

Adopt a single-window e-portal to ease land acquisition in India

A digital infrastructure provision for it that appreciates the importance of speed and scale would be a big win for the nation



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The stars seem aligned for the manufacturing industry in India to take off. Globally, there is a determined push for a China-plus-one strategy to diversify manufacturing supply chains. Both the government and large multinational companies are aligned with this approach. Domestically, Prime Minister Narendra Modi has given an unprecedented push to industry through progressive schemes like PLI and the building of state-of-the-art infrastructure, whether it is roads, railways, airports or ports. Domestic demand is booming. India remains the fastest growing major economy in the world and most forecasts suggest that this will continue for several years. Domestic economic indicators, like record GST collections, show that our economy is on a solid footing.

The growth of a robust, globally competitive manufacturing sector is key to India's journey to prosperity. Experience from every advanced economy in the world clearly shows that manufacturing delivers high quality, well-paying jobs for large numbers of people. In India, there are still too many people, around 40% of the workforce, engaged in agriculture, producing a very small proportion of our gross domestic product (GDP), around 16% of the total. Excess labour in farming needs to be absorbed by an ever-expanding manufacturing base. This is the best route for creating jobs on a massive scale. It will also present many opportunities for our entrepreneurs who wish to go into manufacturing. So far, most of our startups are in services. But we have high potential to be the factory of the world.

This huge opportunity should not be lost because of challenges in setting up manufacturing units. Land acquisition has become a big hurdle in the process of project execution, a point which has also been made by visiting officials from potential investor countries. In fact, they are very keen to encourage their companies to invest in India, so as to avoid dependence on China.

The acquisition of large tracts of land, smoothly and unencumbered, is crucial to building large factories and industrial clusters at scale, which are now necessary to achieve global competitiveness. Scale is also very important to ensure that millions of good jobs are created in India.

In every country that has become industrialized land acquisition has happened smoothly. In most cases, industry is willing to pay a multiple of the current market prices for land. Often, a majority of people in an identified location are willing to sell their land to a company on fair terms. However, unfounded fears are often stoked by narrow interests to derail or delay the process of land acquisition for an industrial project. Proposals for large factories also need land without delay, so that implementation is swift and plans are long-term.



For industry, such time overruns are very costly and can make the difference between a large project being financially viable or unviable.

There is need to create and encourage a single online system which eliminates local land mafia and middlemen. The Prime Minister has done a remarkable job of using digital technology to eliminate unnecessary intermediaries and paperwork in government schemes. It has had a transformative impact on the lives of all Indians. Now the money of various schemes goes directly into the bank accounts of beneficiaries.

So we have a robust precedent of a system that works and can be rolled out quickly. We also have excellent expertise for building digital public infrastructure, which is regarded as among the best in the world.

On similar principles, with other operational digital platforms as a model, a single-window online system could be developed for the purchase of land. The Indian government has already done a very good job of digitization of land records and related documentation. Documents like '7/12' which contain the name of landowners and their rights, along with details of land type and usage,

are already uploaded online in the country.

In an ideal and unified portal, there should be a provision for a potential buyer and seller to complete a transaction online. The buyer can offer a payment and single document for purchase. If the seller agrees and encashes the payment, then no more process or documentation should be necessary. A public-sector lender like State Bank of India could be the nodal agency under which the deal takes place. It will be trusted by all concerned.

It is also crucial to find other innovative ways to ensure that the land acquisition process in India is speeded up. Many mines which have been auctioned have not been operationalized yet because of delays in land acquisition. Efficient mining is another key to ensure that the raw materials which feed our manufacturing base are mined in geologically-rich India, rather than imported. About half our total imports are of materials that are found under the ground. We must change that.

In conclusion, speed and scale must be the defining characteristics of New India. A new user-friendly digital land sale system, which appreciates and incorporates the importance of speed and scale, would be a big win for the nation.