarly, in Kanakwal village out of 30 respondents in our sample only 6 fall in the category of those whose land increased after acquisition, 21 have less land now compared to their pre-acquisition position and 3 are maintaining status quo.

Thus from these two village out of 40 respondents, 29 are worse off , 8 are better off in term of land owned and in the case of 3 farmers the land owned remains the same . In village Ghudda, however, where the average per acre compensation paid was more than 28 lacs and the average price paid by the farmers was 15.15 lacs per acre, almost every body is a gainer. 33 farmers out of 35 in our sample from Ghudda now own more land compared to the pre- acquisition position. The remaining 2 are having the same area. Thus, the relatively better performance of Bhatinda district compared to Mansa and Tarn Taran sample farmers is entirely because of Ghudda while the position of farmers from Fullokhari and Kankwal is dismal.

In Mansa district Banawali and Raipur respondent belong to one location . Here the acquisition took place in 2007 and the per acre compensation paid was in the region of Rs 13 Lacs The average price which the farmers of these two villages paid for the land purchased by them works out to be Rs 11.35 lacs per acre for Banawali respondents and Rs 10.13 lacs per acre for Raipur respondents . Thus the compensation received in Banawali was about 20 % higher than the prevailing market price in the area and it was nearly 30 % higher in the case of Raipur. The results in these two villages are also mixed with half the farmers having increased their land ownership with the remaining half having less land now compared to pre-acquisition position. In village Gobindpura where the acquisition took place in 2008 but because of agitation by affected farmers, all of them did not accept

compensation immediately. Some of them received / accepted compensation in 2009 and some others in 2010. In Gobinpura the average per acre compensation received (Rs.2420206) in only marginally higher than the price of land in that area at the time (Rs.23843220). Therefore, only 4 farmers out of 22 in our sample from Gobinpura have more land than before, the remaining 18 are either having the same area or 11 of them 50 % are having less land than before.

In Mohali district we have sample from five villages .In village Bakerpur and Mauli every farmer in our sample have more land now than before because the compensation received Rs 1.32 crore per acre in Bakerpur and Rs. 85.79 lacs in Mauli was more than three to four times higher than the price which they faced in the market. In Mauli Baidwan where the average compensation was Rs. 59.54 lacs per acre compared to Rs 19.87 lacs per acre price they paid for the land purchased, except for one , all other farmers have more land now than before . Similarly, in village Chilla where the average per acre compensation received was more than two and a half time higher than the price paid in the market, almost every farmer has more land now than before. In Sohana village this ratio between the compensation received and price paid is the least among all the villages of Mohali, being 2.06 , 13 farmers out of 19 have more land , 5 have less land and one own the same amount of land as before . Thus it, appears that higher the ratio between the compensation received and the prevailing price of land at that time , the higher is the success rate .

In Tarn Taran again we have sample from four villages. In village Hansanwala the compensation per acre received was nearly 44% higher than the price at which farmers of this village bought land. Here the results are mixed. Half the farmers from this village (5 out of 10) are now having more land whereas the others are either worse off (4) or maintain the status quo (1). In all other three villages of this districts i.e Hothian, Pindian and Varrowal, while the compensation received is higher compared to prevailing price by 23 % in Hothian, 28 % in Pindian and 29.47 % in Varrowal yet an overwhelming majority of the respondent farmers 11 out of 19 in Hothian, 14 out of 16 in Pindian and 17 out of 30 in Varrowal own less land now compared to the pre – acquisition position.

Thus it appears that while the compensation per acre paid to farmers in relation to the price which they subsequently paid in market does play a role in explaining the post acquisition position of sample farmers , compensation is not the only factor. While higher compensation paid to the farmers in villages of district Mohali and Ghudha of district Bhatinda did play a major role in the relatively better position of farmers in these villages post- acquisition but compensation alone does not explain the whole phenomenon every where. Otherwise how else one explains the fact that farmers in Mansa who received only 15 % higher compensation compared to the market price are still not as worse off as farmers in Tarn Taran villages which received compensation which was at least 30 %

higher than prevailing market price in the area. But the farmers of Tarn Taran district are still not as worse off as respondents from Fullokheri and Kankwal who received compensation which was at least 60 % higher compared to the prevailing land price in that area or the price at which the farmers of these villages subsequently bought land. In the following pages we shall try to resolve this puzzle by bringing in factors other than compensation per acre received and price per acre paid.

What Explains the Post-acquisition Land Ownership Status?

Let us assume that a farmer's L1 acres of land were acquired and P1 was the price which was paid to him as compensation. Then his total compensation would be L1X P1. Suppose further that he pays P2 as price when he buys land subsequent to acquisition within the village or in a surrounding village. Supposing that he spends the entire amount he received as compensation on buying land and there is no leakage , then he will be able to buy land L2 equal to L1 X P1 / P2 acres (i.e L2 = L1 X P1/ P2) . But normally a farmer is never able to devote the entire compensation for buying land only. In the real word situation a farmers has many other pressing needs / aspirations once he has cash in hand. The pressing needs generally include construction of a pucca house, if he does have one already, or renovation of the old house, buying essential household articles, performing pending marriages and other ceremonies, repaying outstanding debts, spending on sick members of the family (particularly true in the case of Bhatinda and Mansa villages where quite a few respondent farmers were having cancer patients in their families) and retaining some cash in hand or fixed deposits in banks. He may even be tempted to buy or pressuried to buy by younger members of the family things such as SUV/Car/ Jeep/ Scooter/ Motor- Cycle, Ac etc which perhaps he would not have bought had he not got cash in hand which materialized because land was acquired. Our study shows that there is a leakage of about 25-30 percent and typically a farmer whose land is acquired is not able to devote more than 70-75 % of the total compensation received on buying land. Then hunt for a suitable piece of land and the transaction costs involved etc eat up another 5-8 % which means effectively around two third of the total compensation goes to buy land. Suppose 'X', is the proportion of total compensation which goes to buy land then the total land which he can buy in the post acquisition situation (L2) would be L2 = X(L1 X P1/P2). Now whether L2 would be smaller than L1, equal to L1 or larger than L1, would depend upon two things i.e 'X'- the proportion of compensation devoted to buy land and P1/P2– the ratio of price per acre received by the farmer as compensation as proportion of price paid by the farmer while buying land subsequent to acquisition . So far we have been discussing the role of P1/P2 only i.e how much compensation was paid relative to price faced by the farmers in the market in the post acquisition situation. The situation, however, can not be fully fathomed unless

we bring into the picture 'X' i.e the proportion of total compensation received which was invested in land.

Table 4.6 gives us details of how total compensation was utilized by respondents in our survey. Now we can explain why farmers in Mansa village (both locations i.e Banawali /Raipur and Gobindpura, despite having received relatively low compensation compared to prevailing price (120.29 % in Banawali and 129.55% in Raipur and only 101.5%in Gobindpura) are not as worse off as farmers in Tarn Taran villages or Fullokheri and Kanakwal of Bhatinda . In Banawali respondent farmers devoted 81.72 % of the total compensation received to buy land. In fact in Gobindpura village farmer invested 87.57 % of the total compensation on buying land only. The proportion of total compensation 'X' devoted to buying land is the highest in these three villages compared to all the villages included in our sample. Thus despite their best efforts the farmers in these villages were able to buy 511 acres and 7 kanals compared to 530 acres and 2 kanal acquired from them (96.51 % of the area acquired). Here farmers failed to buy as much land as was acquired from them not because they were not serious about buying land or they wasted money elsewhere but because the compensation paid relative to the prevailing price was small. The worst suffers in this respect are residents of Gobinpura village where the price paid by the Government was just one and a half percent higher than the prevailing market price while in Ghudda, farmers got a premium of nearly 86% perhaps because of VIP connection or may be because the compensation was to be paid by the Central Government, therefore the Punjab Government pegged it at a higher level.

In Tarn Taran villages, the average price per acre paid to the farmers as compensation is 31.37 % higher than the price paid by farmers in the market when they bought land in the surrounding villages. Individually it ranged from 23.09 % in Hothian to 28.10% in Pindian, 29.47 % in Varrowal and 43.17 % Hansawala. Thus the premum paid (P1/P2being 1.31) in Tarn Taran is much higher than (1.15) in Mansa villages still all the respondent farmers in Tarn Taran were able to buy only 255 acres and one kanal compared to 287 acres and 3 kanals acquired from them (88.79% of the area acquired). The reason for this lies in the fact that the value of 'X' was small in Tarn Taran villages i.e the portion of compensation devoted to buying land was 0.67 in Hansanwala, 0.58 in Hothian, 0.58 in Pindian and only 0.52 in Varrowal The reason for the low proportion of total compensation going for land purchase in Tarn Taran, as already discussed, was that at least nine families belong to traditional non- cultivating castes (majhbi Sikhs and sansis) did not buy any land . Also six Jat Sikhs

Table :4.6

Village -wise Per Household Compensation Received and its Utilization

	Total compensation received	Amount invested in agricultural land	Expenditure on house construction/renovation	Tractor /other agriculture equipments	Expenditure on SUV/ Car/Jeep	Expenditure on marriage /social ceremonies	Any other item bought	Bonds/Fixed deposits	Jewellery	Loan repaid	Other Expenditure
Bhatinda											
Fullokheri	2166500 (100)	601250 (27.75)	272000 (12.55)	25000 (1.15)	25000 (1.15)	145000 (6.69)	428750 (19.79)	504000 (23.26)	0 (0.00)	103000 (4.75)	62500 (2.88)
Ghudda	21266429 (100)	18279389 (85.95)	891429 (4.19)	97600 (0.46)	137486 (0.65)	217500 (1.02)	74286 (0.35)	671429 (3.16)	20000 (0.09)	158643 (0.75)	718668 (3.38)
Kanakwal	3136233 (100)	1427750 (45.52)	393167 (12.54)	54000 (1.72)	84000 (2.68)	243458 (7.76)	303500 (9.68)	382067 (12.18)	0 (0.00)	132958 (4.24)	115333 (3.68)
Mansa											
Banawali	9434735 (100)	7710343 (81.72)	403488 (4.28)	60465 (0.64)	11047 (0.12)	88953 (0.94)	16035 (0.17)	320523 (3.40)	25581 (0.27)	421977 (4.47)	376322 (3.99)
Gobindpura	15841352 (100)	13872409 (87.57)	236364 (1.49)	31818 (0.20)	184091 (1.16)	0 (0.00)	159091 (1.00)	939545 (5.93)	0 (0.00)	111364 (0.70)	306670 (1.94)
Raipur	11367000 (100)	9220000 (81.11)	646000 5.68)	99000 (0.87)	48000 (0.42)	35000 (0.31)	250000 (2.20)	861000 (7.57)	0 (0.00)	80000 (0.70)	128000 (1.13)
Mohali											
Bakerpur	65182632 (100)	48678947 (74.68)	5386842 (8.26)	521053 (0.80)	1302632 (2.00)	0 (0.00)	78947 (0.12)	7300000 (11.20)	895789 (1.37)	0 (0.00)	1018421 (1.56)
Chilla	18552143 (100)	13728571 (74.00)	1290000 (6.95)	276786 (1.49)	579286 (3.12)	157143 (0.85)	0 (0.00)	1410714 (7.60)	389286 (2.10)	0 (0.00)	720357 (3.88)
Mauli	58828571	47228571	2492857	535714	800000	0	0	7171429	357143	0	242857
	(100)	(80.28)	(4.24)	(0.91)	(1.36)	(0.00)	(0.00)	(12.19)	(0.61)	(0.00)	(0.41)
Mauli Baidwan	28656250 (100)	22981250 (80.20)	1518750 (5.30)	396875 (1.38)	503125 (1.76)	346875 (1.21)	211250 (0.74)	987500 (3.45)	471875 (1.65)	0 (0.00)	1238750 (4.32)
Sohana	27142105 (100)	20006579 (73.71)	2096053 (7.72)	247368 (0.91)	379474 (1.40)	421053 (1.55)	52632 (0.19)	1807895 (6.66)	317368 (1.17)	0 (0.00)	1813684 (6.68)
Tarn Taran											
Hansanwala	7103250 (100)	4800000 (67.57)	100000 (1.41)	0 (0.00)	160000 (2.25)	160000 (2.25)	439500 (6.19)	1138000 (16.02)	0 (0.00)	145000 (2.04)	160750 (2.26)
Hothian	3506329 (100)	2034737 (58.03)	342500 (9.77)	10526 (0.30)	10000 (0.29)	210592 (6.01)	86842 (2.48)	572316 (16.32)	0 (0.00)	150000 (4.28)	88816 (2.53)
Pindian	9570645 (100)	5581563 (58.32)	1068750 (11.17)	365625 (3.82)	206250 (2.16)	389648 (4.07)	118750 (1.24)	1207419 (12.62)	0 (0.00)	540625 (5.65)	92015 (0.96)
Varrowal	5832842 (100)	3060000 (52.46)	413833 (7.09)	282000 (4.83)	56667 (0.97)	116667 (2.00)	110833 (1.90)	1398333 (23.97)	0 (0.00)	280917 (4.82)	111258 (1.91)

households whose heads were in regular service/ occupation outside agriculture did not buy any land. Whatever the reasons for the low proportion of compensation being devoted to buying land, the fact remains that farmers in Tarn Taran were not able to square up their position in terms of land owned with the pre- acquisition position partly because the compensation paid per acre was not sufficiently high and partly because they did not invest a sufficiently high proportion of total funds received for buying land in the post acquisition situation.

The case of Fullokheri and Kanakwal is altogether different. The compensation per acre paid in Fullokheri village , though small in absolute term, was still 62.61% higher compared to the prevailing market price in the area at that time (Rs 401204 and Rs 262500 respectively). Similarly in Kanakwal village also the average per acre compensation was Rs 412662 compared to average price at which they bought land Rs 259119. So it was 59.26 % higher. Thus the average compensation paid per acre in these two villages was at least 60 % higher than the prevailing market price (it was 31 % in Tarn Taran and less than 15% in Mansa). Still the farmers in these two villages were able to buy only 202 Acres of land compared to 282.2 acres acquired from them. Their present condition is largely attributable to their decision to fritter away a major proportion of the compensation on items other than land. For example, in Fullokheri village on an average respondent farmers spent only 27.75% of the funds received for buying land. The remaining more than 72 % were distributed as – Bonds / fixed deposits 23.26%, other items bought 19.79% , expenditure on house construction / renovation 12.55 %, expenditure on marriages / social ceremonies 6.69%, and repayment of loans 4.75 %. Similarly in village Kanakwal the respondent farmers (30 in all) on an average invested only 45.52% of the funds received on buying land. The remaining funds went towards house construction / renovation 12.54 %, fixed deposits 12.18 % , expenditure on marriages and social ceremonies 7.76%, loan repaid 4.24 % , and buying Suv/ car/ Jeep 2.68 % In both the villages nearly 3% compensation was spent on sick members of the families mostly cancer patients. Whatever the reasons for not investing sufficiently high proportion of funds received for buying land the fact remains that the respondent farmers in these two villages are largely themselves responsible for their miserable plight.

So, to sum up, we can say that farmer from villages of Mohali district and Ghudha from Bhatinda whose lands were acquired are much better off now compared to their pre – acquisition position largely because they have been paid very high compensation which was three times higher than the prevailing market price of land in the neighbouring area of Mohali and 86% higher than the prevailing market price in the area in and around Ghudha . So the acquiring agencies were very benevolent to these farmers. However the farmers in villages of Mansa-Gobindpura in particular and to lesser extent

Banawali and Raipur- were adversely affected by land acquisition mainly because the acquiring agencies have not been fair to them and they received compensation which was only marginally higher (14.6 %) than the prevailing market price . Farmers in all the four villages of Tarn Taran are also by and large looser as a result of land acquisition but their present unenviable condition is partly attributable to low compensation paid (only 31% higher than the market price) and partly to their own wrong decision making . Farmers in Fullokheri and Kanakwal whose lands were acquired for Guru Gobind Singh Oil Refinery are worst of the lot. An over whelming majority of them is in a very bad shape. But they are largely themselves responsible for their present miserable plight. Of course they were also not treated as well by the authorities as farmers of neighbouring Ghudha. So our study shows nearly half of the farmers in our sample whose lands were acquired are better off now than before in term of land owned while the remaining half are worse off either because of low compensation and / or because of wrong decision making at the household level.

Needless to mention that 93 out of 100 sample farmers from five village around Ludhiana and 99 out of 100 sample households from ten villages around Mohali who sold their lands on their own accord are much better off now compared to their condition before sale of land . For the sample as a whole, the households belonging to category-II now own at least three times more land compared to their earlier position. Most of them own palatial houses, costly SUV's and cars and are having handsome amount in banks as fixed deposits. They are the real beneficiaries because of being located on the outskirts of large urban centres. With abundant funds at their command, some of them, in fact, have become prominent politicians in their respective areas –Manpreet Singh Iyali and Parvinder Singh Sohana being the more prominent examples. Manpreet Singh Iyali became Chairman of the Jilla Prishad Ludhiana and now represents Ludhiana West in Punjab Assembly. Similarly Parvinder Singh Sohana was Chairman Jilla Prishad Mohali until recently and is now chairman of a Board.

Chapter-5

Impact of Land Acquisition / Sale on Total Assets and Their Composition

In the preceding chapter, we analyzed the impact of land acquisition /sale on the land ownership status of respondent farmers. There we found that 113 out of 300 (37.7%) farmers whose lands were acquired presently own less land than they had before land acquisition while 152 others own more land than before and 35 others maintain status-quo. On the other hand, from amongst 200 farmers included in our survey who sold their lands privately on their own accord 192 now owned more land compared to their position before land sale and only 8 households own less land than before. But land is only one component of total assets albeit a major one. Therefore, it would be appropriate to look into the impact of land acquisition /sale on total assets of respondent farmers. This is what we will be doing in the present chapter.

Tables 5.1 and 5.3 contain information about the assets of various size classes of respondent farmers prior to land acquisition /sale of category-I (whose lands were acquired) and category-II (who sold their lands privately) respectively. Similarly, tables 5.2 and 5.4 respectively tell us their present position in terms of assets. Table 5.1 shows that average households in our sample belonging to category-I (whose lands were acquired) had total assets worth Rs 15025730 prior to land acquisition. Out of this Rs. 14205352 (94.54%) worth of assets were in the form of land, land related assets (such as tractor, pump set / electric motor, other agricultural implements) and livestock. In fact, 91.72 % assets were in the form of land only. All other assets including house and household articles etc accounted for slightly less than five and a half percent of total assets. A look at table 5.3 shows that presently an average household owns assets worth Rs 34131793, which is 2.27 times more than the assets it owned prior to land acquisition. Now the share of land, livestock, and other land related assets is the total assets in 87.93%. The remaining 12.07 % assets consist of value of house, household goods, shop/ SCO and other commercial property , transport vehicles, gold and jewellery , fixed deposits in banks, and cash in hand etc. Thus, after acquisition, the share of land, livestock, and other land related assets in total assets has come down by nearly six percent and the share of non-landed assets has gone up by that extent.

Table: 5.1

Household level Asset Composition prior to Acquisition (Category -I) (in Rs.)

Bhatinda	Land Value in	Live Stock Value	Tractor/Trolley value	Other agricultural implement	Electric moter/ Pump sets	Total of Productive assets	Other assets	Total value of assets
Marginal	720536 (72.31)	82857 (8.32)	8571 (0.86)	0 (0.00)	10357 (1.04)	822321 (82.53)	174064 (17.47)	996386 (100.00)
Small	1738889 (76.68)	72778 (3.21)	111111 (4.90)	88889 (3.92)	38889 (1.71)	2050556 (90.43)	217089 (9.57)	2267644 (100.00)
Semi-medium	2898077 (82.83)	97231 (2.78)	83385 (2.38)	79231 (2.26)	31923 (0.91)	3189846 (91.16)	309163 (8.84)	3499010 (100.00)
Medium	6157150 (89.61)	108750 (1.58)	130000 (1.89)	145000 (2.11)	57500 (0.84)	6598400 (96.03)	272710 (3.97)	6871110 (100.00)
Large	16158333 (91.96)	116667 (0.66)	191667 (1.09)	183333 (1.04)	210000 (1.20)	16860000 (95.9)5	711117 (4.05)	17571117 (100.00)
Total	4282407 (87.23)	96240 (1.96)	93840 (1.91)	91467 (1.86)	49800 (1.01)	4613753 (93.98)	295331 (6.02)	4909085 (100.00)
Mansa								
Marginal	2018182 (80.36)	57273 (2.28)	54545 (2.17)	22727 (0.90)	31364 (1.25)	2184091 (86.97)	327214 (13.03)	2511305 (100.00)
Small	4338370 (87.54)	158913 (3.21)	156522 (3.16)	42609 (0.86)	32478 (0.66)	4728891 (95.42)	227130 (4.58)	4956022 (100.00)
Semi-medium	9022500 (89.83)	139000 (1.38)	162500 (1.62)	45000 (0.45)	51000 (0.51)	9420000 (93.79)	624010 (6.21)	10044010 (100.00)
Medium	9765625 (89.99)	168750 (1.55)	159375 (1.47)	76875 (0.71)	65625 (0.60)	10236250 (94.32)	616000 (5.68)	10852250 (100.00)
Large	25316000 (92.54)	210000 (0.77)	200000 (0.73)	120000 (0.44)	240000 (0.88)	26086000 (95.35)	1272200 (4.65)	27358200 (100.00)
Total	7803500 (89.64)	144200 (1.66)	146667 (1.68)	52800 (0.61)	58160 (0.67)	8205327 (94.25)	500274 (5.75)	8705601 (100.00)
Mohali								
Marginal	12803750 (89.25)	146750 (1.02)	86250 (0.60)	11250 (0.08)	92750 (0.65)	13140750 (91.60)	1205180 (8.40)	14345930 (100.00)

Small	31946933 (93.71)	115000 (0.34)	154833 (0.45)	115667 (0.34)	71667 (0.21)	32404100 (95.06)	1685373 (4.94)	34089473 (100.00)
Semi-medium	40081667 (90.42)	186667 (0.42)	265556 (0.60)	148333 (0.33)	118056 (0.27)	40800278 (92.04)	3529483 (7.96)	44329761 (100.00)
Medium	114685714 (97.61)	461143 (0.39)	371429 (0.32)	196429 (0.17)	382143 (0.33)	116096857 (98.81)	1394357 (1.19)	117491214 (100.00)
Large	-	-	-	-	-	-	-	-
Total	36516707 (93.47)	172973 (0.44)	183333 (0.47)	103200 (0.26)	117400 (0.30)	37093613 (94.95)	1972747 (5.05)	39066360 (100.00)
Tarn Taran								
Marginal	1553636 (79.99)	132500 (6.82)	22727 (1.17)	0 (0.00)	17273 (0.89)	1726136 (88.87)	216159 (11.13)	1942295 (100.00)
Small	5167083 (87.83)	146700 (2.49)	93333 (1.59)	30000 (0.51)	41333 (0.7)0	5478450 (93.12)	404617 (6.88)	5883067 (100.00)
Semi-medium	7626944 (85.68)	129444 (1.45)	305556 (3.43)	94444 (1.06)	43611 (0.49)	8200000 (92.12)	701778 (7.88)	8901778 (100.00)
Medium	21633333 (91.49)	163333 (0.69)	316667 (1.34)	133333 (0.56)	200000 (0.85)	22446667 (94.93)	1199333 (5.07)	23646000 (100.00)
Large	49000000 (92.24)	150000 (0.28)	425000 (0.80)	700000 (1.32)	167500 (0.32)	50442500 (94.95)	2681500 (5.05)	53124000 (100.00)
Total	6525033 (87.92)	139147 (1.87)	141333 (1.90)	58667 (0.79)	44533 (0.60)	6908713 (93.09)	513160 (6.91)	7421873 (100.00)
Total Sample								
Marginal	4814067 (86.89)	114030 (2.06)	43955 (0.79)	7090 (0.13)	40672 (0.73)	5019813 (90.60)	520826 (9.40)	5540640 (100.00)
Small	13357098 (92.15)	132185 (0.91)	130924 (0.90)	66848 (0.46)	48772 (0.34)	13735826 (94.76)	759538 (5.24)	14495364 (100.00)
Semi-medium	13592134 (89.16)	134122 (0.88)	191439 (1.26)	89390 (0.59)	58049 (0.38)	14065134 (92.27)	1179038 (7.73)	15244173 (100.00)
Medium	24936804 (95.24	186804 (0.71	189130 (0.72	128370 (0.49	119022 (0.45	25560130 (97.62	623233 (2.38	26183363 (100.00
Large	24733077 (92.27)	157692 (0.59)	230769 (0.86)	238462 (0.89)	215000 (0.80)	25575000 (95.41)	1230054 (4.59)	26805054 (100.00)
Total	13781912 (91.72)	138140 (0.92)	141293 (0.94)	76533 (0.51)	67473 (0.45)	14205352 (94.54)	820378 (5.46)	15025730 (100.00)

As for as the second category of respondents is concerned (i.e those who sold their lands privately) an average household was having assets worth Rs 33998299 before sale of land. Out of this, the share of land, livestock and agriculture related assets was 94.35% . Infact land alone constituted 92.95% of total assets. All other assets together accounted for 5.65 % of their total assets. Presently an average household in this category own assets worth Rs. 79853897 which is 2.34 times more than their pre-land sale assets. Now the share of land, livestock and other land related assets in their total assets has gone down to 88.27 % with land alone accounting for 87.33% of the total assets. So once again we find that there is a diversion of the order of nearly 6% of total assets i.e the share of land, livestock and land related other assets have come down by nearly six percent and other non-landed assets have up by that extent.

The shift of nearly six percentage points in total assets in both categories after acquisition / sale from land, livestock, and other land related assets to non- landed assets is largely accounted for by fixed deposits and value of house. Now the value of house has emerged the second largest asset in total assets in Bhatinda, Mansa, Mohali and for the sample as whole in Category-I, its rank is 3 in Tarn Taran. Similarly fixed deposits, which were non-existent before land acquisition, are now third in rank in terms of assets value in Bhatinda (0.86%), Mansa (1.01%), Mohali (4.99%) and the sample as a whole (3.37%). In Tarn Taran fixed deposits come at number 2 (6.49%) and value of house (5.76%) is pushed back to the third rank. For the sample as a whole in category-I (land acquisition) house accounts for 4.91 % of total assets and fixed deposits account for 3.37 % of total assets. Any other property largely consisting of plots in urban areas, shops and SCO's etc has also emerged an important component of total assets particularly in Mohali and to a lesser extent in Bhatinda. For the sample as a whole this items accounts for 1.42 % of total assets of those whose lands were acquired. Thus, we find that the shift in the composition of total assets after land acquisition is largely because of the fact that farmers spent substantial amounts on house construction / renovation, put substantial amounts in fixed deposits and invested in residential plots in urban areas and bought shops / S.C.O., etc particularly by farmers from village around Mohali from out of funds they received as compensation of land acquired from them. This led to a shift of nearly six percentage points from land and livestock related assets to non-landed assets in the post acquisition situation.

In case of category-II also (those who sold lands privately) there is a shift in the composition of total assets of the order of nearly six percent away from land and livestock related assets in favor of non landed assets after sale of land on the urban fringe. The shift is less pronounced in Ludhiana where the share of land and livestock related assets came down from 96.47% prior to sale to 92.52% at present i.e by around 4 percent but there is a massive shift of nearly 10 percent (93.75% prior to

land sale to 83.80% at present) in case of Mohali. For the category as whole the magnitude of shift works out to be slightly more than six percent. Once again it is attributable to investments made in fixed deposits, house construction / renovation and purchase of other property like residential plots in urban areas, shop/ SCO etc. For example, now 5.35 % of the total assets of this category are in the form of value of house and 1.21 % are in the form of other commercial property. Of course there are differences in the pattern of assets created between Ludhiana and Mohali respondents. While the respondents from Ludhiana diverted resources towards bonds and fixed deposits (4.48 %) and other commercial property (2.03%), in Mohali they invested more in house construction / renovation(7.19 %) followed by fixed deposits (6.26 %) . Other commercial property even now constitutes less than one third of one percent in the case of Mohali respondents. Another item which attracted the attention of this category of farmers is transport vehicles like SUV/Car/ Jeep which now constitute 0.77 % of their total assets.

However, there are very wide inter- district variations in the assets owned by an average household in the both samples. The rate of growth of assets also varied widely across districts. For example, in category –I before acquisition an average household in our sample in Bhatinda had assets worth Rs 49.09 lacs. In Tarn Taran this figure was Rs 49.09 lacs. In Mansa district, it was Rs 87.05 lacs. But in Mohali it was 390.66 lacs. Presently this figure stands at Rs 329.26 lacs in Bhatinda, Rs 162.31 lacs in Tarn Taran, Rs 276.87 lacs for Mansa and 596.81 lacs in Mohali. Thus the total assets of an average household have gone up by 6.71 times in Bhatinda, 3.18 times in Mansa,2.19 times in Tarn Taran and 2.04 times in Mohali. The unusually high rate of growth of assets in Bhatinda is partly due to the fact that in two villages in our sample from Bhatinda (Fullokheri and Kanakwal) acquisition took place in 1999 i.e nearly 13 years back while in Ghudha from Bhatinda and all three village included in our sample from Mansa , all villages included in our sample from Tarn Taran and in almost all villages included in our sample from Mohali , the land acquisition took place in or after 2007 . Partly it may also be attributed to the fact that after Mohali (where the price per acre paid to the farmers was very high because of locational reasons) the highest compensation per acre was paid to farmers in village Ghudha of Bhatinda district. But the most important reason for the growth of assets in Bhatinda is the price of land in and around Fullokheri and Kanakwal which shot up from less than Rs. 3 lacs per acre in 1999-2000 to more than Rs. 30 lacs per acre by 2012.

Table 5.2
Per household level Assets Composition at Present
(Category -I) (in Rs.)

	Land Value	Live-stock Value	Tube-well/ Submersible pump	Tractor/ trolley	Combine Harvester	Other agricultur-al implements	Total Productive assets	SUV/ Car/ Jeep	House Value	Scooter/ motorcycle	Gold /jewellery	Fixed Deposits	S.C.O/ Shop	Any other comercial property	Cash in hand	Total value of assets
Bhatinda																
Marginal	7139286 (87.17)	82857 (1.01)	3571 (0.04)	69643 (0.85)	0 (0.00)	0 (0.00)	7295357 (89.08)	21429 (0.26)	539357 (6.59)	27500 (0.34)	45000 (0.55)	57143 (0.70)	0 (0.00)	0 (0.00)	203929 (2.49)	8189714
Small	14419444 (87.91)	72778 (0.44)	55556 (0.34)	130000 (0.79)	177778 (1.08)	88889 (0.54)	14944444 (91.11)	55556 (0.34)	587778 (3.58)	38889 (0.24)	0 (0.00)	66667 (0.41)	0 (0.00)	691111 (4.21)	17444 (0.11)	16401889
Semi-medium	28385577 (93.74)	97231 (0.32)	60769 (0.20)	184615 (0.61)	0 (0.00)	79231 (0.26)	28807423 (95.13)	132692 (0.44)	509615 (1.68)	35654 (0.12)	73077 (0.24)	307115 (1.01)	0 (0.00)	292885 (0.97)	122500 (0.40)	30280962
Medium	40077500 (94.15	108750 (0.26	87000 (0.20	247750 (0.58)	0 (0.00)	145000 (0.34)	40666000 (95.54)	175250 (0.41)	738000 (1.73)	44750 (0.11)	112000 (0.26)	591000 (1.39)	0 (0.00)	200500 (0.00)	38500 (0.47)	42566000 0.09
Large	88250000 (93.12	116667 (0.12)	233333 (0.25)	272667 (0.29)	0 (0.00)	183333 (0.19)	89056000 (93.98)	691667 (0.73)	3164167 (3.34)	45833 (0.05)	100000 (0.11)	0 (0.00)	0 (0.00)	1666667 (1.76)	40833 (0.04)	94765167
Total	30650667 (93.09)	96240 (0.29)	70267 (0.21)	180480 (0.55)	21333 (0.06)	91467 (0.28)	31110453 (94.48)	158733 (0.48)	797813 (2.42)	37760 (0.11)	71600 (0.22)	282733 (0.86)	0 (0.00)	371267 (1.13)	96160 (0.29)	32926520
Mansa																
Marginal	4765909 (75.67)	57273 (0.91)	39091 (0.62)	45455 (0.72)	0 (0.00)	22727 (0.36)	4930455 (78.28)	140909 (2.24)	323182 (5.13)	18182 (0.29)	41818 (0.66)	0 (0.00)	0 (0.00)	163636 (2.60)	680455 (10.80)	6298636
Small	11318478 (89.46)	158913 (1.26)	62261 (0.49)	184783 (1.46)	0 (0.00)	42609 (0.34)	11767043 (93.00)	65217 (0.52)	505130 (3.99)	55261 (0.44)	71304 (0.56)	52174 (0.41)	0 (0.00)	4348 (0.03)	132174 (1.04)	12652652
Semi-medium	21090500 (91.47)	139000 (0.60)	82750 (0.36)	155000 (0.67)	0 (0.00)	45000 (0.20)	21512250 (93.30)	89500 (0.39)	952500 (4.13)	27000 (0.12)	43500 (0.19)	200000 (0.87)	0 (0.00)	75000 (0.33)	157500 (0.68)	23057250

Medium	42443750 (94.56)	168750 (0.38)	88125 (0.20)	225000 (0.50)	0 (0.00)	76875 (0.17)	43002500 (95.80)	143438 (0.32)	1003750 (2.24)	36250 (0.08)	265625 (0.59)	362500 (0.81)	0 (0.00)	62500 (0.14)	9063 (0.02)	44885625
Large	101750000	210000	184000	320000	0	120000	102584000	600000	1099000	61000	220000	2000000	0	700000	126000	107390000
	(94.75	(0.20)	(0.17)	(0.30)	(0.00)	(0.11)	(95.52)	(0.56)	(1.02)	(0.06)	(0.20)	(1.86	(0.00)	(0.65)	(0.12)	
Total	25632133 (92.58)	144200 (0.52)	77960 (0.28)	174000 (0.63)	0 (0.00)	52800 (0.19)	26081093 (94.20)	135133 (0.49)	743707 (2.69)	38613 (0.14)	110933 (0.40)	280000 (1.01)	0 (0.00)	105333 (0.38)	192667 (0.70)	27687480
Mohali																
Marginal	17652500 (78.17	146750 (0.65)	105000 (0.46)	95000 (0.42)	0 (0.00)	11250 (0.05)	18010500 (79.76)	399250 (1.77)	2365000 (10.47)	34000 (0.15)	347500 (1.54)	1007500 (4.46)	300000 (1.33)	75000 (0.33)	42750 (0.19)	22581500
Small	34073333 (82.60)	115000 (0.28)	162667 (0.39)	466333 (1.13)	0 (0.00)	115667 (0.28)	34933000 (84.68)	572667 (1.39)	2540333 (6.16)	95300 (0.23)	805000 (1.95)	1943333 (4.71)	283333 (0.69)	6667 (0.02)	73417 (0.18)	41253050
Semi-medium	62222222 (76.35)	186667 (0.23	210000 (0.26	377222 (0.46	11111 (0.01	148333 (0.18	63155556 (77.49	952500 (1.17	6344444 (7.78	55000 (0.07	505556 (0.62	3100000 (3.80	1666667 (2.05	5622222 (6.90	96667 (0.12	81498611
Medium	159500000 (84.59)	461143 (0.24)	532143 (0.28)	554286 (0.29)	0 (0.00)	196429 (0.10)	161244000 (85.51)	1717857 (0.91)	11285714 (5.99)	99857 (0.05)	1382857 (0.73)	12728571 (6.75)	0 (0.00)	0 (0.00)	101429 (0.05)	188560286
Large	0 (0.00)	0) (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)
Total	48156667 (80.69)	172973 (0.29)	193133 (0.32)	354133 (0.59)	2667 (0.00)	103200 (0.17)	48982773 (82.07)	724467 (1.21)	4222800 (7.08)	69707 (0.12)	665067 (1.11)	2978000 (4.99)	593333 (0.99)	1372000 (2.30)	73433 (0.12)	59681580
Tarn Taran																
Marginal	568182 (22.23)	132500 (5.18)	6818 (0.27)	0 (0.00)	68182 (2.67)	0 (0.00)	775682 (30.35)	31818 (1.25)	670705 (26.24)	49455 (1.94)	40909 (1.60)	983409 (38.48)	0 (0.00)	909 (0.04)	2727 (0.11)	2555614
Small	10120833 (84.27)	146700 (1.22)	44500 (0.37)	92000 (0.77)	0 (0.00)	30000 (0.25)	10434033 (86.88)	50000 (0.42)	718000 (5.98)	41433 (0.34)	10000 (0.08)	683333 (5.69)	0 (0.00)	66667 (0.56)	6333 (0.05)	12009800
Semi-medium	18881944 (83.80)	129444 (0.57)	88889 (0.39)	200000 (0.89)	277778 (1.23)	94444 (0.42)	19672500 (87.31)	216667 (0.96)	668611 (2.97)	37778 (0.17)	166667 (0.74)	1757222 (7.80)	0 ((0.00)	0 (0.00)	13611 (0.06)	22533056

Medium	45000000 (86.47)	163333 (0.31)	233333 (0.45)	283333 (0.54)	0 (0.00)	133333 (0.26)	45813333 (88.03)	583333 (1.12)	2593333 (4.98)	116667 (0.22)	166667 (0.32)	1100000 (2.11)	0 (0.00)	1666667 (3.20)	2333 (0.00)	52042333
Large	106000000 (88.65)	150000 (0.13)	450000 (0.38)	650000 (0.54)	1500000 (1.25)	700000 (0.59)	109450000 (91.54)	1500000 (1.25)	7000000 (5.85)	70000 (0.06)	500000 (0.42)	1000000 (0.84)	0 (0.00)	0 (0.00)	45000 (0.04)	119565000
Total	13373333 (82.39)	139147 (0.86)	62467 (0.38)	113467 (0.70)	126667 (0.78)	58667 (0.36)	13873747 (85.47)	144667 (0.89)	934807 (5.76)	46680 (0.29)	76000 (0.47)	1054200 (6.49)	0 (0.00)	93600 (0.00)	7893 (0.58)	16231593 (0.05)
Total Sample																
Marginal	7730224 (74.87	114030 (1.10)	40746 (0.39)	50373 (0.49)	22388 (0.22)	7090 (0.07)	7964851 (77.14)	157239 (1.52)	1091963 (10.58)	35119 (0.34)	133433 (1.29)	635597 (6.16)	89552 (0.87)	49552 (0.48)	167985 (1.63)	10325291
Small	18651359 (84.26)	132185 (0.60)	88554 (0.40)	240978 (1.09)	17391 (0.08)	66848 (0.30)	19197315 (86.72)	224783 (1.02)	1246283 (5.63)	62207 (0.28)	283587 (1.28)	876087 (3.96)	92391 (0.42)	92609 (0.42)	60755 (0.27)	22136016
Semi-medium	31947683 (83.94)	134122 (0.35)	105061 0.28)	223049 (0.59)	63415 (0.17)	89390 (0.23)	32562720 (85.55)	320549 (0.84)	1933354 (5.08)	38256 (0.10)	181341 (0.48)	1212378 (3.19)	365854 (0.96)	1345305 (3.53)	101463 (0.27)	38061220
Medium	59394565 (89.71)	186804 (0.28)	1646(74 (0.25)	288804 (0.44)	0 (0.00)	128370 (0.19)	60163217 (90.87)	425543 (0.64)	2556522 (3.86)	54870 (0.08)	362391 (0.55)	2391739 (3.61)	0 (0.00)	217609 (0.33)	35478 (0.05)	66207370
Large	96173077 (92.98)	157692 (0.15)	247692 (0.24)	348923 (0.34)	230769 (0.22)	238462 (0.23)	97396615 (94.16)	780769 (0.75)	2960000 (2.86)	55385 (0.05)	207692 (0.20)	923077 (0.89)	0 (0.00)	1038462 (1.00)	74231 (0.07)	103436231
Total	29453200 (86.29)	138140 (0.40)	100957 (0.30)	205520 (0.60)	37667 0.11)	76533 (0.22)	30012017 (87.93)	290750 (0.85)	1674782 (4.91)	48190 (0.14)	230900 (0.68)	1148733 (3.37)	148333 (0.43)	485550 (1.42)	92538 (0.27)	34131793

Table: 5.3
Household level Asset Composition prior to Land Sale (Category-II) (Rs.)

Ludhiana	Land Value	Live Stock Value	Tractor/ Trolley value	Other agricultural implements	Electric motor/ Pump sets	Total of Productive assets	Other assets	Total value of assets
Marginal	8539189 (97.59)	91514 (1.05)	51351 (0.59)	18432 (0.21)	36081 (0.41)	8718135 (99.64)	31601 (0.36)	8749736
Small	11722167 (90.95)	176833 (1.37)	88367 (0.69)	22667 (0.18)	30900 (0.24)	12018267 (93.24)	870932 (6.76)	12889199
Semi-medium	22301786 (95.19)	173036 (0.74)	122679 (0.52)	29464 (0.13)	40071 (0.17)	22637571 (96.63)	790280 (3.37)	23427852
Medium	24875000 (95.48)	162500 (0.62)	205250 (0.79)	50000 (0.19)	60000 (0.23)	25302750 (97.12)	750400 (2.88)	26053150
Large	11000000 96.27)	70000 0.61)	50000 0.44)	12500 0.11)	20000 0.18)	11140000 97.50)	285875 2.50)	11425875
Total	14355650 (94.67)	144660 (0.95)	90070 (0.59)	24370 (0.16)	37040 (0.24)	14627420 (96.47)	535702 (3.53)	15163122
Mohali								
Marginal	18790000 (97.50)	153600 (0.80)	48800 (0.25)	10800 (0.06)	40200 (0.21)	19043400 (98.81)	228616 (1.19)	19272016
Small	44027941 (91.61)	404412 (0.84)	162353 (0.34)	172647 (0.36)	140588 (0.29)	44907941 (93.44)	3150950 (6.56)	48058891
Semi-medium	61925000 (91.13)	197222 (0.29	174861 (0.26	187222 (0.28	142667 (0.21	62626972 (92.16	5324272 (7.84	67951244
Medium	137760000 (95.49)	480000 (0.33)	420000 (0.29)	268000 (0.19)	180000 (0.12)	139108000 (96.43)	5152020 (3.57)	144260020
Large	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0 (0.00)	0
Total	48848000 (92.46)	270900 (0.51)	151350 (0.29)	142200 (0.27)	118210 (0.22)	49530660 (93.75)	3302816 (6.25)	52833476
Total Sample								
Marginal	12672581 (97.54)	116548 (0.90)	50323 (0.39)	15355 (0.12)	37742 (0.29)	12881548 (99.15)	111043 (0.85)	12992591
Small	28884609 (91.48)	297734 (0.94)	127672 (0.40)	102344 (0.32)	89172 (0.28)	29490906 (93.41)	2082192 (6.59)	31573098
Semi-medium	44589844 (91.99)	186641 (0.39)	152031 (0.31)	118203 (0.24)	97781 (0.20)	45131609 (93.11)	3340651 (6.89)	48472260
Medium	87588889 (95.49)	338889 (0.37)	324556 (0.35)	171111 (0.19)	126667 (0.14)	88527889 (96.52)	3195744 (3.48)	91723633
Large	44000000 (96.27)	280000 (0.61)	200000 (0.44)	50000 (0.11)	80000 (0.18)	44560000 (97.50)	1143500 (2.50)	45703500
Total	31601825 (92.95)	207780 (0.61)	120710 (0.36)	83285 (0.24)	77625 (0.23)	32079040 (94.35)	1919259 (5.65)	33998299

In category –II also we find wide variation in average per household assets as also growth of assets between our respondents from Ludhiana and Mohali. In Ludhiana district an average respondent in our sample had assets worth Rs 151.63 lacs before sale of land. Now this figure has gone up to Rs 819.80 lacs i.e risen by 5.41 times. Most respondents in our sample from Ludhiana sold their lands around Ludhiana between 2002 and 2007. So a growth in nominal value of assets of nearly five and a half times in a span of nearly 7-8 years is really spectacular. On the other hand, in Mohali most of the respondent who sold their lands privately did it after the year 2008. Consequently, land prices around Mohali by that time had already gone up substantially. Therefore an average household in our sample from Mohali belonging to category-II (i.e who sold their land privately) had assets worth Rs 528 .33 lac before land sale. Presently this figure stands at Rs 777.27 lacs i.e an increase of nearly 47 percent over the last 4-5 years. Given the fact that property prices in and around Mohali have either come down after 2008 or are stagnating, an increase of 47% in their total assets is respectable. This has happened largely because the respondents of this category from Mohali after selling their land situated in the villages around Mohali bought agricultural land at a distance of 25-30 km away from Mohali. Since the land prices in rural area had gone up substantially during these 4-5 years, increase in the total assets of Mohali respondents is largely attributable to this land price rise in rural areas. But because the base year figure is rather large therefore, the growth in total assets across various size categories is rather small.

As for as the question of growth in assets across various size categories is concerned it seems the growth in assets has been more or less similar for all categories of farmers if we look at each district individually. If, however, we pool the data from all the four districts for all 300 farmers whose lands were acquired, then it seems the assets of small / marginal farmers have grown at a slower pace compared to growth in assets of relatively bigger size categories. For example, this multiple is 1.86 for marginal farmers and 1.53 for small farmers whereas for semi-medium farmers it is 2.20, for medium farmers it is 2.53 and for large farmers it is 3.85. Remember that this multiple for all farmers together is 2.27 which means that assets of all those who had more than 5 acres of land had grown at a rate above the average rate of growth while this growth multiple for small and marginal farmers is below the average. As for the category-II in our sample is concerned, a look at table 5.4 shows that there is no relationship between size class of farmers and the growth multiple in their assets. All the farmers belonging to this category seem to have gained more or less equally. Thus the growth of assets does not seem to have any class bias, at least, in the case of those who sold their land privately on their own accord.

Table-5.4
Household level Asset Composition at present
(Category -II) ((in Rs.)

	Land Value	Live-stock Value	Tube-well/ Submersible pump	Tractor/ trolley	Combine Harvester	Other agricultural implement	Total of Productive assets	SUV/ Car/Jeep	House Value	Scooter / motorcycle	Gold /jewellery	Fixed Deposits	S.C.O/Shop	Any other commercial property	Cash in hand	Total value of assets
Ludhiana																
Marginal	28286486 (79.93)	91514 (0.26)	86892 (0.25)	102973 (0.29)	0 (0.00)	18432 (0.05)	28316027 (80.77)	283784 (0.80)	1994459 (5.64)	42743 (0.12)	178649 (0.50)	1168919 (3.30)	137838 (0.39)	2935135 (8.29)	63243 (0.18)	35391068
Small	66141667 (91.20)	176833 (0.24)	142000 (0.20)	120667 (0.17)	0 (0.00)	22667 (0.03)	66603833 (91.84)	398000 (0.55)	2443833 (3.37)	32433 (0.04)	238167 (0.33)	2171667 (2.99)	150000 (0.21)	1353333 (1.87)	148333 (0.20)	72520260
Semi-medium	113671429 (95.24)	173036 (0.14)	201429 (0.17)	243036 (0.20)	10714 (0.01)	29464 (0.02)	114329107 (95.79)	566429 (0.47)	2888036 (2.42)	41071 (0.03)	286786 (0.24)	8469643 (7.10)	192857 (0.16)	621429 (0.52)	138929 (0.12)	119356732
Medium	223250000 (96.41	162500 (0.07)	302500 (0.13)	325000 (0.14)	0 (0.00)	50000 (0.02)	224090000 (96.78)	550000 (0.24)	2500000 (1.08)	54000 (0.02)	285000 (0.12)	3850000 (1.66)	0 (0.00)	0 (0.00)	175000 (0.08)	231554000
Large	440500000 (97.19	280000 (0.06)	150000 (0.03)	200000 (0.04)	0 (0.00)	50000 (0.01)	441180000 (97.34)	600000 (0.13)	4440000 (0.98)	0 (0.00)	600000 (0.13)	6200000 (1.37)	0 (0.00)	0 (0.00)	200000 (0.04)	453220000
Total	75471500 (92.06	144660 (0.18)	144750 (0.18)	157350 (0.19)	3000 (0.00)	24370 (0.03)	75845630 (92.52)	411000 (0.50)	2424150 (2.96)	39205 (0.05)	235250 (0.29)	3671500 (4.48)	150000 (0.18)	1666000 (2.03)	115800 (0.14)	81980423
Mohali																
Marginal	23944000 (78.89	153600 (0.51)	154600 (0.51)	144800 (0.48)	0 (0.00)	10800 (0.04)	24407800 (80.41)	550040 (1.81)	1578400 (5.20)	39200 (0.13)	383600 (1.26)	3390000 (11.17)	0 (0.00)	0 (0.00)	44000 (0.14)	30352640
Small	55050000 (80.88	404412 (0.59)	276765 (0.41)	394706 (0.58)	0 (0.00)	172647 (0.25)	56298529 (82.71)	816176 (1.20)	5498529 (8.08)	86794 (0.13)	675000 (0.99)	4755882 (6.99)	0 (0.00)	44118 (0.06)	53529 (0.08)	68065324
Semi-medium	89077778	197222	390278	620833	0	187222	90473333	927778	8100000	80833	711111	4722222	208333	680556	63750	106646528

	(83.53	(0.18)	(0.37)	(0.58)	(0.00)	(0.18)	(84.83)	(0.87)	(7.60)	(0.08)	(0.67)	(4.43)	(0.20)	(0.64)	(0.06)	
Medium	144700000 (84.09	480000 (0.28)	440000 (0.26)	510000 (0.30)	0 (0.00)	268000 (0.16)	146398000 (85.07)	1488000 (0.86)	8220000 (4.78)	75000 (0.04)	1720000 (1.00)	14100000 (8.19)	0 (0.00)	0 (0.00)	84000 (0.05)	172085000
Large	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00	0 0.00
Total	64006000 (82.35)	270900 (0.35)	295250 (0.38)	419400 (0.54)	0 (0.00)	142200 (0.18)	65133750 (83.80)	823410 (1.06)	5591100 (7.19)	72160 (0.09)	667400 (0.86)	4869500 (6.26)	75000 (0.10)	260000 (0.33)	56350 (0.07)	77727370
Total Sample																
Marginal	26535484 (79.87	116548 (0.35)	114194 (0.34)	119839 (0.36)	0 (0.00)	15355 (0.05)	26740129 (80.49)	391145 (1.18)	1826694 (5.50)	41315 (0.12)	261290 (0.79)	2064516 (6.21)	82258 (0.25)	1751613 (5.27)	55484 (0.17)	33223000
Small	60249219 (85.88	297734 (0.42)	213594 (0.30)	266250 (0.38)	0 (0.00)	102344 (0.15)	61129141 (87.14)	620156 (0.88)	4066641 (5.80)	61313 (0.09)	470234 (0.67)	3544531 (5.05)	70313 (0.10)	657813 (0.94)	97969 (0.14)	70153575
Semi-medium	99837500 (88.98	186641 (0.17)	307656 (0.27)	455547 (0.41)	4688 (0.00)	118203 (0.11)	100910234 (89.93)	769688 (0.69)	5819766 (5.19)	63438 (0.06)	525469 (0.47)	6361719 (5.67)	201563 (0.18)	654688 (0.58)	96641 (0.09)	112207242
Medium	179611111 (90.48	338889 (0.17)	378889 (0.19)	427778 (0.22)	0 (0.00)	171111 (0.09)	180927778 (91.14)	1071111 (0.54)	5677778 (2.86)	65667 (0.03)	1082222 (0.55)	9544444 (4.81)	0 (0.00)	0 (0.00)	124444 (0.06)	198515667
Large	440500000 (97.19	280000 (0.06)	150000 (0.03)	200000 (0.04)	0 (0.00)	50000 (0.01)	441180000 (97.34)	600000 (0.13)	4440000 (0.98)	0 (0.00)	600000 (0.13)	6200000 (1.37)	0 (0.00)	0 (0.00)	200000 (0.04)	453220000
Total	69738750 (85.99)	207780 (0.26)	220000 (0.27)	288375 (0.36)	1500 (0.00)	83285 (0.10)	70489690 (86.97)	617205 (0.76)	4007625 (4.94)	55683 (0.07)	451325 (0.56)	4270500 (5.27)	112500 (0.14)	963000 (1.19)	86075 (0.11)	81103603

So for we have been comparing the assets in terms of their nominal value before and after land acquisition or sale. Strictly speaking, these figures are not comparable because the value of rupee is no longer the same as it was 5 or 10 years back. Although it is not possible for us to make pre and post acquisition or sale figures comparable by using price index because we do not have with us the actual date of acquisition / sale for each farmer but we do know that in our data the earlist acquisition took place in villages of Fullokheri and Kanakwal of Bhatinda district . This happened in 1999 and most of the affected farmers were given compensation in the year 2000. However, in the third village from Bhatinda in our sample (Ghudha) acquisition took place in 2008. In Mansa villages it took place in 2007 in Raipur and Banawali and 2008 in Gobindpura. In Tarn Taran villages, again it was in 2008. In Mohali district, however, the lands of a majority of the respondents in our sample were acquired after 2005.

Similarly, for the second category in our sample (those who sold their lands privately) while in Ludhiana most of the sample households sold their lands between 2002 and 2007, in Mohali, villages however, most households sold their lands to mega housing projects after 2007. Therefore, to take care of the price rise during this period no multiple would be very scientific but still we feel that a multiple of 2 in case of Fullokhari and Kanakwal of Bhatinda and 1.5 in case of all other locations would, to a large extent, take care of this problem. If present value of assets is less than double of the pre-acquisition figure then those households in Fullokheri and Kanakwal of district Bhatinda can not be taken to be better off than their pre- acquisition position. Similarly, if the present assets are less than 50 % higher than the pre-acquisition/ sale assets elsewhere those households should be taken as worse off than before.

Table 5.5 gives us households-wise information about the position of their present assets as proportion of their assets prior to acquisition or sale. Upper part of the table contains information about those households whose lands where acquired and the lower part shows position of households from district Ludhiana and Mohali who sold their lands privately. Column-1 of this table gives the number of households in each district whose present assets are lower than their assets before acquisition or sale even at current prices. Column-2 shows the number of households whose present assets are between 1 and 1.5 times of their earlier assets. Column-3 shows households whose present assets fall in the range of 1.5-2. Column -4 shows the number of households whose present assets fall in the range of 2 to 5 times of their earlier assets. Column -5 shows the number of those households whose presents assets fall in the range of above 5 times of their pre- acquisition / sale assets. The last column shows the average multiple of the present assets compared to their pre-acquisition / sale assets.

A look at column -1 of this table shows that there are at least 20 households from category -1 (1 from Bhatinda, 4 from Mansa, 7 from Mohali and 8 from Tarn Taran) whose present assets are less than their total assets before acquisition even in nominal terms i.e even if assets are compared at current prices at both points of time. Similarly in category –II seven households, all from Mohali , have present assets less than their pre-sale level .We looked at the utilization pattern of each of these households and found that these are the households who instead of investing the money received as compensation in productive assets either kept large sums in bank deposits or spent disproportionately large sums on house construction/ renovation and / or buying of luxury SUV's and cars and/or spent substantial funds on marriages and social ceremonies or repayment of outstanding loans etc. For example the lone household from Bhatinda falling in this category spent 27.5% of the total compensation received on marriage , spent another 41 % on repaying old loans and kept the remaining 31.5 % in fixed deposits but did not buy any agricultural land. Similarly, the four households falling in this category from Mansa have kept large sums in fixed deposits. Although they did buy some agricultural land (29 acres instead of 42.25 acres acquired from them) but together they spent 24 lacs on house construction / renovation and kept Rs 1 crore and 4.8 lacs in bank deposits . Some money went to repay old debts and two of them also bought cars.

Similarly, the seven households from Mohali, which fall in this range, also exhibit this kind of spending pattern. Two of these households did not buy any land. The remaining five did spend nearly 60 % of the money received on buying some agricultural land. Together these seven households spent Rs 20 lacs on marriages and social ceremonies, spent Rs 1.075 crores on house construction / renovation, and kept Rs 76 lacs in bank deposits. Most of them also bought cars/ jeeps or some vehicle for transportation.

The classic case is that of 8 households from Tarn Taran district which fall in this category. Except one (who had 7.5 acre of land) all of them were small and / or marginal farmers. Together these seven households received a compensation of Rs 238.65 lacs. None of these households invested even a penny in buying agricultural land. Together they spent Rs 25 lacs (10.5 %) on marriage / social ceremonies. They spent 26.5 lacs (nearly 10.90%) on house construction / renovation, spent another Rs 38 .5 lacs (16.13%) on repaying old loans and kept the remaining amount of Rs 149 lacs in bank as fixed deposits.

Table: 5.5
Present Assets as proportion of Assets before Acquisition/ Sale
(No. of Households in different ranges)
(Category-I)

	Less than 1	1-1.5	1.5-2	2-5	5 and Above	Total	Average Multiple
Bhatinda	1	3	1	14	56	75	6.71
Mansa	4	8	8	37	18	75	3.18
Mohali	7	29	15	20	4	75	1.53
Tarn Taran	8	20	20	24	3	75	2.19
Total	20	60	44	95	81	300	2.67

(Category-II)

Ludhiana	0	5	3	48	44	100	5.41
Mohali	7	43	32	18	0	100	1.47
Total	7	48	35	66	44	200	2.34

Again we have seven households from Mohali who sold their lands privately to mega housing project at very high price(around Rs. 95 lacs per acre) but now the value of their total assets is lower than their assets before land sale in Mohali . A look at their utilization pattern shows that while they did buy some agricultural land but that land is in neighboring districts of Ropar, Fategarh Sahib, Patiala, or Ambala. The present per acre value of land, which they bought, is not even one third of the value of land they sold on the periphery of Mohali. These households spent huge amount (nearly Rs 1.80 crores) on house construction / renovation. Apart from this, they together kept Rs 3.20 crores in bank deposits. Almost all of them bought some vehicles and other households articles. Thus, we find they sold costly semi-urban property but bought property in rural areas, which did not appreciate much and also spent huge amounts on house construction/ renovation, kept large sums as fixed deposits and spent liberally on transport vehicles etc.

If, however, we apply the criterion which we adopted earlier for deciding whether at constant prices they are better off now in terms of total assets prior to their position before land acquisition / sale i.e a multiple of 2 for Fullokheri and Kanakwal of Bhatinda and a multiple of 1.5 for all other locations, we find that 81 households (27%) from category–I (whose lands were acquired) and 55 (27.5%) from category -II (who sold their lands privately) are presently worse off compared to their earlier position . The reasons for their present plight are once again the same as we discussed in the proceeding pages for those who have even nominal assets less than their total assets before acquisition / sale. Thus, at the cost of repetition we can once again state that all those who did not

spent a sufficiently large proportion of the compensation / sale proceeds received on agricultural land or other physical assets like shop/ SCO's etc and instead either spent large sums on marriages/ social ceremonies , and/or house construction / renovation , and / or buying costly transport vehicles and / or had to repay large debts or kept large sums in the forms of fixed deposits, lost out on this count and could not take advantage of rising agricultural land prices. However, they may not be poorer in terms of annual household income because fixed deposits do earn handsome incomes but their assets did not appreciate as much as of those who invested large proportion of the total money available in buying landed property which apriciated at unusually high rates in the recent past. How these respondent farmers faired in terms of incomes after acquisition is the issue, which we will try to answer in the next chapter.

Chapter-6

Impact of Land Acquisition / Sale on Farmers Income

In the proceeding chapters, we discussed the impact of land acquisition/ sale on affected farmers land ownership status and their total assets. In chapter-4 we found that 37.67 % farmers belonging to category -I (whose lands were acquired) own less land now compared to their position before land acquisition. However, 96% of the farmers belonging to category-II (those who sold their lands privately) now own more land compared to their position before land sale. In chapter-5 we assessed the impact of land acquisition /sale on total assets of the affected farmers and found that nearly 27 % farmers from category-I and 27.5 % farmers from category-II have lower assets in real terms compared to their position before land acquisition /sale respectively. In this chapter we will assess the impact of land acquisition / sale on the household income of affected farmers.

Table 6.1 contains information about average household income of various size classes of farmers from various districts and for the sample as a whole belonging to category-1 prior to land acquisition. It also gives us information about the contribution of various sources of income to total household income. Table 6.2 contains the same information in percentage terms. Similarly, Tables 6.3 and 6.4 give us the same information in absolute figures and percentage terms respectively about respondents from category –II (those who sold their land privately).

A look at the tables 6.1 and 6.2 show that an average household belonging to category-I (land acquisition) had an annual household income of Rs 254259 prior to land acquisition. Inter –district variation in household income are rather small. For example, the highest per household income before land acquisition was Rs 262747 in Tarn Taran. It was followed by Bhatinda with Rs. 260299, Mansa Rs 247892, and Mohali Rs 246097. For the sample as whole for category -1 nearly 62 percent (61.93%) of the total household income originated from agriculture, Income from other occupations which included income from sale of milk plus income contributed by members of the family doing jobs outside agriculture and income from any other enterprise carried out by family members together contributed 35.31% of the household income. The contribution of rent was 0.95 % only. Pensions contributed 1.68% of the total household income and the contribution of remittances was a meager 0.13%.

Across districts, there were variations as for as the contribution of various sources to household income prior to land acquisition is concerned. As expected in Bhatinda and Mansa, the contribution of agriculture to total household income was much larger than in Tarn Taran and Mohali. Consequently,

Table: 6.1

Household-wise Annual Income Prior to Land Acquisition/Sale (Category-I) (in Rs.)

	Annual income from land	Annual income from other occupation	Annual Income from rent	Annual remittance	Annual income from pension	Total annual income
Bhatinda						
Marginal	64500	87143	0	0	0	151643
Small	104111	30333	0	0	0	134444
Semi-medium	167038	77038	0	0	2769	246846
Medium	204750	86320	0	0	0	291070
Large	637500	20833	0	0	0	658333
Total	188040	71299	0	0	960	260299
Mansa						
Marginal	42955	70182	0	0	5455	118591
Small	109652	49452	0	0	5870	164974
Semi-medium	135500	74150	0	0	0	209650
Medium	302188	66250	0	0	0	368438
Large	551000	130000	0	0	0	681000
Total	177260	68032	0	0	2600	247892
Mohali						
Marginal	43125	95830	0	0	4800	143755
Small	101333	65413	0	0	9533	176280
Semi-medium	161944	193600	40278	5556	12944	414322
Medium	340000	65142.85714	0	0	0	405142.9
Large	-	-	-	-	-	-
Total	122633	104264	9667	1333	8200	246097
Tarn Taran						
Marginal	41091	155273	0	0	0	196364
Small	104333	47667	0	0	8000	160000
Semi-medium	171667	103111	0	0	8667	283444
Medium	356667	636667	0	0	0	993333
Large	1225000	27000	0	0	0	1252000
Total	141920	115547	0	0	5280	262747
Total Sample						
Marginal	46896	109322	0	0	2328	158546
Small	104663	52204	0	0	7185	164052
Semi-medium	159244	107644	8841	1220	5622	282571
Medium	269130	112009	0	0	0	381139
Large	694615	63769	0	0	0	758385
Total	157463	89785	2417	333	4260	254259

Table :6.2

Household-wise Annual Income Prior to Land Acquisition from various sources as Percentage of Total Income (Category-I)

Bhatinda	Annual income from land	Annual income from other occupation	Annual Income from rent	Annual remittance	Annual income from pension	Total annual income
Marginal	42.53	57.47	0.00	0.00	0.00	100
Small	77.44	22.56	0.00	0.00	0.00	100
Semi-medium	67.67	31.21	0.00	0.00	1.12	100
Medium	70.34	29.66	0.00	0.00	0.00	100
Large	96.84	3.16	0.00	0.00	0.00	100
Total	72.24	27.39	0.00	0.00	0.37	100
Mansa						
Marginal	36.22	59.18	0.00	0.00	4.60	100
Small	66.47	29.98	0.00	0.00	3.56	100
Semi-medium	64.63	35.37	0.00	0.00	0.00	100
Medium	82.02	17.98	0.00	0.00	0.00	100
Large	80.91	19.09	0.00	0.00	0.00	100
Total	71.51	27.44	0.00	0.00	1.05	100
Mohali						
Marginal	30.00	66.66	0.00	0.00	3.34	100
Small	57.48	37.11	0.00	0.00	5.41	100
Semi-medium	39.09	46.73	9.72	1.34	3.12	100
Medium	83.92	16.08	0.00	0.00	0.00	100
Large						
Total	49.83	42.37	3.93	0.54	3.33	100
Tarn Taran						
Marginal	20.93	79.07	0.00	0.00	0.00	100
Small	65.21	29.79	0.00	0.00	5.00	100
Semi-medium	60.56	36.38	0.00	0.00	3.06	100
Medium	35.91	64.09	0.00	0.00	0.00	100
Large	97.84	2.16	0.00	0.00	0.00	100
Total	54.01	43.98	0.00	0.00	2.01	100
Total Sample						
Marginal	29.58	68.95	0.00	0.00	1.47	100
Small	63.80	31.82	0.00	0.00	4.38	100
Semi-medium	56.36	38.09	3.13	0.43	1.99	100
Medium	70.61	29.39	0.00	0.00	0.00	100
Large	91.59	8.41	0.00	0.00	0.00	100
Total	61.93	35.31	0.95	0.13	1.68	100

the share of other occupation was relatively small in Bhatinda and Mansa but it was much larger in Tarn Taran and Mohali. For example, in Bhatinda the share of agriculture in total household income was 72.24 % and other occupation contributed 27.39 %. A small contribution of 0.37 % was made by pensions. There was no income from either rent or remittances in Bhatinda sample. Similarly in Mansa agriculture contributed 71.51 % of the total household income, followed by 'other occupation' 27.44% and pensions 1.05% . Once again there was no contribution of either rent or remittances.

In Tarn Taran the contribution of agriculture to the total household income was only 54.01 %. Other occupation contributed 43.98 % and pensions contribution was 2.01 %. There was no income from rent and remittances in Tarn Taran. In Mohali, however, the contribution of agriculture to the total household income was less than half i.e 49.83 %. Another 42.37 % was being contributed by other occupations. The third largest contribution was being made by rental income which constituted another 3.33 % of the total income and even remittances had a share of 0.54 %. Thus, we find that respondents from Mohali followed by Tarn Taran had far more diversified economies compared to their counterparts from Bhatinda and Mansa, which had prominently agriculture, based economies prior to land acquisition.

Another feature which can be noticed from these tables is the fact that a relatively large share of the household income of marginal farmers was being contributed by other occupations and the share of land based income in their total household income was only 42.53 % in Bhatinda, 36.22% in Mansa, 30.0 % in Mohali and 20.93 % in Tarn Taran. Barring a few exceptions, the share of agriculture increased and that of other occupations falls with the increase in the size of holding. Also to be noted is the fact that income from rent and remittances had contribution in Mohali only and not in other three districts. And lastly in Bhatinda and Tarn Taran districts marginal farmers had higher per household income than their counterparts in the small farm category largely because of much higher income originating from other occupations.

Similarly a look at the tables 6.3 and 6.4 show that an average household in our sample belonging to category -II in Ludhiana had annual income of Rs 230120, where as an average household in Mohali had income of Rs 267620 per annum before sale of land. For the sample of this category as a whole the average annual household income worked out to be Rs 248870 which is pretty close to the average annual income of household belonging to category –I. In Ludhiana, sample 44.10 % of their income originated from agriculture. Allied activities and other occupation together contributed 48.89 % of their total household income. Pensions and Remittances contributed 4.84 % and 2.17 % respectively. However, there was no rental income. In contrast to this in Mohali the share of land based income in an average household was 53.55% followed by income from other sources

42.99 % and pension 3.45 %. There was no contribution of rent or remittances in Mohali in this category. For the originated of this category as a whole 49.18 % of the household income came from land (agriculture), 45.72 % from other sources, 4.09 % from pensions, and 1 % from remittances. There was no income from rent before they sold their lands on the periphery of Ludhiana and Mohali.

Also in this category, one can see a clear-cut positive relationship between size categories of farmers and income from land in both the districts individually as well as for the sample as a whole. Similarly there was a clear cut negative relationship between income from other occupations and the size of holding of farmers i.e as we move from smaller to larger categories the share of income from other occupations go on declining in both Ludhiana and Mohali as also for the sample as a whole.

Table-6.3

Household-wise Annual Income Prior to Land Sale (Category-II) (in Rs.)

	Annual income from land	Annual income from other occupation	Annual Income from rent	Annual remittance	Annual income from pension	Total annual income
Ludhiana						
Marginal	56081	95162	0	0	15486	166730
Small	89167	137600	0	0	10200	236967
Semi-medium	151179	98893	0	17857	8357	276286
Medium	216250	208250	0	0	0	424500
Large	300000	0	0	0	0	300000
Total	101480	112510	0	5000	11130	230120
Mohali						
Marginal	78200	120624	0	0	12000	210824
Small	119176	119082	0	0	15882	254141
Semi-medium	190417	111156	0	0	2333	303906
Medium	294000	88000	0	0	0	382000
Large	0					
Total	143320	115060	0	0	9240	267620
Total Sample						
Marginal	65000	105429	0	0	14081	184510
Small	105109	127763	0	0	13219	246091
Semi-medium	173250	105791	0	7813	4969	291822
Medium	259444	141444	0	0	0	400889
Large	300000	0	0	0	0	300000
Total	122400	113785	0	2500	10185	248870

Tables 6.5 and 6.6 give us information about size category wise average household income after acquisition for various districts and for the sample as a whole in absolute figures and percentage terms respectively for category –I . Similarly, Tables 6.7 and 6.8 give us the same information for category –II (who sold their lands privately) A look at tables 6.5 to 6.8 in comparison with tables 6.1 to 6.4 brings out at least three things clearly. One that the average household income of farmers belonging to category-I in our sample has more than doubled since land acquisition (2.39 times). The highest rise in the income is recorded by respondent farmers from Mohali where the average income has gone up by 3.76 times followed by Mansa 2.03 times, Bhatinda1.89 times and Tarn Taran 1.87 times.

Table:6.4

Household-wise Annual Income Prior to land sale from various sources as percentage of Total Income (Category-II)

	Annual income from land	Annual income from other occupation	Annual Income from rent	Annual remittance	Annual income from pension	Total annual income
Ludhiana						
Marginal	33.64	57.08	0.00	0.00	9.29	100
Small	37.63	58.07	0.00	0.00	4.30	100
Semi-medium	54.72	35.79	0.00	6.46	3.02	100
Medium	50.94	49.06	0.00	0.00	0.00	100
Large	100.00	0.00	0.00	0.00	0.00	100
Total	44.10	48.89	0.00	2.17	4.84	100
Mohali						
Marginal	37.09	57.22	0.00	0.00	5.69	100
Small	46.89	46.86	0.00	0.00	6.25	100
Semi-medium	62.66	36.58	0.00	0.00	0.77	100
Medium	76.96	23.04	0.00	0.00	0.00	100
Large	0.00	0.00	0.00	0.00	0.00	0.00
Total	53.55	42.99	0.00	0.00	3.45	100
Total Sample						
Marginal	35.23	57.14	0.00	0.00	7.63	100
Small	42.71	51.92	0.00	0.00	5.37	100
Semi-medium	59.37	36.25	0.00	2.68	1.70	100
Medium	64.72	35.28	0.00	0.00	0.00	100
Large	100.00	0.00	0.00	0.00	0.00	100
Total	49.18	45.72	0.00	1.00	4.09	100

In the case of category-II however the rise in average household income is of the order of 4.07 times when we compare their present income with the income before they sold their lands on the outskirts of urban fringe. It is 4.34 times in the case of farmers from Ludhiana and 3.67 times for respondent farmers from Mohali.

Secondly for category-I there is no clear cut relationship between the rise in income over time and the size class of holding of respondent farmers whether we took at the individual districts or data belonging to the sample as a whole of this category. However, in case of category-II while in Ludhiana district sample there is no relationship between the rise in household income and size categories but in Mohali sample as well as the sample of this category as a whole there emerges positive relationship between the rise in income and size class of farmers i.e this multiple increases as we move from smaller sized farmers to larger sized farmers . For example, the value of the multiple for the sample of category –II as a whole is 3.36 for marginal farmers, it rises to 3.56 for small farmers , 4.76 for semi-medium farmers, 4.80 for medium farmers and 6.08 for large farmers . Thus, in the case of those who sold their lands privately, gains in household income are directly related to the size of holding.

Thirdly, if look at the composition of household income and compare it with the composition of household income prior to land acquisition or sale we find that the composition of household income has changed radically. For instance in category –I the share of income from land for the sample as a whole prior to land acquisition was nearly 62 % (61.93 %) . In the post acquisition situation this share has come down to 48.75 % i.e a fall of more than 13 % . The minimum fall is in Bhatinda (6.42%) and maximum in Tarn Taran (14.68%). Mohali with 11.05 % and Mansa with 12.27 % fall in between. Similarly, the share of income from other occupations and enterprises in total household income has also gone down by nearly 9% from 35.31 % to 26.04 %. This fall is very marginal in Mansa and Tarn Taran, somewhat more in Bhatinda (4.07 %) but massive (25.16 %) in case of Mohali . Thus, the total fall in the share of income from land and income from other occupations in total household income after acquisition work out to be 10.49 % in case of Bhatinda, 12.61 % in Mansa 15.01 % in Tarn Taran and 36.21% in Mohali. For the sample as a whole it is 22.45 %. Almost this entire fall in the share of these two components in the post acquisition situation is accounted for by the emergence of a new category in the post acquisition situation i.e income from interest. Since large sums of money were put by respondent farmers in bank deposits, income from interest emerged a major source of income. Post acquisition interest accounts for 8.81 % of total household income in Bhatinda, 10.37 % in Mansa, 15.22% in Tarn Taran and a massive 37.75 % in Mohali. Even for the sample as a whole the share of income from interest in the total household income of those belonging to category –I is 21.47 %. Thus, almost the entire fall in the share of income from land and income from other occupations is accounted for by the emergence of a new category in the post acquisition situation i.e

income from interest. The share of other smaller sources of income such as rent remittances and pension remained more or less the same. Together these three sources accounted for 2.76 % of the total household income prior to acquisition and it is 3.74 % in post acquisition situation.

Table:6.5

Present Household Income

(Category-I) (in Rs.)

	Income from land	Income from Dairying/ any other activity	Income from other enter prizes	Income from job/ salary	Incom e from rent	Income from interest	Income from pension	Income from remittanc e	Income from any other source	Total annual income
Bhatinda										
Marginal	113786	49100	0	8571	0	20429	0	0	40714	232600
Small	152500	41200	0	37778	0	4444	0	0	30556	266478
Semi-medium	289615	65800	0	43538	2462	38418	12462	0	2769	455064
Medium	430500	74600	0	56300	10750	49025	8400	0	10500	640075
Large	933333	64267	0	44000	0	166667	0	0	0	1208267
Total	329407	61955	0	39760	3720	44072	6560	0	15027	500500
Mansa										
Marginal	65000	23091	0	103636	0	70909	5455	0	4364	272455
Small	160870	51757	0	115217	0	14783	2609	0	6522	351757
Semi-medium	232250	21750	0	112800	1000	63000	0	0	0	430800
Medium	530000	46438	0	85000	0	89722	3750	0	9375	764284
Large	960000	20000	0	0	0	16000	40000	120000	0	1156000
Total	297867	36299	0	98747	267	51941	5067	8000	4640	502826
Mohali										
Marginal	184950	103520	0	28100	18900	142600	5600	6000	40800	530470
Small	358067	73837	0	4000	38667	265733	10367	0	10667	761337
Semi-medium	383556	108711	0	73333	61333	329944	41278	22222	86222	1106600
Medium	781429	137429	0	0	0	1334286	0	0	0	2253143
Large	0	0	0	0	0	0	0	0	0	0
Total	357533	96057	0	26693	35227	348040	15547	6933	35840	921871
Tarn Taran										
Marginal	36364	59500	0	164136	2727	68284	3182	0	11818	346011
Small	149500	103133	0	59667	0	52267	3200	0	5400	373167
Semi-	251944	50111	0	108111	0	118139	13222	11111	33333	585972

medium										
Medium	550000	53333	0	700000	0	74667	0	0	0	1378000
Large	1500000	63000	0	0	0	90000	0	0	0	1653000
Total	192933	74547	0	125960	800	74677	5387	2667	13627	490597
Total Sample										
Marginal	101597	64490	0	81090	6537	80899	3612	1791	25284	365299
Small	220647	74677	0	53261	12609	107826	5076	0	9859	483954
Semi-medium	287976	61032	0	81146	14488	125907	15915	7317	27122	620902
Medium	526304	72978	0	99696	4674	260436	4957	0	7826	976871
Large	1030769	47046	0	20308	0	96923	15385	46154	0	1256585
Total	294435	67214	0	72790	10003	129682	8140	4400	17283	603948

Table:6.6

Present Household Income as Percentage of Total Income (Category-I)

	Income from land	Income from Dairying/ any other activity	Income from job/ salary	Income from rent	Income from interest	Income from pension	Income from remittance	Income from any other source	Total annual income
Bhatinda									
Marginal	48.92	21.11	3.69	0.00	8.78	0.00	0.00	17.50	100.00
Small	57.23	15.46	14.18	0.00	1.67	0.00	0.00	11.47	100.00
Semi-medium	63.64	14.46	9.57	0.54	8.44	2.74	0.00	0.61	100.00
Medium	67.26	11.65	8.80	1.68	7.66	1.31	0.00	1.64	100.00
Large	77.25	5.32	3.64	0.00	13.79	0.00	0.00	0.00	100.00
Total	65.82	12.38	7.94	0.74	8.81	1.31	0.00	3.00	100.00
Mansa									
Marginal	23.86	8.48	38.04	0.00	26.03	2.00	0.00	1.60	100.00
Small	45.73	14.71	32.75	0.00	4.20	0.74	0.00	1.85	100.00
Semi-medium	53.91	5.05	26.18	0.23	14.62	0.00	0.00	0.00	100.00
Medium	69.35	6.08	11.12	0.00	11.74	0.49	0.00	1.23	100.00
Large	83.04	1.73	0.00	0.00	1.38	3.46	10.38	0.00	100.00
Total	59.24	7.22	19.64	0.05	10.33	1.01	1.59	0.92	100.00
Mohali									
Marginal	34.87	19.51	5.30	3.56	26.88	1.06	1.13	7.69	100.00
Small	47.03	9.70	0.53	5.08	34.90	1.36	0.00	1.40	100.00
Semi-medium	34.66	9.82	6.63	5.54	29.82	3.73	2.01	7.79	100.00

Medium	34.68	6.10	0.00	0.00	59.22	0.00	0.00	0.00	100.00
Large									
Total	38.78	10.42	2.90	3.82	37.75	1.69	0.75	3.89	100.00
Tarn Taran									
Marginal	10.51	17.20	47.44	0.79	19.73	0.92	0.00	3.42	100.00
Small	40.06	27.64	15.99	0.00	14.01	0.86	0.00	1.45	100.00
Semi-medium	43.00	8.55	18.45	0.00	20.16	2.26	1.90	5.69	100.00
Medium	39.91	3.87	50.80	0.00	5.42	0.00	0.00	0.00	100.00
Large	90.74	3.81	0.00	0.00	5.44	0.00	0.00	0.00	100.00
Total	39.33	15.20	25.67	0.16	15.22	1.10	0.54	2.78	100.00
Total Sample									
Marginal	27.81	17.65	22.20	1.79	22.15	0.99	0.49	6.92	100.00
Small	45.59	15.43	11.01	2.61	22.28	1.05	0.00	2.04	100.00
Semi-medium	46.38	9.83	13.07	2.33	20.28	2.56	1.18	4.37	100.00
Medium	53.88	7.47	10.21	0.48	26.66	0.51	0.00	0.80	100.00
Large	82.03	3.74	1.62	0.00	7.71	1.22	3.67	0.00	100.00
Total	48.75	11.13	12.05	1.66	21.47	1.35	0.73	2.86	100.00

Table:6.7

Present Household Income (in Rs.)

(Category-II)

	Income from land	Income from Dairying/ any other activity	Income e from other enter prizes	Income from job/ salary	Income from rent	Income from interest	Income from pension	Income from remittance	Income from any other source	Total annual income
Ludhiana										
Marginal	258189	44312	0	152973	5676	84757	17957	0	20168	584031
Small	345433	96884	0	62667	0	169667	34000	12667	95533	816851
Semi-medium	631304	138619	0	70786	17321	663964	12857	23214	21321	1579386
Medium	1034500	135600	0	100000	92500	215000	58500	50000	0	1686100
Large	1048000	156000	0	0	0	500000	120000	0	0	1824000
Total	427785	91258	0	99220	10650	281770	23984	12300	42092	989059
Mohali										
Marginal	192660	129024	0	33840	0	273120	12000	0	33840	674484
Small	315882	108841	0	39176	0	410412	15176	0	39176	928665

Semi-medium	643944	112517	0	24267	0	434056	2722	0	24267	1241772
Medium	748500	84800	0	0	0	1132800	4000	148000	0	2118100
Large	0	0	0	0	0	0	0	0	0	0
Total	424810	114008	0	30516	0	420720	9340	7400	30516	1037310
Total Sample										
Marginal	239492	81086	0	108433	3500	166067	16073	0	26537	641188
Small	329734	103236	0	50188	0	297563	24000	5938	65594	876252
Semi-medium	638414	123936	0	44619	7578	534641	7156	10156	22978	1389478
Medium	875611	107378	0	44444	41111	724889	28222	104444	0	1926100
Large	1048000	156000	0	0	0	500000	120000	0	0	1824000
Total	426298	102633	0	64868	5325	351245	16662	9850	36304	1013185

Similarly in the case of respondents belonging to category- II (who sold their lands privately) there is a massive shift in sources of household income . While income from land continues to be the major source of income albeit with a somewhat lower share (44.10 % to 43.25 % in Ludhiana , 53. 55 % to 40.95 % in Mohali and 49.18 % to 42.08 % in the entire sample of this category) , the share of income from other occupation (which included dairying , income from salaries and wages earned by members of the household and income from other enterprises witnessed a major fall from 45.72 % prior to land sale down to 20.11 % in the present situation. Once again income from interest has emerged the second most important source of household income after income from land. Presently income from interest in this category accounts for 28.49 % of the total household income in Ludhiana, 40.56% of the total household income in Mohali and 34.67 % of the total household income for the sample as a whole . All other categories together, which earlier had a share of 5.09 % in the household income, have now shrunk to 3.14%. Thus, in category–II of our sample we find that the share of all existing sources of income prior to land sale has decreased and this share has been taken over by income from interest, which alone now accounts for more than one third of the total household

Table: 6.8

Present Household Income as percentage of Total Income (Category-II)

	Income from land	Income from Dairying/ any activity	Income from job/ salary	Income from rent	Income from interest	Income from pension	Income from remittance	Income from any other source	Total annual income
Ludhiana									
Marginal	44.21	7.59	26.19	0.97	14.51	3.07	0.00	3.45	100.00
Small	42.29	11.86	7.67	0.00	20.77	4.16	1.55	11.70	100.00
Semi-medium	39.97	8.78	4.48	1.10	42.04	0.81	1.47	1.35	100.00
Medium	61.35	8.04	5.93	5.49	12.75	3.47	2.97	0.00	100.00
Large	57.46	8.55	0.00	0.00	27.41	6.58	0.00	0.00	100.00
Total	43.25	9.23	10.03	1.08	28.49	2.42	1.24	4.26	100.00
Mohali									
Marginal	28.56	19.13	5.02	0.00	40.49	1.78	0.00	5.02	100.00
Small	34.01	11.72	4.22	0.00	44.19	1.63	0.00	4.22	100.00
Semi-medium	51.86	9.06	1.95	0.00	34.95	0.22	0.00	1.95	100.00
Medium	35.34	4.00	0.00	0.00	53.48	0.19	6.99	0.00	100.00
Large									
Total	40.95	10.99	2.94	0.00	40.56	0.90	0.71	2.94	100.00
Total Sample									
Marginal	37.35	12.65	16.91	0.55	25.90	2.51	0.00	4.14	100.00
Small	37.63	11.78	5.73	0.00	33.96	2.74	0.68	7.49	100.00
Semi-medium	45.95	8.92	3.21	0.55	38.48	0.52	0.73	1.65	100.00
Medium	45.46	5.57	2.31	2.13	37.64	1.47	5.42	0.00	100.00
Large	57.46	8.55	0.00	0.00	27.41	6.58	0.00	0.00	100.00
Total	42.08	10.13	6.40	0.53	34.67	1.64	0.97	3.58	100.00

income. So far we have been comparing the post - acquisition / sale position of sample households in terms of households income with their position prior to land acquisition/sale at current prices. Obviously the figures at current prices are not comparable. Because of price rise, the value of rupee has actually depreciated over time. To overcome this problem in our earlier chapter on impact of Acquisition / Sale on Assets, we used a multiple of 2 in case of our pre-acquisition data from Fullokheri and Kanakwal villages and a multiple of 1.5 for all other locations. That means we considered the value of Rs 2 in the present situation in Fulllokheri and Kanakwal and Rs 1.5 at all other locations as equilivalent to Rs 1 in the pre- acquisition / sale situation. We shall apply the same formula here also and find out how many households are better off/ worse off in terms of households income compared to their position prior to land acquisition/ sale.

Table 6.9 gives us information about how many households fall in which band as for as their present income as proportion of their income before acquisition of land is concerned. Similarly Table 6.10 shows the same information for sample households belonging to category –II. A look at the table 6.9 shows that there are at least seven households in our sample of 300 whose annual household income is, in fact, lower than their household income prior to land acquisition even in nominal terms i.e without taking care of the price rise. Two of them are from Bhatinda, three from Mansa and one each from Mohali and Tarn Taran. There are altogether 63 households in our sample (21%) whose income fall in the range of 1 to 1.5 of their income prior to land acquisition. Another 51 households fall in the range of 1.5 to 2.0. A total of 141 households fall in the range of 2 to 5 i.e whose present family income is more than double and less than five times of their household income prior to land acquisition. There are 38 households in our sample whose present income is more than five time higher than their income prior to land acquisition. The majority of these households (24/38) belonging to this category are from Mohali. There are seven households from Tarn Taran , six from Mansa and only one from Bhatinda whose income has gone up more than five times.

For the sample as a whole the multiple works out to be 2.39 i.e present households income of the entire sample belonging to this category has gone up by 139 % since the land acquisition. Household income have gone up 3.76 times in Mohali, 2.03 times in Mansa, 1.89 times in Bhatinda and 1.88 times in Tarn Taran. If we apply the criterion of 2 for villages Fullokheri and Kanakwal and 1.5 for all other locations we find that there are altogether 75 households in our sample

Table 6.9

Number of households in each Income class

(Present income as Proportion of income prior to land acquisition)

(Category-I)

	Less than 1	1-1.5	1.5-2	2-5	5 and Above	Total	Average Multiple
Bhatinda							
Marginal	1	5	2	6	0	14	1.53
Small	0	3	1	5	0	9	2.07
Semi-medium	1	6	8	11	0	26	1.76
Medium	0	3	5	11	1	20	2.18
Large	0	2	1	3	0	6	1.84
Total	2	19	17	36	1	75	1.89
Mansa							
Marginal	0	4	1	3	3	11	2.34
Small	1	4	3	13	2	23	2.14
Semi-medium	1	5	2	11	1	20	2.04
Medium	0	5	2	9	0	16	2.07
Large	1	1	1	2	0	5	1.7
Total	3	19	9	38	6	75	2.03
Mohali							
Marginal	0	0	2	14	4	20	3.56
Small	0	1	3	12	14	30	4.4
Semi-medium	1	2	2	10	3	18	2.69
Medium	0	0	1	3	3	7	5.56
Large	0	0	0	0	0	0	0
Total	1	3	8	39	24	75	3.76
Tarn Taran							
Marginal	1	8	4	7	2	22	1.82
Small	0	7	4	16	3	30	2.35
Semi-medium	0	5	6	5	2	18	2.07
Medium	0	1	2	0	0	3	1.39
Large	0	1	1	0	0	2	1.32
Total	1	22	17	28	7	75	1.88
Total Sample							
Marginal	2	17	9	30	9	67	2.3
Small	1	15	11	46	19	92	2.95
Semi-medium	3	18	18	37	6	82	2.2
Medium	0	9	10	23	4	46	2.56
Large	1	4	3	5	0	13	1.66
Total	7	63	51	141	38	300	2.39

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of 300 (i.e 25 %) whose real household income is, in fact, lower than their income prior to land acquisition . District wise detail show that there are 26 (34.67%) of them from Bhatinda, 22 (29.33%) from Mansa, 4 (5.33%) from Mohali and 23 (30.67 %) from Tarn Taran whose real present household income at constant prices is lower than their households income before land acquisition.

Table 6.10 shows that there is no households belonging to category-II in our sample (lands sold privately) whose present income in nominal terms is lower than its income prior to land sale on the urban fringe. There are, however, 8 households (4 %) whose present income is less than 50% higher than their income before land sale i.e in real terms, as per our criterion, it is not more than their income before the sale of land . But an overwhelming majority of the sample households (192/200 i.e 96 %) are better off than before in terms of household income. In fact 178 households out of 200 have income which is more than double the income they had before land sale and 60 out of them (30 %) have income which is more than five times the household income prior to the sale of land. On an average a household belonging to this category has income which is 4.34 times higher than their income before land sale in Ludhiana and 3.67 times higher prior to land sale in Mohali. For the sample as a whole the nominal income of an average household belonging to this category has gone up slightly more than four times since they sold their lands on the urban fringe 5-10 years back.

Reasons for Lower Household Income: In the proceeding pages we discussed that in category-I sample (those whose lands were acquired) there are at least seven households whose present household incomes are lower than their household incomes before land acquisition even if we compare the figure in current prices. We have tried to find out why these households have performed so badly. Table 6.11 lists the main characteristics/ reasons, which led to fall in the income of these households even when we compare the figures at current prices. A look at the table shows that two households which belonged to the category of marginal farmers with one acre and ½ acre land before land acquisition are now landless. In one of these two households from village Pindian from Tarn Taran, the male member of the family who was earlier working in the army has since retired. Thus in these two cases the absence of income from land as also reduced income from pension as compared to salary earlier are the major reasons for fall in household income. In fact, all these seven households

Table 6.10

Number of households in each Income class

(Present income as Proportion of income prior to land sale)

(Category-II)

	Less than 1	1-1.5	1.5-2	2.-5	5 and Above	Total	Average Multiple
Ludhiana							
Marginal	0	4	1	20	12	37	3.55
Small	0	1	4	17	8	30	3.43
Semi-medium	0	1	2	9	16	28	5.83
Medium	0	0	0	3	1	4	3.97
Large	0	0	0	0	1	1	6.08
Total	0	6	7	49	38	100	4.34
Mohali							
Marginal	0	0	4	17	4	25	3.05
Small	0	1	3	21	9	34	3.52
Semi-medium	0	1	0	28	7	36	3.83
Medium	0	0	0	3	2	5	5.21
Large	0	0	0	0	0	0	0
Total	0	2	7	69	22	100	3.67
Total Sample							
Marginal	0	4	5	37	16	62	3.36
Small	0	2	7	38	17	64	3.56
Semi-medium	0	2	2	37	23	64	4.76
Medium	0	0	0	6	3	9	4.8
Large	0	0	0	0	1	1	6.08
Total	0	8	14	118	60	200	4.07

together now own land which is less than the land they owned before land acquisition. Instead of 59½ acres prior to land acquisition, now they together own only 36 ½ acres of land. Two of these households also reported that the land they purchased is of poor quality. One household reported that the land it purchased is not only of poor quality but is also far away from home. Two households reported that their main earning members (bread winners) retired from Govt. jobs. One household reported that main earning male died in an accident. Thus, we find that a combination of no land/ reduced land holding with the land being of poor quality and / or for away from home and the main

earning member having either retired or died are the factors which led to their present condition where their family incomes even in nominal terms are lower than their incomes prior to land acquisition.

If, however, we consider all the 75 households whose real income, as per our criterion, is less than their household income prior to land acquisition , we find that land owned by the households falling in this category in fact declined in Bhatinda (from 169.7 acres prior to land acquisition to 156.1 acre now) Mansa (175.2 acre to 163.0 acre) , and Tarn Taran (156.4 Acres to 147.7 Acers). It increased only marginally in Mohali from 29 acres to 30 acres. In most cases the lands they bought are far away from their homes and /or are reported to be of poor quality. Therefore, the present income from land even at current prices is only marginally higher than the income of these households from land before land acquisition. For example, for 26 households in this class from Bhatinda the present income from land is only 17.26 % higher compared to their income from land before land acquisition. Similarly the rise in income from land is only 24.27 % higher for 22 households from Mansa, 41.51 % higher for four households from Mohali and almost negligible rise (0.09 %) for 23 households from Tarn Taran . For all the 75 households together the increase in income from land works out to be 13.48 % only which in real terms (at constant prices) means a fall of nearly 24.35 %.

Secondly, the income from other sources such as dairying, other enterprises and salary earned by the members of these households did not register any significant increase except in Mansa. In Mansa, it increased by 178 % mainly because some people where given jobs in the thermal plant or elsewhere as promised during agitation in Gobindpura. The increase in this component is only 12.33 % in Tarn Taran. In Bhatinda and Mohali the income of these households from this source, in fact, declined after land acquisition. For all the 75 households together the rise in the household income from other sources works out to be 20.9 % only which in real term means a fall of nearly in 20.4 % . Thus, these 75 households have lower real households income compared to their income before land acquisition because their real income from land as also from 'other sources' declined by nearly 25 % and 21 % respectively after land acquisition .As for as category-II (land privately sold) is concerned there are altogether 8 households whose real income is lower than their household income before the sale of land. Six of them are from Ludhiana villages and two households belong to villages Sukhgarh and Balomajra in Mohali. Out of the six households in Ludhiana only in one case the land ownership has gone down from 10 acres earlier to 5 acres now. Therefore, the income from land has in fact gone down in this case.In another case the present income is low because the main member of the households who was in job earlier retired in the mean time which led to fall in income. In the remaining four cases, it is the reduced income from the sale of milk (3 cases) and /or no income from dairying now (1) compared to substantial contribution to households income by dairying earlier which led to a

Table: 6.11

Main Characteristics of households whose present income is less than their household income before land acquisition

Households	Land Own before acquisition	Lacs presently own	Remarks
H.H No.1 from Fullokheri (Bhatinda)	1 Acre	Nil	Now working as agricultural labourer . Absence of income from land led to fall in H.H income
H.H No.25 from Kanakwal (Bhatinda)	8 Acres	5 Acres	A family member who was in govt job earlier died in an accident. Reduced income from land.
H.H No.8 from Banawali (Mansa)	5 ½ Acres	5 Acres	Land purchased is of poor quality. Therefore fall in household income .
H.H No.36 from Banawali (Mansa)	12 Acres	11½ Acres	Land purchased is of poor quality. This led to fall in household income.
H.H No.21 from Gobindpura (Mansa)	23 ½ Acres	10 Acres	A family member, who was a teacher in Govt school, retired leading to fall in household income . Income from land also decreased.
H.H No.15 from Sohana (Mohali)	9 Acres	5 Acres	Decrease in land led to fall in income from land
H.H No.11 from Pindian (Tarn Taran)	1/2 Acres	Nil	A male member who was earlier working in the army retired . Income from land also vanished.Now the family has income from dairy and pension . Therefore fall in HH income.
All 7 Households	59 ½ Acres	36½ Acres	(i) Less income from reduced land ownership (ii) In two cases male members working in Govt jobs retired (iii) At least in two cases land purchased is of poor quality. (iv) One case a male member in Govt job died in accident.

fall in real household income .Similarly in Mohali out of the two households whose income could not keep pace with price rise, one household limited its dairying business and its income from dairying got reduced from Rs 3.60 lacs per annum prior to land sale down to Rs 84000 now. In the second case the main earner male member of the household retired from job. Thus, mainly in this category only a

small number of households fall in the category of reduced real income which is largely attributable to substantially reduced income from sale of milk perhaps because after getting large sums of money as price of land sold, these neo rich households are no longer interested in keeping buffaloes and want to avoid the drudgery of work involved in dairying business.

To sum up, we can say that while in the 1st category (whose lands were acquired) 25% households now have lower real household income compared to their income before land acquisition , in the second category (land sold privately), this figure is only 4 %. Again while in category-I the main reasons of reduction in annual real household income are (a) reduced land holding (b) land purchased being far away from home, and (c) land being of poor quality. A combination of these factors led to reduced real income from land. Secondly, income from other sources also came down in quite a few cases. But in case of category-II the most important reason for lower present real income compared to their income before land sale is their withdrawal from dairying business which perhaps is no longer attractive for them given their newly acquired status of being 'rich' in term assets.

Chapter-7

Respondent Farmers Living Conditions and Their Levels of Satisfaction

In this chapter, we will discuss levels of living of respondent farmers and wherever possible compare their present living condition with their position before land acquisition/ sale. We had also asked from the respondents their own opinion / perception about certain things. So we will discuss here what in their opinion was the impact of land acquisition on their children's education. Similarly we asked them whether they were willing for the land being acquired or not and, if not, whether they challenged the Government decision in the court of law and what was the outcome of that? We also asked them whether they are 'satisfied', 'some what satisfied' or 'not at all satisfied' and whether they feel they are better off now compared to their position before land acquisition / sale. Their opinion and responses will also be discussed here.

Tables 7.1 and 7.2 give us information about the distribution of sample households in terms of their monthly per capita expenditure (MPCE) for category -I and category –II respectively for each district and for the sample of these two categories as a whole. The MPCE categories are: upto Rs 1500, Rs 1501 to Rs 2500, Rs. 2501-4000 , Rs 4001- 5500 and Rs 5501 and above. In category-I for the sample as a whole maximum number of 113 households i.e 37.67% are in the expenditure class of Rs 2501 – 4000 per capita per month. This is followed by above Rs 5500 MPCE category with 82 (27.33%) households and Rs. 4001 to 5500 category 78 (26%) households. Another 24 households (8%) fall in the expenditure bracket of Rs 1501–2500 and only 3 households i.e 1 percent of the sample are below Rs 1500 per capita per month. We have purposely drawn line at Rs. 1500 per capita per month because we feel that at current prices it takes at least Rs. 50 per capita per day to have two square meals a day. Any household which can not afford even Rs. 50 per capita per day can be designated as absolutely 'poor'. Thus by that standard only three households in our sample of category-I can be designated as 'poor'.

Similarly, a look at table 7.2 shows that in category –II (those who sold their lands privately) there is no household in our sample whose monthly per capita expenditure is below Rs 1500 per capita per month. In fact in Mohali district there is no household even in the next higher expenditure class i.e Rs. 1501 to 2500 per capita per month. However, there are six households in district Ludhiana - four marginal farmers and two small farmers- whose MPCE falls in expenditure class of Rs 1500- 2500. All the remaining households in our sample belonging to this category i.e 194 out of 200 (97%) have per capita monthly expenditure of above Rs 2500 per capita per month. Thus, there are

Table: 7.1

Distribution of sample Household in terms of Monthly Per Capita Expenditure (Category-I) (in Rs.)

District/ Category	Up to 1500	1501-2500	2501-4000	4001-5500	5500 and above	Total	Average MPCE (in Rs.)
Batindha							
Marginal	1	2	7	2	2	14	
Small	0	0	4	2	3	9	
Semi-medium	0	1	9	6	9	25	
Medium	0	2	11	3	5	21	
Large	0	0	1	3	2	6	
Total	1	5	32	16	21	75	4030
Mansa							
Marginal	0	1	6	3	1	11	
Small	1	0	10	10	2	23	
Semi-medium	0	6	7	5	2	20	
Medium	0	0	8	7	1	16	
Large	0	1	2	1	1	5	
Total	1	8	33	26	7	75	3544
Mohali							
Marginal	0	0	6	4	10	20	
Small	0	0	5	7	18	30	
Semi-medium	0	0	3	6	9	18	
Medium	0	0	0	1	6	7	
Large	0	0	0	0	0	0	
Total	0	0	14	18	43	75	5689
Tarn Taran							
Marginal	0	4	15	3	0	22	
Small	1	6	9	9	5	30	
Semi-medium	0	1	10	5	2	18	
Medium	0	0	0	0	3	3	
Large	0	0	0	1	1	2	
Total	1	11	34	18	11	75	3509
Total Sample							
Marginal	1	7	34	12	13	67	
Small	2	6	28	28	28	92	
Semi-medium	0	8	29	22	22	81	
Medium	0	2	19	11	15	47	
Large	0	1	3	5	4	13	
Total	3	24	113	78	82	300	4181

Table: 7.2

Distribution of Sample Household in terms of Monthly Per Capita Expenditure (Category-II) (in Rs.)

District/ Category	Up to 1500	1501-2500	2501-4000	4001-5500	5500 and above	Total	Average MPCE (in Rs.)
Ludhiana							
Marginal	0	4	18	6	9	37	
Small	0	2	7	14	7	30	
Semi-medium	0	0	9	11	8	28	
Medium	0	0	1	1	2	4	
Large	0	0	0	1	0	1	
Total	0	6	35	33	26	100	4917
Mohali							
Marginal	0	0	0	10	15	25	
Small	0	0	3	8	23	34	
Semi-medium	0	0	4	13	19	36	
Medium	0	0	0	2	3	5	
Large	0	0	0	0	0	0	
Total	0	0	7	33	60	100	5762
Total Sample							
Marginal	0	4	18	16	24	62	
Small	0	2	10	22	30	64	
Semi-medium	0	0	13	24	27	64	
Medium	0	0	1	3	5	9	
Large	0	0	0	1	0	1	
Total	0	6	42	66	86	200	5338

only 3 (1 percent) households in category-I who can be characterized as ‘poor’ but there is no ‘poor’ as per our definition , in category-II sample.

We have looked at the three poor households from category-I individually also. All these three households belong to SC or OBC categories and were small or marginal farmers before land acquisition. One of them is from district Bhatinda, village Fullokheri . This household belongs to

parjapati caste and had one acre of land prior to land acquisition. After acquisition this household did not buy any land . The family is rather large in size (13 members).

The three male adults work as agricultural laborer but because of large family size the average monthly per capita expenditure is Rs 1319 only and thus 'poor' by our definition. The second 'poor' household is from village Banawali of Mansa district. This household belongs to 'nai' caste and had 3 acres of land prior to land acquisition . Presently also the family owns three acres of agricultural land. Besides they have two buffalos. So this household has income of Rs 50000 per annum from land , Rs 20,000 from livestock and Rs 48000 from his traditional work as 'nai' in the village. Yet this family of seven members falls below our definition of poverty with Rs 1471 per capita per month expenditure. The third 'poor' household in our sample belongs to 'sansi' caste from village Varrowal of district Tarn Taran . The family had four acres of land before land acquisition and bought 4 acres after receiving land compensation at a village near Tarn Taran . The head of the family is involved in agriculture and his three adult sons work as agricultural laborer , each one of them earning Rs 4000 /- per month. For these four earning members there are 14 dependents. (his wife, three daughters-in-law, and 10 grand children). Thus, mainly because of large family size, the average per capita monthly consumption works out to be Rs 1300 /- only and hence the household is 'poor' by our definition.

Thus, we find that two of the three 'poor' families are poor not because they do not earn enough but because they have very large families. The third household is 'poor' because this household could not buy any land after land acquisition and lost that source of income . As already mentioned there is no absolutely 'poor' household in our sample from category-II.

The average per capita monthly consumption expenditure (MPCE) for category-I in our sample is Rs 4181 whereas it is Rs 5338 in category-II. The highest MPCE in category-I is in Mohali Rs 56 89, followed by Bhatinda Rs. 4030, Mansa Rs 3544 and Tarn Taran Rs. 3509 . In category –II, it is Rs 5738 in Mohali and Rs 4917 in Ludhiana. All these figures are at 2012 prices.

Table 7.3 shows the living condition of sample households belonging to category –I i.e those whose lands were acquired. The upper portion of the table shows their condition prior to land acquisition while the lower portion shows their present condition. A look at the table shows that the sample households belonging to this category are now better off in every respect compared to their position before land acquisition. For example, before land acquisition an average household had 3.6 bed rooms. Now they have more than 5 bed rooms in each house. Earlier 25.67 % households had separate drawing room in their homes, now 78 % houses have separate drawing rooms. Those households who had chairs or sofa sets have gone up from 90.67 % to 96.33 %. As for as facilities in

Table:7.3

Living Conditions of Sample Households Prior to Land Acquisition /Sale (Category-1)

	No. of bed rooms	Separate drawing room	Chairs and sofa sets	TV/ Radio / Tape recorder	Refrigerator	Washing Machine	Phone /Mobile	Computer	Cooking gas	Jeep/ SUV/ Car	Motor cycle/ scooter
Bhatinda	245 (3.27)	19 (25.33)	75 (100.00)	69 (92.00)	46 (61.33)	6 (8.00)	36 (48.00)	3 (4.00)	38 (50.67)	19 (25.33)	47 (62.67)
Mansa	241 (3.21)	20 (26.67)	67 (89.33)	74 (98.67)	71 (94.67)	27 (36.00)	73 (97.33)	7 (9.33)	70 (93.33)	17 (22.67)	51 (68.00)
Mohali	350 (4.67)	12 (16.00)	63 (84.00)	67 (89.33)	62 (82.67)	26 (34.67)	52 (69.33)	6 (8.00)	61 (81.33)	18 (24.00)	49 (65.33)
Tarn Taran	243 (3.24)	26 (34.67)	67 (89.33)	73 (97.33)	43 (57.33)	11 (14.67)	74 (98.67)	6 (8.00)	65 (86.67)	18 (24.00)	52 (69.33)
Total Sample	1079 (3.60)	77 (25.67)	272 (90.67)	283 (94.33)	222 (74.00)	70 (23.3)3	235 (78.33)	22 (7.33)	234 (78.00)	72 (24.00)	199 (66.33)

Living Conditions of Sample Households Post Land Acquisition /Sale (Category-I)

	No. of bed rooms	Separate drawing room	Chairs and sofa sets	TV/ Radio / Tape recorder	Refrigerator	Washing Machine	Phone /Mobile	Computer	Cooking gas	Jeep/ SUV/ Car	Motor cycle/ scooter
Batindha	388 (5.17)	61 (81.33)	71 (94.67)	75 (100.00)	70 (93.33)	56 (74.67)	75 (100.00)	12 (16.00)	69 (92.00)	35 (48.67)	61 (81.33)
Mansa	345 (4.60)	54 (72.00)	71 (94.67)	74 (98.67)	73 (97.33)	53 (70.67)	75 (100.00)	8 (10.67)	73 (97.33)	30 (40.00)	62 (82.67)
Mohali	460 (6.13)	53 (70.67)	75 (100.00)	75 (100.00)	74 (98.67)	67 (89.33)	75 (100.00)	20 (26.67)	74 (98.67)	70 (93.33)	70 (93.33)
Tarn Taran	344 (4.59)	66 (88.00)	72 (96.00)	75 (100.00)	75 (100.00)	40 (53.33)	67 (89.3)3	4 (5.33)	75 (100.00)	26 (34.67)	71 (94.67)
Total Sample	1537 (5.12)	234 (78.00)	289 (96.33)	299 (99.67)	292 (97.33)	216 (72.00)	292 (97.33)	44 (14.67)	291 (97.00)	171 (57.00)	264 (88.00)

the home are concerned, earlier 94 .33 % had TV/ radio / tape recorder etc, now 99.67% households have TV/home theatre. Similarly earlier 74% households had refrigerator, now 97.33 have got refrigerator / deep freezer. Again earlier only 23.33 % households reported to have a washing machine while the figure now stands at 72 % . Again before acquisition 78.33 % households reported to have a telephone connection or a mobile phone. The figure now stands at 97.33 %. Before acquisition only 22 households (7.33%) had computers in their homes. This figure has doubled to 14.67 % . Earlier 78.00 % households had cooking gas connection. Now 97.00 % households in our sample are having cooking gas. Similarly, the position in terms of transport vehicles has also improved significantly. For example, earlier 66.33 % households reported to have a scooter and / or a motorcycle. Now this figure stands at 88.00 %. Before acquisition 72 households out of 300 i.e 24.00% owned a car or a jeep .Now 57% households own a car / a Jeep or a SUV.

Apart from the comparative figures about these items for which we had information before acquisition as also their present position, there are certain other things which they did not have earlier or did not report it but now they have these things in their homes . For example, now 96.67 % respondents in our sample have separate Kitchen in their homes . Another 17.33 % have separate room for servant. 38.67 % homes now have a separate study room. 96.00 % homes have coolers. In fact 16.33% respondents reported to own AC,s. More than two third homes in our sample (69 %) have installed generators and / or inverters for power backup. 14 .33 % homes have microwave in their kitchen. It is hearting to note that now 43 respondents (14.33 %) have internet connection in their homes. Thus, in term of their living conditions and facilities and gadgets in their homes the respondents belonging to category-I are now much better off compared to their condition before land acquisition.

A similar picture emerges for category-II (lands sold privately) when we look at table 7.4 . An average household in our sample belonging to this category now have 3.9 bedrooms compared to 2.75 prior to land sale. Now 66.50 % of them have separate drawing room compared to 18.50 % earlier. Now 72 .50 % households have chairs / sofa sets in their homes (61.50 % earlier), 74 % have TV/ home theater while earlier only 68 % had TV/ radio /tape recorders. Now 75.00 % households have refrigerator while before land sale this figure was 60.50 %. Before land sale only 26.50 % households in our sample had washing machines, now this figure has gone up to 70 %. Half the households reported they had phone/ mobile before sale of land, now nearly 75 % have this facility.

Table 7.4

Living Conditions of Sample Households before Land sale (Category-II)

	No. of bed rooms	Separate drawing room	Chairs and sofa sets	TV/Radio/ Tape recorder	Refrigerator	Washing Machinne	Phone /Mobile	Compute r	Cookin g gas	Jeep/ SUV/ Car	Motor cycle/ scooter
Ludhiana	183 (1.83)	18 (18.00)	57 (57.00)	62 (62.00)	54 (54.00)	7 (7.00)	35 (35.00)	5 (5.00)	45 (45.00)	11 (11.00)	55 (55.00)
Mohali	366 (3.66)	19 (19.00)	66 (66.00)	74 (74.00)	67 (67.00)	46 (46.00)	65 (65.00)	10 (10.00)	73 (73.00)	21 (21.00)	70 (70.00)
Total Sample	549 (2.75)	37 (18.50)	123 (61.50)	136 (68.00)	121 (60.50)	53 (26.50)	100 (50.00)	15 (7.50)	118 (59.00)	32 (16.00)	125 (62.50)

Present Living Conditions of Sample Households

(who sold their land Privately)

	No. of bed rooms	Separate drawing room	Chairs and sofa sets	TV/ Radio/ Tape recorder	Refrigerator	Washing Machine	Phone /Mobile	Computer	Cookin g gas	Jeep/ SUV/ Car	Motor cycle/ scooter
Ludhiana	283 (2.83)	62 62.00)	72 (72.00)	74 (74.00)	75 (75.00)	68 (68.00)	74 (74.00)	46 (46.00)	74 (74.00)	89 (89.00)	96 (96.00)
Mohali	498 (4.98)	71 (71.00)	73 (73.00)	74 (74.00)	75 (75.00)	72 (72.00)	75 (75.00)	22 (22.00)	75 (75.00)	96 (96.00)	97 (97.00)
Total Sample	781 (3.91)	133 (66.50)	145 (72.50)	148 (74.00)	150 (75.00)	140 (70.00)	149 (74.50)	68 (34.00)	149 (74.50)	185 (92.50)	193 (96.50)

The percentage of those having cooking gas connection has gone up from 59 % to 74.50 % . There have been a significant improvement in terms of ownership of transport vehicles. For example, before sale of land 62.50 % of the sample households owned scooter / motorcycle and percentage of those households with car / jeep/ ownership was 16.00 % only. Now 95.50 % of the sample households own a scooter and / or motorcycle and 92.50% of the sample households own either a car or a jeep and in many cases even SUV's.

Apart from these comparative figures, we also find that 71.50 % of households belonging to this category have separate kitchens, 7.50 % have separate servant room in their homes and 9.50 % homes have separate study room. 73.50 % homes of the sample households have desert coolers. In fact 31.00 % households have AC's. For power backup 70% households now have generators and /

or inverters. The percentage of those having microwave in their kitchens is 27.00% / and 28% households have internet facility.

Thus, whether we look at the condition of those whose lands were acquired or those who sold their agricultural lands on the urban periphery for housing to mega projects privately, we find that their standard of living has improved significantly since then. However, we can not say any thing with certainty how much of this improvement is attributable to land acquisition/ sale and how much would have happened even otherwise but the fact remains that most of the sample households belonging to both the categories enjoy a reasonably good standard of living and acquisition / sale does not seem to have any significant negative impact on their living conditions.

Impact of Land Acquisition/ Sale on Their Children's Education

As already mentioned, during primary survey we had asked from the respondents certain questions about their children's education and whether land acquisition/ sale affected their children's education positively or negatively. As for as category–I respondent are concerned (whose lands were acquired) 245 households out of 300 in our sample (81.67%) had school going children before land acquisition. Out of these 40.00% had their children studying in Government schools. Another 20.82 % were sending their children to private Punjabi medium schools. Out of the above mentioned 245 households the children of 174 households (71.02%) continued to study in the same school while remaining 71 (28.98 %) households either shifted their children to other schools after land acquisition or their children dropped out . Out of these 71 cases, in 44 cases the children were shifted to better educational institutions. This works out to be 16.32 % of the total households (245). In the remaining 31 cases (12.65 %) the children drooped out from school. However when we asked them a direct question as to whether they think land acquisition affected their children's education positively , negatively or it has no impact on their education then 24.90 % respondents answered that land acquisition affected their children's education positively, 8.16 % reported that it affected their children's education negatively while nearly two third (66.94%) said land acquisition had no impact on their children's education.

As for as respondents from category-II are concerned 187 out of 200 households had school going children at the time of land sale . Out these 58 households (31.02%) were sending their children to Government schools. Another 8 (4.28 %) were sending their wards to Panjabi medium private schools and the remaining 121 households (64.70%) were sending their wards to English medium schools. After selling their lands, 124 out of 187 households (66%) reported that their children continued to study in the same school where ever they were studying earlier. Of the remaining 53 households 40

(21.39 %) reported that they shifted their children to better schools. 16 (8.56%) reported they shifted them to similar institutions and the remaining 19 (10.16 %) reported that their children, in fact, dropped out of school. When we asked them direct question whether land sale affected their children education positively, negatively or it has no impact 132 (70.59%) reported that land sale affected their children's education positively. Another 6 (3.20%) said it had negative impact on their children's education and the remaining 49 (26.20%) said land sale had no impact on their children's education.

Thus, we find that nearly one fourth of the surveyed households from category –I and two third from category –II feel that land acquisition / sale had positive impact on their children's education. Again two third households from category-I and 26.20% from category-II feel that land acquisition / sale had no impact on their children's education. While 8.16 % households from category-I and 3.20% from category-II observed that land acquisition /sale had negative impact on their children's education. Thus, we can say that an over whelming majority from category-I feel land acquisition had no impact on their children's education while about two third households from category-II feel land sale had positive impact on their children's education. Conversely about one fourth households in category –I feel land acquisition had positive impact while in category –II about the same percentage of households feel that land sale had no impact on their children's education. Those who feel land acquisition / sale had negative impact on their children education are about 8% in category-I and 3% in category-II.

Levels of satisfaction of those whose lands were acquired/sold

From respondents belonging to category-I we not only asked how for they are satisfied with the compensation and weather they feel they are better off / worse off compared to their position before land acquisition but we also asked from them whether they agreed to land acquisition in the first place or not? Based on their answers a total of 160 households out of 300 (53.33%) in our sample (Bhatinda 39 , Mansa 45, Mohali 36 and Tarn Taran 40) replied in the affirmative i.e they in fact, agreed to land acquisition . The remaining 140 (46.67%) said that they did not agree with land acquisition but still land was acquired. But even some of those households who were agreed to the decision of land acquisition later on went to court of law to challenge the amount of compensation paid. Thus although initially only 140 out of 300 households had raised some objections to the land acquisition but, in fact, 151 households challenged the process to acquire land in the courts of law. Out of them in 63 cases petitions were dismissed by the courts. However, in another 17 cases (all from Mohali district) compensation was increased by the courts. Cases of 71 households are still pending and court decision is awaited.

Out of 300 respondents at least 182 households i.e 60.67% also felt that the promises made at the times of acquisition regarding, providing electric connection for tubewell free of cost on priority basis at alternative sight, providing employment to eligible members of affected families were, in fact, not fulfilled. When we asked them direct question whether you are fully satisfied or somewhat satisfied or not at all satisfied, 86 (28.67 %) said we are fully satisfied. Another 39 (13%) responded that we are somewhat satisfied but the remaining 175 (58.33%) answered that they are not satisfied. The level of dissatisfaction is 60 % in Bhatinda, 57 % in Mansa, 70 % in Tarn Taran and 45.33 % in Mohali. Thus, although in terms of land, household assets and household income a majority of them are better off now compared to their position before land acquisition, yet in their own perception a majority of the respondents belonging to category-I feel 'not satisfied' with land acquisition.

As for as the respondents belonging to category-II (land privately sold) are concerned since they sold their land on their own accord, the question of willingness etc at the time of land sale is irrelevant for them. So we asked them if you are satisfied with the outcome of land sale. 199 out of 200 said they are fully satisfied and are, in fact, better off non-compared to the condition before land sale. . Only one respondent from Ludhiana felt it would have been better if he had not sold his land on the outskirts of Ludhiana. Thus, nearly everybody belonging to this category in our sample feel better off and fully satisfied.

Chapter-8

Summary and Conclusions

Land acquisition is a process where government acquires private property for public purposes using the concept of 'eminent domain' which is the power of the State to seize private property without the owner's consent. This was being done under an archiac colonial era Land Acquisition Act 1894, which did not provide for rehabilitation and resettlement. In India we did not have any clearly articulated land acquisition principle and in the absence of that the government often tend towards providing land owners with 'reasonable' compensation. Though slatium is generally paid to take care of the intangible costs of losing land but we did not have any scientific basis of calculating this solatium. We also did not have any scientific mechanism of arriving at the fair market value of land. We have generally been taking average of the last few years land transactions in the area as market value. But land transactions are usually registered at a price which is much lower than the actual market price. This is generally done to save stamp duty and taxes etc. Thus, a price arrived at on the basis of last few years sale deeds tend to become unfair for Oustee farmers.

Of late, we have also witnessed large chunks of agricultural land being bought by private parties to meet ever-increasing housing needs of fast expanding urban centres and other business purposes. The total fertile agricultural land in Punjab which have been going from under agriculture for non agricultural purposes annually for the last ten years works out to be around 10,000 hectares. Thus, we have lost nearly one lac hectares of agricultural land during the last decade. At this rate by 2030-31 nearly 14.56% of the state's total geographical area will be under non-agricultural uses. Given the fact that the average size of holding in Punjab is around 4 hectares, on an average nearly 2500 farm families are being displaced in Punjab every year because of land acquisition/sale because the land is going out of agriculture. Neither Punjab government nor any other research institution has ever conducted any study on the present condition of those affected farmers whose land were either acquired or who sold their lands to private parties for use in non-agricultural purposes. The present study attempts to fulfill this gap in the empirical research on this topic.

Our study tries to answer some of the more pertinent questions relating to those whose lands were acquired or sold for non-agricultural purposes such as how they utilized the money received by them as compensation? What is their present status in terms of land ownership? What is their present position in term of assets and household income? What differentiates those who succeeded from those who did not succeed? How land acquisition/sale affected their children's education and what is their over all level of satisfaction?

The present study is based on a primary survey of 500 households spread over five districts of Punjab. There are two sets of data. One set of data called category –I relates to 300 households whose lands were acquired during the last few years. For this we selected 75 households from each of the four districts viz Bhatinda, Mansa, Mohali, and Tarn Taran. The second set of the data (Category-II) relates to those households who were living in villages on the outskirts of fast expanding urban centres such as Ludhiana and Mohali and who sold their lands privately to mega housing projects and other private parties. In both the cases the land has gone out of agricultural use for non-agricultural purposes. The only difference is that in the first case the land was acquired by the state for public purposes while in the second case they sold their lands privately on their own accord .

In category-I out of 300 respondents 67 (22.33%) are marginal farmers owning less than 2.5 acres of land, 92 (30.67%) are small farmers owning between 2.5 to 5 cares of land, 82 (27.33 %) are semi-medium farmers having between 5-10 acres of lands, 46(15.33%) are medium farmers owning between 10-20 acres of land and only 13 (4.33%) are large farmers owning more than 20 acres of land. The average size of holding in this category works out to be 7.21 acres. Similarly in category –II 62 (31%) are marginal farmers, 64 (32%) are small farmers, 64 (32%) are semi-medium farmers, 9 (4.5 %) are medium farmers and there is only 1 (0.5%) large farmer from Ludhiana. There is no respondent in our sample of category-II from Mohali who owns more than 20 acres of land.

Most of the heads of the respondent households (97.33%) are above 30 years of age in category-I. In fact 49 % of them are more than 50 years of age. Similarly in category-II also more than half the heads are above 50 years of age. Another 48 % are between 30-50 years. Only 1.5 % are below 30 years of age.

Caste-wise 272 out of 300 respondents (90.67%) in category-I are from the general category mostly jat sikhs. There are 20 (6.67 %) households which belong to scheduled castes and another 8 (2.67%) are OBC's (Three parjapati, 2 ramgarhias, and one rai sikh). Similarly in category-II, out of 200 households in our sample 197 (98.5%) are from the general category. Only 3 households belong to the SC category. They are Ramdasia Sikhs from village Jhammat in district Ludhiana.

More than one third heads of category-I (37.33%) and 10.5% of category –II are illiterate. Another 28 % heads of category-I and 37 % of category-II are literate but below metric. Similarly, 30.66 % heads of category-I and 45.5 % of category –II are above matric but below graduation. Only 12 (4%) heads belonging to category-I and 14 (7%) from category-II are graduate or above. Thus the heads of category-II are slightly better educated compared to their counterparts belonging to category-

I. The average years of schooling for respondent families works out to be 5.64 for category-I and 8.48 for category-II.

In category-I sample the average family size is 6.29 while in category-II it is 5.85. In category-I, 51.7 % adults are males and the remaining 48.3 % are females. Thus, the male female ratio is 1000: 934. Among children (below 15 years of age) however, 57.46 % are males and only 42.54 % are females giving a male female ratio of 1000:740 only. Similarly, in category-II sample among adults there are 51 % male adults and 49 % female adults. But among children 53.2% are males and 46.8% are female children. Thus the sex ratio is skewed only among children below 15 years of age and it is more skewed in category-I compared to category-II which has slightly better educated cross section.

In category -I sample 74.51 % male adult are engaged in agriculture, 7.95% are engaged in government jobs and the remaining 17.53 are in private jobs / enterprises outside agriculture. In Category-II sample, however, 82.77% adult males are working in agriculture, 5.55% are in govt jobs and the remaining 12.77 % are in other vocations outside agriculture. But only 15 out 695 adults females (2.16%) in category-I and 2% in category-II are working outside agriculture. All others have reported that they are doing domestic work only. None of them has admitted to be working in agriculture.

Of 300 farmers from whom lands were acquired, 81.23 % of the total land owned by them was acquired. However, the proportion of area acquired decline as we move from smaller to larger land owning categories. For every acre acquired, on an average, they purchased 1.27 acres. As in category-I in the case of category-II also the land sold as percentage of area owned go on declining as we move from smaller to larger farmer's categories. But this inverse relationship emerges entirely because of this phenomenon being observed in Ludhiana because in Mohali respondent farmers sold almost the entire land owned by them. Only one farmer retained one acre of land. Respondents belonging to this category, on an average, bought 3 acres of land for every acre sold on the urban fringe.

Average compensation received per acre by farmers was Rs 15.72 lacs in Bhatinda, Rs 16.37 lacs in Mansa, Rs 73.31 lacs in Mohali, and 16.21 lacs in Tarn Taran . For the sample as a whole it works out to be Rs 28.86 lacs per acre. But those who sold lands privately received Rs 48.65 lacs per acre in Ludhiana and Rs 95. 63 lacs per acre in Mohali. The average for the category-II works out to be Rs 66.39 lacs per acre, which is nearly two and half times more than the per acre compensation received by those whose lands were acquired.

Since the amount of compensation received by each household is a function of two things i.e how much land was acquired /sold and at what rate it was acquired/sold, therefore, the amount received by each household varies not only between the categories of samples but also across districts within each category.In category-I it varies from as low Rs 6210244 per household in Tarn Taran to as high as Rs 38456000 in Mohali with Bhatinda and Mansa being in between at Rs 11467693 and Rs 11571645 respectively. For this category as a whole the per household compensation received works out to be Rs 16926396.

The amount received from the sale of land by an average household belonging to category –II, however, is much higher compared to the compensation received by an average household belonging to category-I. It is Rs 32080288 per household for category-II compared to Rs 16926396 per household for category-I. However, there are wide variations between Ludhiana and Mohali within the category. While an average households in our sample from Ludhiana received Rs 15521575 , the figure for Mohali is Rs 48639000.

The large difference in the per household amount received in Ludhianan and Mohali is the result of two factors. One , while most Ludhiana farmers sold their lands quite earlier on (between 2002 and 2007) most farmers in Mohali , however, sold their lands after 2007 . Therefore, the average price received per acre in Ludhiana was Rs. 4865667, it was 9563311 in Mohali. Secondly, while most of the farmers in Ludhiana sold only a part of their land, Mohali farmers sold almost their entire land. Thus, an average farmer in Mohali had much bigger amount at its disposal compared to an average farmer in Ludhiana. That is a different matter that an average Ludhiana respondent farmer may still be wealthier than his Mohali counterpart because the land which was retained by him has now because very valuable property.

As for as the utilization of compensation/sale proceeds is concerned the first priority in both the samples has gone to buying agricultural land. Respondents belonging to category-I on an average invested 76.43 % of the total compensation in buying agricultural land. Similarly 72.67% of the total amount received by respondents from category-II was also spent on buying agricultural land. The second priority in both the sample categories goes to money retained as bonds and fixed deposits. While an average household from category-I put 8.38 % of the compensation received in Bonds/ fixed deposits, for category-II this figure is 13.70 %. The third priory by households of both the categories was accorded to house construction / renovation. While an average household from category-I spent about 1.18 % of the compensation on house construction /renovation, for category-II the figure is higher and it stands at 6.91 %.

Marginal farmers from both the sample categories spent a much higher proportion of the total compensation/sale proceeds received on house construction/ rennovation compared to other size class of farmers perhaps because they did not have a reasonably good pucca houses before land acquisition / sale and therefore, considered it a necessary expenditure which was urgently required to be done once they had cash in hand.

For category –I households repayment of loans was the fourth priority in Tarn Taran, Bhatinda and Mansa. But for respondents from Mohali it was not an important item. Similarly for category-II households also buying transport vehicles was the fourth priority. Outstanding loan was not an issue for them.

Another important conclusion which emerges from the study is that respondents from category-I spent nearly 95% of the total available funds on necessary and/ or useful items only. Similarly, respondents from category-II also spent more than 93% of the total available funds on land, house construction/ rennovation and bonds/ fixed deposits only. The remaining funds were spent on transport vehicles, marriage and social ceremonies and gold and jewellary etc which are not altogether superfluous expenditures. Thus, the available funds were spent rather wisely by the respondents from both the categories.

Out of 300 farmers included in our sample from category-I 67 (22.32%) were marginal farmers, 92 (30.67%) were small farmers, 82 (27.32%) were semi-medium farmers, 46 (15.33%) were medium farmers and 13 (4.33%) were large farmers prior to land acquisition. Presently 22 (7.33%) of them do not own any land, 37 (12.32%) are marginal farmers, 87 (29.0%) are small farmers, 70 (23.33%) are semi-medium farmers, 60(20%) are medium farmers and 24(8%) are large farmers. Thus the number of marginal, small and semi-medium farmers has declined from 241 to 194. Out of 47 respondents missing from these three categories, 25 have joined the ranks of medium and or large farmers, while 22 of them have become landless. Thus it appears that land acquisition has led to partial disintegration of small peasants (with less than 10 acres of land). While some of them have moved upwards some others have become landless.

Out of 22 households which became landless after acquisition, 9 belong to the category of Scheduled Castes and other backward castes which have traditionally been non-cultivators. After land acquisition they did not buy land or could not buy land. Twelve of them are Jat Sikhs, which have been traditionally cultivators. Eleven of these 12 jat sikh families who did not buy any agricultural land after acquisition are those who have regular jobs outside agriculture-(9) or are involved in some other

enterprises (2). One respondent belongs to Narula Khatri caste and the family is in cloth business and property dealing.

Our study shows that there have been a lot of shuffling of farmers from one category to another category after land acquisition. Out of a sample of 300 farmers 127 (42.33%) respondents stayed put in the same category where they were prior to land acquisition while 95 (31.67%) of them, in fact, moved to higher categories and the remaining 78 (26%) could not hold on to their earlier position and slipped to lower size categories. If however, we look at each individual farmers the study shows that 152 farmers out of 300 have more land now compared to pre-acquisition position, 113 have less land and 35 are maintaining the status-quo. An overwhelming majority of the households which moved upwards are from district Mohali and village Ghudda of district Bhatinda. On the other hand a majority of those who slided downwards in terms of ownership of land after acquisition are from Tarn Taran, Mansa and villages Fullokheri and Kanakwal of district Bhatinda.

As far as the position of respondents belonging to category-II are concerned, the number of small and marginal farmers in the sample has come down from 126 prior to land sale to 34 at present which means more than 72% respondents from these two categories have moved up to higher land categories. On the other hand the number of medium and large farmers has swelled from 10 prior to land sale to 97 at present. Thus, the proportion of small/marginal farmers in the sample has came down from 63% to 17.5% while the percentage of two larger categories have gone up from 5% to 64.5% at present. The semi-medium category remained more or less stable at one-third of the sample.

Nearly 90% farmers in our sample of category –II from Ludhiana and 99% from Mohali have moved upwards i.e. have more land now compared to their position before sale of land. On an average a respondent household belonging to category-II now owns three times more land compared to his position before the sale of land.

The study shows that per acre compensation paid to the farmers in relation to the prevailing price in the village or surrounding villages at that time and the proportion of compensation devoted to buying agricultural land are the two factors which determined the success or failure of farmers to move upwards or downwards of the land ownership ladder. Farmers in village of Mohali and village Ghudda of district Bhatinda were successful in increasing land holdings because the compensation per acre paid to them was relatively high. It was nearly double the market price in Ghudha and nearly four times the prevailing market price of land in Mohali. Farmers in Mansa villages did not succeed mainly because the compensation paid in relation to the market price was rather low. And farmers in Tarn Taran villages and villages of Fullokheri and Kanakwal failed partly because the compensation paid

per acre was low and partly because of the wrong decision making at the household level. However it must be mentioned that at no location in Punjab the farmers whose land was acquired during the last 10-12 years got per acre compensation which was lower than the prevailing market price.

The real beneficiaries of all this process are those who were residents of villages on the outskirts of fast expanding urban centres like Ludhiana and Mohali and who sold their lands privately. They are not only owning three times the land they had earlier but also own platial houses, swanky cars and are still having handsome amounts lying in the banks as fixed deposits.

An average household in our sample belonging to category -I had total assets worth Rs.1.50 crores prior to land acquisition. Nearly 94% of these assets were in the form of land or land related assets and livestock. Presently this figure stands at Rs.3.41 crores at current prices which is nearly 2.27 times more than the assets they owned before land acquisition. The share of land and land related assets now stand at 88%. Thus there is a fall of nearly 6% in the share of land and land related assets is total assets of this category. Similarly in category-II an average household had total assets worth Rs. 3.40 crores before land sale. Once again the share of land and land related assets was nearly 94% in total assets. Presently their average total household assets stand at Rs. 7.98 crores (in current prices) which is nearly 2.34 times more than the pre-sale figure. As in the case of category-I, in category-II also, the share of land and related assets in total assets has came down to slightly more than 88%, a fall of nearly 6%. In both the categories this fall of 6% in the share of land and related assets is accounted for by the rise in the share of bonds and fixed deposits in total assets.

In category-I the growth of assets is more for those who owned more than five acres of land whereas it is relatively lower for small/marginal farmers. In category-II, however, all sizes classes of farmers have gained more or less equally and the growth in assets does not seem to have any class bias.

If, however , we take care of the price rise in the mean time and compare their real assets at present with their assets before land acquisition / sale, we find that there are 81 households (27 %) from category-I and 55 households (27.5 %) from category –II who are, in fact, worse off compared to their position before land acquisition/sale. Most of these households whose present assets are, in fact, lower in real term compared to their assets before land acquisition /sale are the ones who did not invest a sufficiently large proportion of the compensation /sale proceeds on buying agricultural land and instead spent large sums on marriages /social ceremonies, and /or house construction /renovation, and /or buying costly transport vehicles , and /or kept large sums in the form of fixed

deposits. Consequently they failed to take advantage of rising land prices. However, they may not be necessarily worse off in terms of income because money kept in banks etc do earn handsome returns but in terms of assets they are definitely losers.

An average household belonging to category-I had an annual income of Rs 254259 prior to land acquisition. Nearly 62 % of that income was contributed by agriculture. Income from other sources including dairying, income earned by family members working elsewhere as also income from other enterprises contributed slightly more than 35 %. The contribution of pension remittances, rent etc was less than 2 %. Similarly an average households belonging to category-II had annual income of Rs 248870. Nearly 49 % of that income came from agriculture , 46 % from other sources , nearly five percent from pension, remittances , rent and interest. Thus the farmers belonging to both the categories in our sample before land acquisition /sale were more or less similar in terms of annual income.

If we look at the present income of an average household belonging to category-I we find that income of this category at current prices has more than doubled (2.39 times) since acquisition. The average income of a household belonging to category-II, however, has gone up by more than four times since the sale of land on the urban fringe. Again we find that there is no relationship between the rise in income over time and the size class of land holding in case of category-I . However in case of category –II we find a positive relationship between the rise in income and size class of respondent farmers i.e the multiplier increase as we move from smaller sized farmers to large sized farmers.

Our study finds a radical change in the composition of income when we compare the composition of present household income with the pre acquisition/sale income of respondent households of both the categories. In case of category-I households the share of land in total household income has gone down by nearly 13 % (from 62 % to 49 %) . The share of other sources of income has also gone down by nearly 9%. Thus a total fall in the share of income from 'land' and income from 'other sources' works out to be 22.45 % . Now this entire fall in the contribution of these two categories is accounted for by the emergences of a new source of income from interest. Since large sums of money were put by respondent farmers in fixed deposits, the income from interest accounts for 21.47 % of the total household income of an average farmer belonging to this category. A similar situation has emerged in category-II also. The share of land in total household income has come down from nearly 49% to 42%. The share of other sources of income has also come down drastically from 45.72% to 20.11%. Interest now contributes 34.67% of the total household income.

If however, we look at the household level income data and compare present income (at constant prices) with the pre-acquisition /sale income we find that there are at least 75 (25%) households in our sample from category-I whose real income is , in fact, lower than their household income before land acquisition . Similarly there are 8 households (4%) belonging to category-II whose real household income is lower than their household income before land sale. For category-I the main reasons for reduction in real household income of these 25 % farmers are (a) reduction land holding ,(b) lands bought being far away from home and (c) lands being of poor quality. A combination of these factors led to reduced real income from land. In category-II, however , the reason for lower income of these 4 % household is mainly attributable to their withdrawal from dairying business which perhaps is no longer attractive for them and/or is not commensurate with their newly acquired status of being 'rich' in terms of assets.

An average household belonging to category-I has monthly per capita expenditure of Rs 4181 at current prices. The figure for category-II is Rs 5338 per month. An overwhelming majority of households 91% in category-I and 98% in category-II, have monthly per capita expenditure of above Rs 2500 . If we draw a poverty line at Rs 50 per capita per day then only 3 (1%) households are below the poverty line in category-I and there is no household below poverty line in category-II.

All the three families which are designated as 'poor' in category-I are from SC/OBC categories. One of them was a marginal farmer before land acquisition and is a landless now. The other two households were small farmers and continue to be small farmers post acquisition. Thus, two of these households are 'poor' not because they do not earn enough but because of very large family size i.e 13 and 18 members respectively. The third household is 'poor' because it could not buy any land after acquisition and lost this source of income.

The households belonging to both the categories in our sample enjoy good standard of living in term of household articles and facilities available to them. The situation is much better now compared to their condition before land acquisition /sale. However, we can not say with certainty how much of this improvement is attributable to land acquisition /sale and how much would have happened even otherwise or whether their present condition is because of or inspire of land acquisition/sale.

In category-I nearly 25% households said that land acquisition affected their children's education positively while 8% households said it affected their children education negative. But nearly two third of them said acquisition had no impact on their children's education. In category-II, more than 70% respondents said land sale affected their children education positively. Only 3% respondents said land

sale had negative impact on their children‘s education. Nearly 26% said land sale had no impact on their children‘s education. Thus our study shows that about one-fourth households from category-I and more than 70% from category-II feel land acquisition/sale had positive impact while two third from category-II and one –fourth from category-I feel land acquisition/sale had no impact on their children’s education . Only 8% households from category-I and 3% from category-II feel land acquisition /sale had negative impact on their children’s education.

Based on their responses our study shows that nearly 53 % respondents belonging to category-I, in fact, agreed to land acquisition initially. Later on, however, 151 out of 300 challenged the acquisition decision in the court of law. In 63 cases, the petitions were dismissed. In another 17 cases (all from Mohali district) compensation was increased. The remaining 71 cases are still pending and court decision is awaited. However, when asked directly 86 (28.6%) of them said they are fully satisfied with acquisition, 39 (13%) said they are ‘some what satisfied’ but a majority 175 (58.33%) said they are not satisfied. The level of dissatisfaction is highest in Tarn Taran (70.67%) followed by Bhatinda (60%), Mansa (57.32%) and is lowest in Mohali (45%) . Thus, our study shows that although in term of land, assets and income a majority of them are better off now compared to their position before land acquisition yet in their own perception a majority of the respondents feel not satisfied with land acquisition. However, almost all respondents belonging to category-II (199 out of 200) responded that they are fully satisfied. Thus, nearly every body in our sample from category–II feel he is better off now compared to his position before sale of land. It appears all those who sold their lands privately on their own accord are a happy lot while only two out of every five whose lands were acquired are feeling satisfied. The rest are dissatisfied for one reason or another.

Policy Implication

One of the main findings of our study is that most of the households who are worse off now in terms of land, assets and income are from villages Kanakwal and Fullokheri of district Bhatinda,all the three villages of district Mansa and all four villages covered by our sample from district Tarn Taran, while almost all farmers from village Ghudha of district Bhatinda where the per acre compensation paid was nearly double the market price, and respondents from all the five villages of district Mohali where the land compensation was more than three times the prevailing market price, the farmers are better off now in almost all respects. Thus as a matter of policy it would be neceaaary to pay per acre compensation which is at least twice the prevailing market price of land in the area if we want to ensure that almost every farmer gets properly rehabilitated and resettled after land acquisition.

The Right to Fair Compensation and Transprency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013, recently passed by Parliament, in fact, provides that compensation should be four times of the market price in rural areas and two times the market price in urban areas. But the Act is silent on how the market price is to be determined. Past experience has been to take an average of last three years sales deeds as the market price. The sale deeds are done usually at the circle rates of the property, which are anywhere between 20-25% of the actual value of transactions entered into. Thus even four times compensation would not be fair to the farmers if the market price of land is derived from the average of the sale deeds. It is, therefore, suggested that the market price of land should be arrived at by following the process of consultations with the community leaders and other prominent and knowledgeable persons of the area concerned. Alternatively circle rates of property should be enhanced and brought at par with the actual market rates prevailing in the area. This will not only provide a fair bench mark for determining price of land but will also augment government s revenue from stamp duty and also will eliminate the role of black money in these land transaction.

Our study shows that farmers belonging to both the sample categories kept large sums of money in bank deposits after receiving land compensation or sale proceeds. An average household belonging to category -I sample kept Rs 14.18 lacs (8.38% of the total compensation received) in fixed deposits, while an average household belonging to category-II kept nearly Rs. 43.93 lacs (13.70%) in bank deposits. This was done mainly to ensure enough annual income to meet their day to day family needs. That explain why interest emerged the third largest source of income for category-I in the post acquisition situation, while for category-II interest , in fact, became the second largest source of income . Keeping large sums of money in fixed deposits affected their growth of assets in the long run because in a situation of high inflation interest earned on fixed deposits does not even protect the real value of money. Thus by depending on income from interest these farmers were, in fact, eating into their capital. Alternatively if this money had been invested in land or some other property, its value would have gone up substantially by now . To take care of this problem it is suggested that each farmer whose land is acquired should be paid an annual rent of land acquired @ Rs. 30000 per acre (with a minimum of Rs. 50000 per household) to take care of the family expenses in the near future. This amount should be linked with a suitable price index. This provision will enable the affected farmers to take rational investment decisions and they will not squander their capital on consumption needs. They will also be less vulnerable to the mechanizations of the crafty representatives of financial institutions who convince the innocent farmers to invest in financial schemes of their institutions by showing a rosy picture, which more often than not, turn out to be false. During these 20 years the younger members of the family who are now studying will complete their

education and training etc and can emerge successful farmers/ entrepreneurs if their capita stock remains intact till then.

Another finding of our study is that farmers from category-I whose real household income is lower than their income before land acquisition are primarily those who could not invest enough funds in buying alternative agricultural land. Some others reported that lands they bought are at a distance and/or the lands are of poor quality. Therefore the reduced income from land along with other incidental reasons like retirement of main earning member from job and /or any miss happening in the family etc explain fall in their present real household income. In the case of category-II sample, however, almost all those whose present income is less than their income before land sale, the reason is that they have sold most of the milk animals and their income from the sale of milk has come down . It is, therefore, suggested that the Government should facilitate training of the wards of affected farmers in skill and entrepreneurial development including modern dairy techniques. In fact, there should be some reservation of seats for the wards of such farmers in the technical educational institutions in the state and PAU, and GADVASU so that they become successful farmers/entrepreneurs when they grow up.

There is a substantial proportion of households in rural areas of Punjab who are not cultivators or may not be even landowners still their livelihood depends upon agricultural economy of the village. Some of them may be directly involved in agriculture as farm laborers etc., while some others have been involved in providing services such as artisans e.g the blacksmiths , the carpenters, the potters, the masons, the barbers etc. Any large-scale land acquisition or sale of agricultural land for use of non- agricultural purposes is bound to affect adversely their job and earning prospects also. Earlier they were not entitled to any compensation for loss of jobs etc. Now some provisions for compensation is there in the recently enacted Central Legislation, but the amount mentioned there is very small (Rs 2500 per family). It is suggested that these landless households who are dependent on agriculture should get Rs 25000 per family as one time grant if 25 % land of the village is acquired. This provision should go up with the proportion of area acquired going up. In case the entire land of the village of their residence is acquired each such household should get Rs 1 Lac as compensation for loss of remunerative work. This will enable such households to establish themselves in work at alternative sites. The policy should also focus on the creation and up gradation of skills of these people and their dependents so as to improve their employability in other sectors.

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