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**New Research: Land Conflicts Impact 3.2 Million People and Threaten More Than
Rs. 12 trillion (US \$179 billion) of Investment**

Unclear property rights for tribal and rural communities, despite constitutional guarantees and supporting laws, pose a substantive risk to economic progress

DELHI (16 November 2016) – The impact of land-related conflicts on India’s society and economy is underestimated, according to two new reports released today in a workshop organized jointly by the Rights and Resources Initiative (RRI); Food and Agriculture Organization (FAO) of the United Nations; Bharti Institute of Public Policy, Indian School of Business (ISB); and Tata Institute of Social Sciences (TISS). The first, a report by RRI and TISS on land conflicts that analyzes 289 ongoing cases—an estimated 25-40% of active and substantive land conflicts in the country—found that 3.2 million people were impacted and over Rs. 12 trillion (US \$179 billion) of investment is at risk.

“Land conflicts are impacting communities across the country, threatening their lives and livelihoods,” said Dr. Geetanjoy Sahu, Professor at TISS and one of the authors of the report. “At the same time that they impact development and infrastructure projects, a part of the solution to many of these conflicts already exists in the statutes the Forest Rights Act (FRA) and the Panchayati Raj Extension to Scheduled Areas (PESA). The only way to ensure India’s continued development will be to effectively implement these laws and remove the anomalies in property rights regimes.”

The second study, *Land Disputes and Stalled Investments in India*, used data from the Center for Monitoring Indian Economy’s (CMIE) [CapEx database](#) to better understand the causes and spatial distribution of stalled investment projects in India. The analysis, by RRI and ISB found that 5,780 – or 14% – of the more than 40,000 projects announced between January 2000 and October 2016 were stalled due to land acquisition conflicts. Power projects were more likely to be stalled, followed by the cement, steel and mining sectors.

The research also found the CapEx database, intended as a planning tool for business, financial companies and governments, to be grossly underestimating the risk associated with land related disputes. Looking at a subsample of 80 high-value stalled projects, the researchers found more than one quarter of the projects and investment are at risk due to land related disputes, which is 300% higher than the CapEx estimate. The value of the projects at risk due to land related disputes examined in the subsample exceeded Rs. 1.9 trillion (US \$29 billion).

Threat to Commons Larger Than Expected

A key finding of both reports is that disputes over common lands – on which communities depend for farming, fishing, livestock rearing, salt manufacturing and grazing and which are often sources of cultural and spiritual wellbeing– are more frequent than expected. These disputes pose as large a risk to

investments as do disputes over private lands, with 32% of the land conflicts identified involving only common lands, and another 42% involving both common and private lands.

“Protests over common lands have historically been left out of the mainstream policy discourse around stalled and delayed investments in India, despite their importance. These oft-contested landscapes have competing claims from communities and government, leading to conflicts when these lands are diverted for industrialization or infrastructure development. The status-quo is not sustainable—neither for the affected communities, nor for potential investors,” said Dr. Ashwini Chhatre, Senior Research Fellow, Bharti Institute of Public Policy and Professor at the Indian School of Business.

In India, the FRA, and the PESA mandate that the free, prior, and informed consent (FPIC) of communities is obtained in case of diversion of forestlands and in case of acquisition of any land (private or common) in the Scheduled Areas. In practice, implementation and enforcement of FRA and of PESA has been slow or, in many cases, being obstructed. Yet, a [study](#) released by RRI last year demonstrated that implementation of the FRA has the potential to recognize the rights and transform the livelihoods of approximately 150 million forest dwellers on at least 40 million hectares of forest land.

“To sustain and expand India’s socioeconomic development, the Government must provide India’s tribal and rural communities with the protections they are entitled to under our Constitution by vigorously enforcing the provisions of existing laws like the right to free, prior, and informed consent,” added Dr. Kundan Kumar, Asia Program Director at RRI. “But beyond that, they must also adopt new laws providing greater clarity for customary rights on common lands.”

The authors of these studies assert that it is important that industry leaders, government, analysts and civil society jointly work to improve risk assessment emanating from land related issues and formulate policies to clarify tenure regimes in customary and traditional lands.

Other findings from the new reports indicate:

- Many of the land disputes related to stalled projects are linked to the perceived environmental impacts of these investments projects;
- Almost 80% of land conflicts arise out of development and industrialization processes, infrastructure being the single largest cause;
- While less than 15% of the country’s districts are affected by Left Wing Extremism (Naxalite-Maoist insurgency) they comprise 26% of all ongoing land conflicts and 32% of land-conflict affected population.

In the case of private land, perceptions of unfair or low compensation were found to drive many of the land disputes. “If investors are looking at their bottom line, the cost of delays and stalled investments often far outweighs the cost of paying farmers and land owners a fair compensation for their land,” said Arvind Khare, Board Chair of the International Land and Forest Tenure Facility. “Investors, financial institutions and regulators must incorporate land tenure risks, including those arising from common lands, in their project and investment risk analysis portfolios – if they don’t, they risk losing big,” he added.

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Bharti Institute of Public Policy, Indian School of Business.

One of the four institutes at the Indian School of Business' Mohali campus, the Bharti Institute of Public Policy is an independent think tank with its main objectives as follows: to promote high quality research to guide policy formulation and implementation in India; to train students – both through degree and short-term programs – to better appreciate, formulate and implement policies; as well as to engage with and inform policy formulation and implementation, particularly in developing country settings.

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Rights and Resources Initiative (RRI)

Rights and Resources Initiative (RRI) is a global coalition of 13 Partners and over 150 international, regional and community organizations advancing forest tenure, policy and market reforms. RRI leverages the strategic collaboration and investment of its Partners and Collaborators around the world by working together on research, advocacy, and convening strategic actors to catalyze change on the ground. RRI is coordinated by the Rights and Resources Group, a non-profit organization based in Washington, DC. For more information, please visit www.rightsandresources.org

Tata Institute of Social Sciences

The Tata Institute of Social Sciences (TISS) was established in 1936 as the Sir Dorabji Tata Graduate School of Social Work. In 1944, it was renamed as the Tata Institute of Social Sciences. The year 1964 was an important landmark in the history of the Institute, when it was declared Deemed to be a University under Section 3 of the University Grants Commission Act (UGC), 1956. Since its inception, the Vision of the TISS has been to be an institution of excellence in higher education that continually responds to changing social realities through the development and application of knowledge, towards creating a people-centered, ecologically sustainable and just society that promotes and protects dignity, equality, social justice and human rights for all. www.tiss.edu