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The land question: special economic zones and the political economy of dispossession in India
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Special Economic Zones (SEZs) have become the epicenters of ‘land wars’ across India, with farmers resisting the state’s forcible transfer of their land to capitalists. Based on 18 months of research focused on an SEZ in Rajasthan, this paper illuminates the role of ‘accumulation by dispossession’ (ABD) in Indian capitalism today and its consequences for rural India. It argues that the existing theories of land grabs do not adequately explain why dispossession becomes necessary to accumulation at particular times and places, and seeks to reconstruct Harvey’s theory of ABD to adequately account for it. It then shows the specific kind of rentier- and IT-driven accumulation that dispossession is making possible in SEZs and the non-labor-absorbing, real-estate–driven agrarian transformation this generates in the surrounding countryside. Land speculation amplifies class and caste inequalities in novel ways, marginalizes women and creates an involutionary dynamic of agrarian change that is ultimately impoverishing for the rural poor. Given the minimal benefits for rural India in this model of development, farmer resistance to land dispossession is likely to continue and pose the most serious obstacle to capitalist growth in India. The agrarian questions of labor and capital are, consequently, now rejoined in ‘the land question.’

**Keywords:** accumulation by dispossession; Special Economic Zones; land grabs; agrarian change; India; Rajasthan

**Introduction**

Special Economic Zones (SEZs) have, over the past five years, become synonymous in India with grabbing land from farmers. In March 2007, 14 people were killed and many more raped and injured by police and party-thugs in Nandigram, West Bengal, for refusing to give their land for a petrochemical SEZ promoted by an Indonesian company. The uproar that followed shook the state and central governments (contributing to the eventual downfall of the former) and led to a cancellation of the project, a temporary moratorium on SEZs and a reduction in their maximum allowed size. Nandigram was the tip of the iceberg, as farmers across the country were resisting the government’s use of *eminent domain* to acquire and transfer their
land to private companies for the development of these hyper-liberalized enclaves. These ‘land wars’ have led to the cancellation, delay and downsizing of projects across the country, including two massive SEZs for Reliance Industries outside of Mumbai and Gurgaon, the South Korean POSCO steel SEZ in Orissa (supposed to be India’s largest ever foreign direct investment) and all the SEZs approved in the state of Goa. These conflicts and the stoppage or stalling of high-profile investments have created great concern within the state and capitalist class that farmers will be the largest obstacle to India’s emergence as a ‘world class’ economic power.

That an export policy has exposed the land question as perhaps the biggest obstacle to capitalist development in India today may seem strange. After all, land has been acquired for industrial estates and townships in India since the first Five-Year Plan, and subsequently for early Export Processing Zones and various export promotion parks. Why an SEZ question has become an explosive land question has in part to do with how one novel feature of India’s SEZs – the privatization of their development – opened up a lucrative investment opportunity in a particular phase of Indian capitalism. The SEZ Act of 2005 provided a framework for building hyper-liberalized economic enclaves – with minimal taxes, tariffs and regulations – on the Chinese model, with the avowed purpose of promoting exports, attracting FDI, developing infrastructure, and generating employment. But whereas China’s SEZs were state-developed, in India, the private sector would be enticed with offers of cheap land acquired from farmers to develop the zones themselves and create ‘first-class’ industrial and commercial infrastructure for exporting companies. The SEZ Act only required that 35 percent (later raised to 50 percent) of the area acquired for SEZs be used for productive purposes, giving developers freedom with the remainder. Given that the highest value land use is by far housing, most developers would use that area for constructing high-end housing colonies and accompanying ‘social infrastructure’, like shopping complexes, private schools and golf courses, for what would essentially be privately developed cities on farmland in the peri-urban periphery. This was the real draw of the SEZ for most developers and central to the business model.

In the name of privatized infrastructure development, the SEZ Act thus created an opportunity for windfall real estate gains precisely as the India economy started

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1At the time of writing, the outcome of the POSCO standoff remains uncertain. The steel plant, which was to be set up as a captive SEZ of the South Korean steel company, has been stalled for over five years in the face of stiff resistance by local agriculturists and fishermen living on government ‘forest land’ that is the proposed location for the project. Police forces have been amassed outside of the villages for over a month, threatening to evict them by force. However, so far the resisting villagers have been able to hold their ground by erecting barriers, forming human chains, and drawing enough media attention to make violent removal politically difficult. Despite clear violation of the Forest Rights Act (2005), which mandates approval for such forest conversion by local assemblies (gram sabhas), the Central Forests and Environment Ministry finally gave its approval for the project in May 2011.

2While China’s original SEZs were state-developed, privately financed ‘economic development zones’ and ‘industrial parks’ have become major engines for rural land seizures and urban evictions (Walker 2008, 471).

3Under the SEZ Act (2005), state governments can still establish public sector SEZs and many are developing their own SEZs through parastatal industrial development corporations. However, these publicly developed SEZs are typically not that different – from a land point of view – from the old industrial areas aside from higher boundary walls. What is really new about SEZs, and what has generated the big land rush, is the opportunity for their private development.
accelerating toward nine percent growth rates and, crucially, as a liberalized real estate market began a dramatic ascent. Indian real estate companies and large diversified corporate houses jumped at the opportunity of developing unprecedentedly large pieces of land that, in many cases, would be acquired for them at cheap rates by state governments keen to attract industry. Within the first 16 months after the SEZ rules were established in 2006, 464 SEZs were approved and the figure now stands at almost 600. While it is a vast underestimate, the government claims that the currently proposed SEZs will require over a half million acres of land (Government of India n.d.).

While much ink has been spilled on the ‘land wars’ being generated by SEZs, there have been comparatively few in-depth studies of actually existing ones that would enable a careful empirical analysis of their productive and distributional consequences. Through an 18-month study – using ethnography, interviews, surveys and government documents – focused on one of the few operational ‘greenfield’ SEZs in India, the Mahindra World City outside of Jaipur, Rajasthan, and the surrounding villages whose lands were acquired for the project, this paper tries to illuminate the new political economy of dispossession embodied by SEZs and the peculiar kinds of agrarian changes they are unleashing across India. In doing so, I hope to show what a reconstructed theory of accumulation by dispossession can contribute to the emerging literature on ‘land grabs’.

**Theorizing dispossession**

There is some danger in the emerging scholarship and policy discourse on ‘the global land grab’ that the novel interest in them is mistaken for novelty of the phenomenon itself. The dispossession of land from peasants, of course, has a long history and an almost equally long history of thinking about it. While most acknowledge this, there seems to be a noticeable tendency to take the current phenomenon of transnational agricultural deals as the basis for more general theorization about land dispossession. Thus Zoomers (2010) argues that the current upsurge of cross-border agricultural land grabs is part of a larger contemporary phenomenon of the ‘foreignization of space’, of which she cites India’s SEZs as another example. Aside from the empirical considerations that transnational agricultural land deals have a long history (e.g. Grandin 2010), which demands more elaboration on what is new

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4However, the Ministry of Commerce and Industry’s (MoCI) statistics are very misleading. First of all, they reflect the land officially notified as an SEZ, not the total land acquired for the company. Many companies are building large ‘Domestic Tariff Areas’ attached to the SEZs for companies wishing to produce for the domestic market. This acreage would not be included in the MoC totals. More importantly, the Ministry’s totals only reflect the size of the SEZ at the time of notification. It is common practice for SEZ developers to seek official notification status as soon as they have the minimum amount of land necessary, and then add on to it later. These ‘notified’ areas can be one-tenth the total size of the project. A more realistic estimate of total acres would easily be in the several millions of acres.

5Two of the major exceptions are Seethalakshmi’s (2009) comprehensive overview of SEZs in Andhra Pradesh and Jamie Cross’ (2009, 2010) ethnography of a factory in the Vishakhapatnam (also Andhra Pradesh) SEZ, an older EPZ converted to an SEZ. However, the focus of the latter is on the labor rather than land question.

6By ‘greenfield’ I mean an SEZ built from scratch after the SEZ policy came into effect in 2000, rather than one of the old Export Processing Zones converted to an SEZ after the policy came into effect.
about the contemporary ones (White and Dasgupta 2011), and that SEZs in India, rather than representing ‘a strategy of global capital’ (Banerjee-Guha 2008, 51), are primarily developed and financed by domestic capital, it is not clear why a theory of land grabs should be based on the origin of the capital orchestrating them; this should rather be a factor in explaining variations in their character, frequency and consequences at different times and places. In creating a theory of contemporary disposessions from land or other resources, the key question is not the origin of the capital, but the reasons why capital in general requires – or more precisely attempts and achieves – forceful expropriation at any given place and time to sustain accumulation. We might add that the term ‘land grab’ – whatever its political uses – provides little more than a self-evident descriptive label for this phenomenon.

I believe that a sounder basis for conceptually understanding contemporary processes of dispossession can be found in Harvey's reconstruction of Marx’s ‘primitive accumulation’ as ‘accumulation by dispossession’. Suitably reconstructed to iron out the ambiguities and lacunae in Harvey’s rendition, ABD provides the beginning of a more powerful analytic concept regarding the role of dispossession under advanced capitalism, the variations of which in space and time can be empirically studied and form the basis of a dynamic and important research program. While ABD may not capture all varieties of contemporary land grabs – such as those motivated by logics other than profit (Hall et al. 2011, 13) – it can certainly capture the great majority and allows for the term ‘accumulation’ to be

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7Almost all of the private SEZ developers are Indian companies. While a high-level Ministry of Commerce and Industry official admitted to me that, ‘honestly, we don’t know where the finance is coming from’, he said that the level of FDI had been disappointing (Interview, 17 Jan 2011), and the relatively incomplete MoCI data given to the author shows very little – only 11 of 42 ‘notified’ SEZs for which there is data list any FDI at all in either their development or in their productive units. Another top official in charge of regulating SEZs in nine states told me that there had been ‘very little’ FDI and that most of the SEZs were being financed by internal accruals and domestic bank loans – which is the case with the Mahindra World City SEZ analyzed here. Of the 100 approved SEZs in his region, he added that perhaps only three or four had FDI in their development, with maybe 20 percent of units in the IT sector having some FDI, with very little in other sectors (Interview, 25 Jan 2011). It may also be added that the push for the SEZ Act came entirely from Indian capitalists and Ministry of Commerce bureaucrats and the stamp of the World Bank and other IFIs is conspicuously absent. All of this makes Moore and Schrank’s (2004) characterization of EPZs as ‘imperial overstretch’ inapplicable to the Indian case, and Banerjee-Guha’s statement that SEZs are ‘part of the recent strategy of global capital to overcome the chronic problem of over-accumulation’ misleading (2008, 51, italics added).

8Hall et al. (2011, 13) provide examples of land grabs for conservation areas or ‘ethno-territories’ (also see Li 2007). If there is no accumulation, of course, ABD would not be the correct term. However, conservation often does have a direct or indirect link to accumulation – for example, where conservation is part of a strategy of tourist-led development – an accumulation strategy based on what Lefebvre calls ‘the consumption of space’ (Lefebvre 1991, 349, 352–354; 2009, 188) – or is part of an effort to offset accumulation elsewhere through carbon credits, compensatory forestation, or ‘debt for nature swaps’ (Hall et al. 2011, 78–79). Detailing the many linkages between conservation and capitalist development, Geisler suggests that ‘conservation might even be seen as green-tinted structural adjustment’ (2003, 72). However, the main point is that a good concept cannot and should not try to cover every conceivable phenomenon that on the surface seem related, but should be restricted to those phenomena for which it can provide a compelling explanatory logic at a level of abstraction that provides analytic leverage on important questions. Hall et al.’s preference for the term ‘exclusion’ has the merits of applicability to a wide range of phenomenon involving the social relations around land – beyond what would be characterized strictly as dispossession – but perhaps at the price of a diminution in explanatory power.
specified in any given context. However, there has been a great deal of confusion in the emerging literature on what exactly defines ABD – a confusion that can in part be traced to two central ambiguities in the way scholars have traditionally understood Marx’s theory of ‘primitive accumulation’. Since I believe these are of considerable significance to current debates, they call for some elaboration.

The most important ambiguity – which continues to haunt discussions of ABD – is whether primitive accumulation is defined above all by its function for capitalism or by the means specific to it. On the one hand, Marx’s theory of primitive accumulation referred to the process of creating the pre-conditions for capitalism by effecting the ‘two transformations, whereby the social means of subsistence and production are turned into capital, and the immediate producers are turned into wage-laborers’ (Marx 1976, 875). On the other hand, Marx also distinguished primitive accumulation by the use of blunt, extra-economic force in contrast to ‘the silent compulsion of economic relations’ that characterized fully developed capitalism (Marx 1976, 899). In the former, ‘It is a notorious fact that conquest, enslavement, robbery, murder, in short, force, played the greatest part’ (1976, 874). Sheer violence and state-driven expropriation were necessary to generate the two major prerequisites of capitalist social relations: a ‘prior’ accumulation of capital on one side and a group of wage laborers who had nothing to sell but their labor power on the other. Here we might note that within this first ambiguity, a second one emerges – which also plagues contemporary discussions of ABD – as to how much emphasis is to be placed on each of the two transformations: the forces seeking to turn the land into capital (e.g. the gentry turning the commons into sheep walks), and how much on its result – the creation of a class of wage laborers ‘freed’ from their means of production. If more emphasis were to be placed on the first, would not primitive accumulation be a continuous process as more land and natural resources were needed to feed a burgeoning capitalism that already had a sufficient reserve of wage-laborers? However, because Marx’s analysis of primitive accumulation remained a retrospective, historical account of how the pre-conditions of capitalism came into being that was not grafted to his theory of developed capitalism (Balibar 1979, 279), this tension was not adequately resolved. And as violent means and the ‘two transformations’ converged in Marx’s classic example of the British enclosures (if not some of his other examples), the first tension between the two potentially

There are, to be sure, suggestions in Capital that primitive accumulation was not simply a one-off event. Thus, Marx states that, ‘The history of this expropriation assumes different aspects in different countries, and runs through its various phases in different orders of succession, and at different historical epochs’ (1976, 876). He acknowledges, for instance, that primitive accumulation is far from completed in the colonies (1976, 931). Nevertheless, the overwhelming textual evidence from both the Capital and the Grundrisse is that Marx was trying to argue that primitive accumulation comprises the historical origin of capitalism and, to the extent that it continues, it does so serially as different countries transition to capitalism. Thus, Marx calls it, ‘an accumulation which is not the result of the capitalist mode of production but its point of departure.’ (1976, 873). In the more Hegelian idiom of the Grundrisse, he states, ‘The conditions and presuppositions of the becoming, of the rising, of capital presuppose precisely that it is not yet in being but merely in becoming; they therefore disappear as real capital arises, capital which itself, on the basis of its own reality, posits the conditions for its realization’ (1973, 459). Thus primitive accumulation creates the presuppositions of capital; once established, capitalism re-creates its own conditions of existence.
distinct ways of defining primitive accumulation – by its means or ultimate function – remained latent.

However, subsequent scholarship questioned the centrality of ‘enclosures’ to transitions to capitalist agriculture in other parts of the world (Byres 1991), and even to the ‘classic’ transition to capitalism in England (Wood 2002). In much of the ‘agrarian question’, primitive accumulation came to mean any process that separated peasants from their means of production, which more often proceeded through a gradual process of class differentiation (Lenin 1967, Kautsky 1988, 17, Adnan 1985, 57). Economic processes like debt, often working through ‘inter-locking markets’, came to be seen as equally effective levers of primitive accumulation as the extra-economic enclosure of land (Bhaduri 1983). In sum, for many, primitive accumulation came to be defined by its results – first and foremost proletarianization – rather than its extra-economic means.

It is not the point of this very cursory discussion to assess this strand in the conceptual development of ‘primitive accumulation’. The point, rather, is to show how this ambiguity in the concept has colored contemporary receptions of ABD in ways that, I believe, obscure the novel theoretical advancement it offers. While some scholars continue to see primitive accumulation and ABD as synonymous (Arrighi et al. 2010, 411), I believe that in fact Harvey’s concept of ABD marks a definitive break with primitive accumulation traditionally conceived by unmooring it from the historicism of modes of production and thereby freeing it for application to a panoply of contemporary forms of dispossession of private and social wealth – for SEZs, slum clearances, large-scale agricultural plantations, dams, real estate development, infrastructure projects and all manners of privatizations of natural resources and public wealth – that may have little to do with agriculture and that emanate from, rather than create the pre-conditions for, advanced capitalism. ABD has more to do with the multiple forces seeking to turn land and other resources into capital (Marx’s first transformation) than about what may or may not be its result: adding to the pool of wage-laborers. As Sassen bluntly puts it, in many cases the land is ‘more valuable to the global market than the people on it’ (2010, 23). The significance of Harvey’s reconstruction of primitive accumulation as ABD lies, above all, in its attempt to explain the contemporary upsurge in political struggles centered on the dispossession of land and various other resources rather than the exploitation of labor (Levien 2007, Burawoy 2010, 309).

However, there has been a notable persistence among scholars in seeing ABD not in the multiple disposessions being generated by the demands for land and resources of contemporary capitalism but in a typical ‘transition’ process of proletarianizing the peasantry. This has generated some baffling conclusions. For example, some have argued that China is a case of ‘accumulation without dispossession’ because its industrialization was preceded by thorough land reform (Arrighi 2007, 361, Arrighi et al. 2010). While it is true that China’s industrialization was not preceded by a full-scale enclosure of the peasantry (Hart 2002), as several accounts have shown (Hsing 2006, 2010, Walker 2006, 2008), its process of capitalist development has made the Chinese state quite likely the largest motor of ABD in the history of the world (followed by India), with some estimates of the dispossessed for factories, urbanization, mining and all sorts of infrastructural projects reaching into the hundreds of millions (Walker 2008, 472). Inversely, Arrighi et al. (2010, 434) argue that excessive dispossession in South Africa has created severe developmental pathologies – the solution to which might lie in the mining sector, one of the oldest and most notorious
sources of land dispossession, meaning that the solution to the problems created by ABD is more ABD! While their overall argument that excessive dispossession has negative long-term development consequences may be correct, their confusing application of the concept of ABD reflects a persistence in seeing ABD as ‘more of the same’ – a wholesale agrarian transition whose significance rests in the generation of wage laborers – when what makes ABD a significant advancement on primitive accumulation is precisely its ability to capture diverse contemporary disposessions (like mining or housing or factories) that often take sector-specific and geographically dispersed forms, and whose significance for capital, at least in the proximate sense, lies more in the expropriated asset than in the dispossessed owner. It is not that a name change is necessary for this reconceptualization – other scholars before and since Harvey have advanced conceptions of ‘ongoing primitive accumulation’ that mark a similar break (Perelman 2000, De Angelis 2001, Hart 2002, Luxemburg 2003, RETORT 2005, De Angelis 2007, Sanyal 2007) – but it does help in giving the concept a contemporary valence that makes clear we are no longer dealing with what Marx called the ‘pre-history’ of capital (Marx 1977, 875) or simply the serial repetition of transitions to capitalism in the Global South.

However, if it is Harvey’s great merit to harness the phenomenon of dispossession to a sophisticated theory of advanced capitalism, it is also not clear that the result is completely satisfactory. Harvey notes (2003, 145) that aside from the enclosures, Marx includes a wide range of phenomena in his discussion of primitive accumulation (colonialism, the slave-trade, modern taxation, usury and the national debt, for example) and he himself wants to include a broad array of processes under the category of ABD: land grabs, privatizations of collective social assets, biopiracy and the various predatory machinations of finance capital. According to Harvey, these mechanisms have increased in importance relative to ‘expanded reproduction’ under neoliberalism.

But what do all these processes share that make them examples of the same phenomenon? There is not a clear and succinct definition of accumulation by dispossession in either The New Imperialism (2003) or A Brief History of Neoliberalism (2005). Harvey instead provides lists of processes or categories of processes that count as accumulation by dispossession. What separates these from expanded reproduction is not fully explained. Since ABD is clearly no longer creating the preconditions for capitalism, we might expect Harvey to define ABD by the deployment of extra-economic coercion in the process of accumulation, which is how Glassman (2006) interprets both primitive accumulation and ABD. Such a definition would capture at least many – though perhaps not all 11 – of the examples that Harvey provides, which entail the use of non-market power (often by the state) to bring new assets within the circuits of capital accumulation, or to profit from the de- and

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10For example, in A Brief History, Harvey offers the following four general forms: privatization and commodification of previously non-commodified assets, financialization, the management and manipulation of crises, and state redistributions of wealth from the poor to the rich (2005, 160–165).

11It is not clear, for example, whether the operations of finance capital would fit in this definition. As Brenner (2006, 101) states in critiquing what he sees as Harvey’s overly expansive definition of ABD, ‘the huge redistributions of income and wealth away from workers that are indeed sometimes entailed by the operations of financial markets are, for the most part, no less straightforward results of the capitalist game than is exploitation through the purchase of labour-power’.
re-valuation of already commodified assets. Harvey (2003, 154) comes close to this when he states that ABD in the Global South often occurs ‘with the strong backing of state powers’. However, in a subsequent defense against critics, Harvey (2006a, 159) explicitly rejects the notion that extra-economic coercion is the defining feature of accumulation by dispossession. Instead, he claims, ‘It is most importantly exercised through the credit system and financial power. I construe this as primarily economic rather than extra-economic’. Here, the concept definitively falls apart.

Without the means-specific definition of ABD, Harvey must replace the earlier functional interpretation of primitive accumulation with a new one: ABD is no longer whatever creates the pre-conditions for capitalism but whatever re-creates the conditions for its expansion. The closest he comes to providing a definition of ABD is in discussing its role in offsetting crises of over-accumulation: ‘What accumulation by dispossession does is release a set of assets (including labor power) at very low (and in some instances zero) cost. Over-accumulated capital can seize hold of such assets and immediately turn them to profitable use’ (Harvey 2003, 149). But if ABD is defined as whatever provides an outlet for over-accumulated capital, it is no longer clear what separates it from other ‘spatio-temporal fixes’ and the ordinary operation of capitalist expansion (Brenner 2006). The concept’s boundary with ‘expanded reproduction’ is destroyed and its analytical specificity lost.

I believe that the only coherent way of defining accumulation by dispossession is the use of extra-economic coercion to expropriate means of production, subsistence or common social wealth for capital accumulation. It is not simply an economic process of over-accumulated capital seizing hold of under-commodified assets (Harvey 2003, 2006a), but fundamentally a political process in which states – or other coercion wielding entities – use extra-economic force to help capitalists overcome barriers to accumulation. It is a form of class struggle that appears ‘as a crystal-clear relation of expropriation’ lacking ‘the fetishistic character assumed by capital’s normalization, or the ordinary run of things’ (De Angelis 2007, 139). While analyzing circuits of capital may explain why there is more or less pressure toward dispossession, it does not tell us why capital would need to dispossess land rather than purchase it through the ordinary operation of real estate markets, or whether it will be successful, which is ultimately decided by the balance of class forces (Brenner 1976, De Angelis 2007). Rather than assuming its economic role into the definition, this means-specific understanding invites comparative research into its conjunctural economic role and political outcome in different times and places.

De Angelis provides an original and generative conception of ongoing primitive accumulation that is coherently differentiated from ‘expanded reproduction’ and that more forcefully than Harvey emphasizes class struggle as the animating force of, and limit to, primitive accumulation. However, I hesitate to adopt his theoretical framework more fully because it is structured around the idea of enclosures whose referent is always the commons, defended by ‘commoners.’ The problem is that ABD entails the dispossession of multiple property forms, including private property, and may even entail the dispossession of more ‘traditional’ capitalist forms by more ‘advanced’ ones (Sassen 2010, 24). In India, ABD entails the widespread expropriation of not only various commons, but also privately held peasant landholdings. Many – though not all – of the movements resisting it demand no more than the protection of this small-scale private property. The romantic conflation of resistance to primitive accumulation with ‘defense of the commons’ – shared by others in the ‘new enclosure’ school (Linebough 2008) – obscures the fact that resistance to dispossession can be animated by diverse property claims or, in De Angelis’ terms, ‘value practices.’ Thus, I believe that it makes more sense to look at the enclosure of commons as a sub-category of ABD, which has the merit of being able to capture a broader range of disposessions of multiple property forms.
Moreover, it is by highlighting the widespread role of extra-economic expropriation under advanced capitalism that ABD provides significant analytic leverage on multiple questions of great contemporary relevance. The centrality under neoliberal capitalism of direct and transparent extra-economic intervention into the appropriation of value (in the form of land) – typically thought to be the defining characteristic of how feudalism extracts surplus labor (Marx 1981, 926–927, Anderson 1974, Wood 1981, Teschke 2003) – has far-reaching consequences for our understanding of contemporary state structures, politics and ideology, only some of which will be developed here.¹³

This concept of ABD would apply to the vast majority of what are now called ‘land grabs’. After all, it only makes sense to talk about a ‘grab’ when land is expropriated using means other than voluntary market purchase. When sellers are unwilling, or where possession or use is not accompanied by recognized legal ownership (such as with government land or commons), land can typically only be alienated to capital with the backing of the state, though it might also be done by other agents capable of exercising coercion – mafias, hired thugs, paramilitaries or rural elites with ‘their little independent methods’ (Marx 1977, 885). In India, accumulation by dispossession is quite rationalized – probably more so than in China¹⁴ – and above all involves the state restructuring itself under neoliberalism as a land broker for capitalists in a situation where rising demand for land confronts a rigid supply controlled by a large number of small peasants. Capitalists increasingly look to the state to expropriate land through eminent domain because farmers are often not interested in selling their land and/or do not have clear titles to it. Accumulation by dispossession is, in this instance, a process whereby state force is mobilized by the capitalist class to overcome the barriers to accumulation presented by land markets that do not provide an ‘open field’ for the circulation of capital (Harvey 2006b, 371).¹⁵ As alluded to earlier, by seeking a transparently political solution involving state force to overcome the difficulty of acquiring land on the market, the state and capital have unleashed a secondary barrier to accumulation in

¹³The implications for our understanding of the role of the state and politics in dispossession are further developed in an article currently under review for the forthcoming special issue of Development and Change on ‘land grabs and the state.’

¹⁴For excellent accounts of the state’s land brokering role in the different legal and political context of China, see Hsing (2006, 2010) and Walker (2006, 2008). Some of the main differences between land dispossession in India and China would appear to stem from the greater significance of state-owned property and unclear property rights in the latter. This appears to give land grabbing in China a more extra-legal character, involving intra-bureaucratic competition and also greater reliance on non-state–means of coercion (such as the mafia and ‘relocation companies’), which Walker identifies as part of China’s ‘gangster capitalism.’ In India, while these elements are not absent (so-called land mafias do operate as more decentralized agents of coercive land alienation) and there is certainly often corruption involved in any large-scale land development project, land dispossession typically occurs quite legally through the routinized, bureaucratic application of the Land Acquisition Act (LAA) that has been in place since 1894. This is not to say that laws are not broken – for example, states often violate what should be protected forest rights or have are guilty of procedural violations of the LAA – but generally expropriations for increasingly for-profit and speculative purposes have been accommodated quite legally by stretching the interpretation of ‘public purpose’ and through the bureaucratic conversion of different categories of state land.

¹⁵ABD can be used not only to overcome the problem of private property that people are not interested in selling, but also in obtaining land or other resources for which markets do not exist (state or common land for example) and/or where property or use rights are ill-defined, unprotected, or more complex than those recognized by the state, which is the case in many parts of the world.
the form of powerful anti-dispossession ‘countermovements’ (Polanyi 2001) that are calling the outcome of ABD into question.

While much of the preceding has unfolded on a high-level of abstraction, the remainder of the paper will try to provide more ‘concrete specification’ to our understanding of ABD (Hart 2006) through the empirical example of the Mahindra World City SEZ in Rajasthan and the case of Indian SEZs more generally. I try to develop with more precision the specific type of rentier accumulation that dispossession makes possible in privately developed SEZs and put forward the concept of the ‘rate of accumulation by dispossession’ to capture its quantitative dimension. Then, bringing together Harvey and the tradition of agrarian political economy, I examine the developmental consequences of ABD, not in the macro-sense of assessing the productivity and international competitiveness of the labor force it helps to create (Arrighi et al. 2010), but by studying the welfare of the people dispossessed (Li 2011). I examine the peculiar type of agrarian transformation via land commodification that this type of ABD is unleashing in Rajasthani villages and its consequences for different social classes. With the labor of dispossessed peasants marginalized more than exploited by the an Information Technology (IT)- focused SEZ, the main effect on the rural hinterland has been dramatic commodification of land. This leads me to extend Harvey by showing how accumulation by dispossession does not always simply pit capital versus peasants – or ‘commoners’ (De Angelis 2007, Linebaugh 2008) for that matter – but can create a whole chain of rentiership that incorporates well-placed fractions of the peasantry. I show how existing class and caste inequalities in the agrarian social structure provide the basis for unequal gains from speculative land markets, which, in the absence of productive linkages from the SEZ, are invested overwhelmingly and with uneven success in forms of rentiership and exchange, creating an involutionary (Geertz 1963, Burawoy 1996, 2001, Burawoy et al. 2000) dynamic of agrarian change. The resulting pattern of class differentiation looks very different from the agrarian transitions via the development of agricultural capitalism that has historically dominated the attention of scholars of the ‘agrarian question’ (e.g. Kautsky 1988, Lenin 1967, Barrington Moore 1966, Brenner 1976, Patnaik 1990, Byres 1996, Akram-Lodhi and Kay 2010). Analyzing the peculiar non-agricultural agrarian changes being generated by SEZs and their developmental implications will then allow us to contextualize and evaluate the widespread peasant resistance to them and the contradictions they are posing for capital. I conclude that in India it is not so much that the ‘agrarian question of capital’ has been de-linked from that of labor and solved (Bernstein 2009) so much as it has been transformed from a question over the surpluses from agriculture to one over access to rural land. As farmers resist the expropriation of their means of production in part out of bleak assessments of their non-farm opportunities in the current growth trajectory of India, the ‘agrarian question of labor’ has direct and serious implications for that of capital.

Dispossession

While land has always been the most coveted asset in rural India, that asset is now increasingly desired by capital for industry, residential and commercial real estate and privatized infrastructure development. Such non-agricultural demand for land has skyrocketed post-liberalization and especially after 2005 as the Indian economy surpassed eight percent growth rates and a liberalized real estate sector experienced a spectacular boom (Searle 2010). However, this skyrocketing demand for land has
exposed a latent supply problem. The problem (for capital) is that the majority of available land is in the hands of India’s small-holding peasantry and significant enough sections of that peasantry remain, for various reasons, uninterested in selling it. Land, as Polanyi observed, is a ‘fictitious’ commodity not only because it is a non-produceable asset with location-specific qualities but also because it is valued in multiple ways (for example, as a habitation and long-term source of security) that are not easily reducible to exchange value (Polanyi 2001, 187). Even where farmers would, in principle, like to exit agriculture, they are often reluctant to surrender land where non-farm economic opportunities appear unpromising (this reluctance, we will see, might be well-founded). The possession of alienable private property is thus no guarantee that people will value and treat their land as a purely financial asset, which makes its supply particularly ‘inelastic’.\(^\text{16}\) While a capitalist looking to purchase hundreds of acres for a large factory or SEZ will surely find some sellers, they will also surely find some hold-outs that will prevent contiguity. This is compounded by the fact that even when there are willing sellers, a high degree of land fragmentation means that a buyer might have to negotiate with hundreds of farmers.\(^\text{17}\) Finally, land titles in rural India are sufficiently unclear as to create high rates of litigation in rural land purchases (World Bank 2007). Such cases can take decades to resolve in India’s backlogged courts and indefinitely delay projects.

It is for these reasons that any capitalist looking to establish a large greenfield project in rural India would much prefer to have the government acquire land for them.\(^\text{18}\) If a project is large enough (say over a few hundred acres), it is very unlikely that the project will get off the ground without the land being acquired through eminent domain and/or state transfer of government land. The official in charge of

\(^{16}\)The barriers to capitalist development posed by these specific qualities of land as a means of production, particularly when it is held as small-holding private property, has long been recognized within agrarian political-economy; however, it was seen as being a constraint on the development of capitalist agriculture that was not applicable to industry (Kautsky 1988, 147, Adnan 1985, 58). In today’s context of increasing demand for large land development projects, these peculiar features of small-holding peasant property in land have become above all a significant barrier to industrial and commercial capitalism. On the distinction between alienability and valuation in the process of commodification, see Castree (2003).

\(^{17}\)To illustrate, in the village of Rajpura where I concentrated my research, the 1,259 hectares of privately owned land was, before the SEZ came, divided into 2,950 parcels (khasras) owned by 391 different people (Rajpura land records, 2004). This means that the average holding was 3.2 hectares, and that one would have to negotiate with 313 families for every 1,000 hectares you wanted to purchase. Rajasthan is the least densely populated state in India with larger than average landholdings, so the difficulties would be much greater in states like West Bengal that have higher population densities and very small, fragmented holdings.

\(^{18}\)Of course, World Bank-sponsored land titling initiatives are another way of grappling with the problem of making land available for capital. In its report, *India: Land Policies for Growth and Poverty Reduction*, the Bank estimates that 28 percent of land parcels in peri-urban areas are subject to legal disputes and recommends the updating and modernizing of land titling systems, which would, ‘make available a huge amount of high-value peri-urban land for productive investment and development’ (World Bank 2007, 2). However, it is clear that reducing the incidence of litigation by titling programs and land records modernization would in itself not solve the problem of capitalists looking to create large projects (involving hundreds or thousands of acres) on peri-urban or rural land, which requires persuading hundreds of farmers to sell. Thus, in the context of recent debates over a new land acquisition bill in India, the Confederation of Indian Industries (CII) released a press report that, while recommending the digitization of land records, also insisted that, ‘Government cannot absolve its responsibility in land acquisition’ (CII, 6 June 2011).
SEZs for Andhra Pradesh’s Industrial Development Corporation frankly explained why land acquisition is necessary:

If they have to talk to farmers, it will be a problem for industrial people to procure the land. If you go and ask the farmer, can it happen? No! They will come and cut your head [off]! If someone comes and asks for 500 acres for industry, of course they will deny it.

ML: Even if they offer a good price?

Even if they want to pay the [market] price to him, it is a problem. (Interview, 20 March 2010).

The analysis that a state role in land acquisition is necessary if very large industrial and infrastructure projects are to be built – the necessity of the projects themselves is, of course, a separate question – was repeated in less colorful terms by all the industrial development officials I interviewed in seven different states. Companies making large enough investments to have leverage thus insist on a state commitment to providing land in their Memorandums of Understanding (MoUs) with state governments. The ability of state governments to furnish this land has become the most important factor in the inter-state competition for investment.19

State acquisition of land for capital is in itself not new. Since independence, state governments – often through state-owned industrial development corporations (IDCs) or urban development authorities – have been acquiring land for industry under the colonial-era Land Acquisition Act (1894), which provides for the use of eminent domain for ‘public purposes’.20 However, post-liberalization, acquisition of land for the private sector has by all accounts increased dramatically and shifted qualitatively. Quantitatively, industrial development corporation officials from seven major states unanimously told me that they have had to acquire much more land post liberalization, and particularly in the past five years, to keep up with the rising demand. My own analysis of 40 years of land acquisition data from the Rajasthan Industrial Development and Investment Corporation (RIICO) shows that land acquisition doubled over the 1990s (when neoliberal reforms were introduced) from the previous decade and spiked considerably again during the boom of 2005–2008.21 Moreover, RIICO has plans to acquire almost as much land in the next five years as they have in their entire 40-year history (Interview, 15 Dec 2010). The most comprehensive national analysis of development-induced displacement in India (for all projects, not just for private companies) has also shown a substantial increase post-liberalization (Fernandes 2008).

Not only has land acquisition for capital increased dramatically in India’s neoliberal era, but its character has also strayed further from anything identifiable as a ‘public purpose’. Much of the land acquired for industry outside of mining has historically been in state-run industrial areas developed by state industrial development corporations.

19Officials at the Indian Chamber of Commerce (ASSOCHAM), industry consultants, high-level state bureaucrats, and industrial development corporation officials all told me in interviews that land had become the most important factor in attracting large investments to one’s state. Gujarat is often held up as a model state that is able to provide land while maintaining ‘law and order’ (see Sud 2009), while West Bengal is the negative model with its highly politicized agitations over land acquisition. This was dramatically illustrated when the Tata Company was forced to relocate its ‘Nano’ car factory to Gujarat after facing stiff farmer opposition to the West Bengal government’s attempt to acquire 1,000 acres of land for the project.

20In India’s federal system, land is a state subject under the Constitution.

21I assembled this data from 40 years of RIICO newsletters and annual reports.
The land in these industrial areas is owned by the government, which sells plots on a lease basis to private and public companies for purely industrial purposes. Very large projects like steel mills, cement plants and other large factories—many of them in the public or joint sectors—had large amounts of land acquired for them outside of these zones, though these were largely heavy industries thought to be crucial to the country’s development. This type of state-led industrialization and the accompanying infrastructural projects had significant legitimacy under the Nehruvian era of nation-building (Khagram 2004; Roy 2007), and thus it was at least more plausible to the general public that land acquisition served a ‘public purpose,’ even if many of those brutally displaced without adequate compensation never agreed.

Post-liberalization, however, and particularly in the past seven years, industrial development corporations have been increasingly acquiring land outside of industrial areas for all kinds of private initiatives, including those with commercial, residential and even recreational components. While land has historically been acquired for Industrial Townships to provide housing and amenities for employees of large industries set-up far from existing urban centers, most prominently around India’s public-sector steel mills (Parry 1999, 132, Roy 2007, 139–140, Parry and Struempell 2008, 54–55), land is now being acquired for IT office buildings, elite residential colonies, private colleges and shopping malls on the periphery of existing cities. Many infrastructure projects, increasingly being built on a public–private partnership (PPP) basis, incentivize private developers with land set aside for real estate development (IDFC 2008). The activities of industrial development corporations have thus begun to meld into those of urban development authorities who have themselves moved from acquiring land for publicly developed housing to blankly amassing land banks on the peri-urban fringe to be auctioned off to real estate developers. SEZs are the culmination of this drift as IDCs and urban development authorities have both been acquiring unprecedentedly large chunks of land (sometimes in excess of 10,000 acres) for private SEZ developers who can then re-sell developed plots for industrial and residential development. Land acquired for a ‘public purpose’ can thus be used to build luxury housing, golf courses, hotels and shopping malls. SEZs thus complete the transition to a land broker state in which the chief economic function of state governments is to acquire land for unrestricted private capital accumulation (see also Sud 2009, Goldman 2011, Levien 2011).22

Sud and Goldman both provide good accounts in different contexts of the changing role of the state with respect to land under neoliberalism. Sud’s (2009) study of land acquisition for a cement plant in Gujarat highlights the ways in which the state’s aggressive role in acquiring land for business under neoliberalism departs from the previous era of land regulation and agrarian reform, and cannot be accommodated by theories of ‘state withdrawal’ or ‘governance’. Goldman (2011) advances the concept of ‘speculative urbanism’ to describe the broader reorientation of governments and parastatals around speculative real estate. These analyses are largely complementary and not opposing. However, I would place more emphasis on how this restructuring of the state towards what we might call a new ‘regime of dispossession’ is pushed by the impulse towards forcible land acquisition that is created when escalating demand under neoliberalism confronts the obstacles to accumulation posed by small peasant property and the ‘fictitious’ quality of land as a commodity (though Sud’s case, it should be pointed out, is one of diverted forest land). With respect to Goldman’s argument, the land brokering functions I am describing could be seen as part of the overall re-structuring of urban governance around real estate that he describes as ‘speculative urbanism.’ However, real estate is only one—though perhaps an increasingly defining—aspect of ABD in India today (as Sud’s case also illustrates) and an analysis of the political economy of land dispossession must extend beyond municipalities and urban development authorities to industrial parastatals, which are often operating in areas that even after dispossession may not be ‘urban.’ In other words, the state’s role as a land broker for
This role is well illustrated in my case of the Mahindra World City, a multi-purpose ‘integrated industrial city’ 25 km from Jaipur, which is supposed to include the largest IT-SEZ in India. To facilitate this project by the real estate subsidiary of the $7 billion Mahindra and Mahindra Company in partnership with RIICO, the Rajasthan government (through the Jaipur Development Authority) acquired 3,000 acres of land in 9 villages, of which 2,000 acres was privately owned farmland and 1,000 acres was common grazing land (officially owned by the government). As government land, the latter was transferred to the company with no compensation to the surrounding villages that were highly dependent on the livestock economy it supported. The private land, under a special Rajasthan state policy, was compensated by awarding farmers small developed plots of land next to the SEZ totaling one quarter the size of their original land, thus giving them a small stake in the inevitable real estate appreciation. This did not create a ‘negotiated’ consensus around a ‘fair deal,’ as was portrayed in the Indian press (NDTV 2008); aside from some political elites, farmers were anyway not consulted. But by individualizing people’s relationship to the project and offering the prospects of easy real estate gains, the policy did divide the villages and break any potential for united opposition. As a consequence, the Mahindra World City became one of the first large greenfield SEZs to become operational while the majority remained stalled by farmer opposition.

Both Mahindra and RIICO officials told me that without a government role in land acquisition, the project would have never gotten off the ground. As a Mahindra official explained, ‘[Purchasing land] is always difficult . . . . You have to negotiate with too many people and you always find a maverick. Say you want to buy 100 acres, if you find someone who is smart and educated, he says, “I’m not going to sell my land.” So government has to take it.’ There is also, he explained, the possibility of litigation and disputes. ‘You have to do it through government. They are the necessary evil’ (Interview, 14 July 2010). What this reveals is the difficulty confronted by capitalists when land is not treated as a purely financial asset and does not provide an ‘open field’ for the circulation of capital (Harvey 2006b, 371). Ideologies of private property and ‘free markets’ (that would typically see government intervention as an ‘evil’) are pragmatically sacrificed to the calculation that state force in expropriating peasant property is necessary for large projects in India.

For projects requiring large amounts of contiguous land, state-sponsored dispossession is thus a necessary pre-requisite for accumulation with the result that state governments keen to attract investments have turned into coercive land brokers for capital. Many of my respondents – from chief secretaries of states to industrial development officials to chamber of commerce representatives – insisted that the ability of states to furnish this land has become the most important factor in the inter-state competition for investment (see Levien 2011). Indian states are thus competing with each other to be the best expropriators of the peasantry. It is this dynamic of institutionalized state expropriation that differentiates accumulation by dispossession from the ordinary operation of real estate markets. I now turn to the character of the accumulation that dispossession makes possible in an SEZ.
Land and accumulation in an SEZ

While the land in the Mahindra World City ultimately still rests with the government, Mahindra has a 99-year lease and can sell 99-year renewable leases to private companies for production/processing as well as for housing and commercial use. As a Mahindra executive succinctly explained their business, ‘You can say our product is developed land parcels’ (Interview, 29 October 2010). Mahindra has already sold ‘developed land parcels’ to over 42 companies in its IT, handicrafts and light-engineering zones. Most notable among the tenants are Infosys and Deutsche Bank, who have built large campuses for their back-office operations. Once enough industry is up and running, Mahindra will create luxury residential townships – in what they call the ‘Lifestyle Zone’ – on about 40 percent of the area. Mahindra executives were clear to me that they will make most of their money on the housing after their large initial investment in industrial infrastructure (Interviews, 24 October 2009 and 29 October 2010). An SEZ developer is thus a capitalist rentier who commodifies land for other capitalists and urban real estate development.

But it must be remembered that the SEZ developer is a state-appointed rentier and receives its land via dispossession rather than the market, which makes its land artificially cheap. It is normal practice that when states acquire land for industry, they transfer it at its nominal agricultural value as determined by the government rather than the price of commercial, industrial, or residential land to which it will soon be converted. The agricultural value is itself always an underestimate as it is based on average listed sales prices over several previous years, and in India, these are always less than the real purchase price, which is under-reported to avoid taxes. No consideration is given to the land’s value under its proposed use. Government grazing land – often characterized as wasteland though it is hugely important to rural livelihoods – is sold even more cheaply, with no avenue for public consultation. The price at which Mahindra was able to acquire the land was consequently much less than would have been possible on the market. Privately developed SEZs are thus a form of arbitrage through which capitalists receive artificially cheapland acquired by the state and then re-sell it at many times that value. I call this ratio between the cost of dispossessed land handed over to capital by the state and its ultimate appreciation after development costs the ‘rate of accumulation by dispossession.’

Using documents obtained through the Right to Information Act and interviews with Mahindra officials, I have attempted to calculate this rate for the MWC. If we group together the state and private land, the average price paid by Mahindra to the state government (including administrative fees for acquisition) was $22,679 per acre. Mahindra officials told me that their development costs were $66,000 per acre (to build ‘world-class infrastructure’) and they are currently selling industrial land for $55 per sq. meter or $224,000/acre. This makes for a profit of $135,000 per acre for industrial land parcels; it will be many times greater when they start developing more expensive residential space.23 If we take as a benchmark for the latter the

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23The price at which the government sold the land to the company is taken from correspondence between the Rajasthan State Industrial Development and Investment Corporation and the Jaipur Development Authority (2006) and between Mahindra World City and the Government of Rajasthan (2007), which the author obtained through Right to Information petitions filed by civil society organizations. This price per acre is an average of the price of the private acquired farmland (Rs. 245 crore for 2000 acres) and state (grazing) land (Rs. 61.17 crore for 1,000 acres). 1 crore = 10,000,000. Thus, the total cost for the 3,000 acres was Rs. 306.17 crore or Rs.
$137 per sq m (or $554,420 per acre) rate for residential plots in the nearby Jaipur Greens housing development just adjacent to the SEZ (which itself should rise over time as the SEZ develops), then the profit will ultimately be over $465,000 per acre in this section of the project. We can say, then, that the rate of accumulation by dispossession (the ratio of the final sale price of the land to its cost of acquisition and development multiplied by 100) will be 253 percent on the industrial land and 625 percent on the residential land, or a simple average rate of 439 percent.

More important than the exact figures, however, is the conceptual point that accumulation by dispossession for SEZs – though it could also be for other industrial and infrastructure projects – occurs through the creation of capitalist rentiers who profit from the transfer of under-valued assets dispossessed from farmers. Dispossession is instrumental to this accumulation in two senses: (1) As a necessary pre-requisite, releasing uncommodified or under-commodified land that is difficult or impossible to obtain on the market and without which no accumulation could occur; and (2) As a mechanism for releasing that land more cheaply than if it were purchased on the market.

**Labor and accumulation in an SEZ**

Of course, the SEZ developer has to sell the land to other capitalists who are producing goods or services for export. These companies accumulate on the basis of labor rather than land, though of course they provide the ultimate demand for the (industrial) land as their ‘spatial basis of operations’ (Marx 1981, 916). By expropriating agrarian land with the help of the state, ‘improving’ it with modern infrastructure (through a system of contractors), and making it available by the square foot in a fully capitalist land market inside the zone (where land is exchanged on a purely financial basis), the SEZ developer is able to command a portion of the producing companies’ profits as rent, which is capitalized as the land price. Given that the main focus of the MWC (like two-thirds of the approved SEZs) is IT and IT-enabled services (ITES), that profit comes from the labor of largely middle-class urban youth with bachelors, management and accounting degrees (see also Upadhya 2007, Radhakrishnan 2011). Since the price of such labor is becoming expensive in large cities like Bangalore, Mumbai and Delhi, IT/ITES companies are increasingly locating in Tier-2 and -3 cities like Jaipur, where they can find youth sufficiently well educated (and, if necessary, fluent in English) to do back-office work like accounting or programming for large multi-national clients (NASSCOM 2010). These youth

1,020,567 ($22,679) per acre. It should be noted that the government rates for state land (used as commons) is cheaper than private land, making the rate of accumulation by dispossession steeper for commons than private land. Mahindra’s development costs and the rate at which it is selling land were obtained through email correspondence (29 July 2010) and interviews (14 July 2010) with Mahindra officials. Note: from here onwards, I have converted all rupees amounts into dollars assuming an exchange rate of Rs. 45 per dollar.

24I use commodification here to mean not simply an asset that is legally available for being bought and sold on the market (as private land with clear titles has been in Rajasthan since the abolition of feudal intermediaries after independence), but as an asset that is treated as such by its owners. This orientation towards land, as we will see, shifts dramatically in these villages with the arrival of the SEZ.

25This was also explained to me by officials at Mahindra, 14 June 2010, Infosys, 2 April 2010, and the National Association of Software and Service Companies (NASSCOM), 18 October 2010.
are chauffeured in from Jaipur in SUVs to work night shifts corresponding with US and EU markets. The result is the rather surreal scene of middle-class youth from Jaipur settling the accounts of Deutsche Bank’s global investment banking transactions in the middle of the night on the former grazing land of several Rajasthani villages.

Where do the former users of that land fit into this picture? Given their low levels of education and total absence of English fluency, mostly as security guards, gardeners, janitors and drivers. These jobs are relatively few in number compared to the number of people dispossessed; my survey – a random sample of 12 percent of households in 4 villages (N = 94) – indicates that only 18 percent of families who were dispossessed (and 14 percent of families overall) received some employment in the SEZ. As many of these families – and in particular women – pointed out, this was one job (typically for a male son) when the whole family was rendered ‘unemployed’ by dispossession. Without exception, this local employment consists of temporary, insecure, and low-paying (approximately $78 per month) work sub-contracted out by the companies to a system of local contractors (tekedars) (see also Cross 2010). Besides these service jobs, a small number of people from the surrounding villages are doing daily construction work for $3 per day through dozens of fly-by-night labor contractors, though, as is often the case, the vast majority of workers are more easily disciplined migrants shipped in from other states or far-flung districts of Rajasthan (see Breman 1996). Needless to say, there are no unions or safety precautions. While the modern eye might see the transition from being a farmer to a security guard for Infosys as an improvement, such work yields less income than two milk-yielding water buffalos, which most families had to sell after the enclosure of the grazing land. Women feel particularly marginalized by this process and repeatedly told me that they had been rendered ‘unemployed’ (berozghar) by the loss of land and livestock. Overall, 75 percent of those families who had their land acquired – including 78 percent of those who received employment after being dispossessed – reported receiving more ‘loss’ than ‘benefit’ from the SEZ. While from the economist’s point of an IT campus is surely ‘the highest and best use’ of rural land compared to single-crop farming and livestock grazing, from the farmers’ point of view, their land and livestock have more value than the employment available to them in this new economy.

So, while Marxists have traditionally see the creation of a class of propertyless wage laborers as the key function of primitive accumulation, the farmers dispossessed by the MWC have seen their labor marginalized more than exploited. The surplus value fueling the rent of the SEZ developer comes from moderately educated middle-class youth, while many of those dispossessed without the means of acquiring other land or livelihood assets have joined the ranks of the underemployed rural proletariat – the women ‘stuck’ at home or working on the government’s National Rural Employment Guarantee Scheme (NREGS) and the men ‘passing time’ at the village chai stalls. In the context of India’s non–labor-intensive, IT-led growth (Bhaduri 2009, Bardhan, 2010), the emphasis in Marx’s two-fold account of primitive accumulation is clear: the land is above all being turned to capital while turning the peasant into wage-labor is a matter of indifference (see also Sanyal 2007). Without significant absorption of rural labor, the real transformation that the SEZ has wrought on the surrounding villages has been via the dispossession and commodification of land.
Agrarian change 1: dispossession and commodification

To understand the peculiar agrarian transformation the SEZ has generated through land dispossession and commodification, it is now necessary to introduce a more thorough understanding of the social structure and political economy of the villages affected, and particularly the village of Rajpura, where I focused my ethnographic research (the survey included three other surrounding villages). The villages are located in Sanganer Tehsil of Jaipur District, 25 km outside of Jaipur and close to a newly expanded national highway. While technically falling within the ‘urbanizable’ city limits of Jaipur since 1997, the economy of these villages was overwhelmingly agrarian until the arrival of the SEZ in 2005 and, to a large extent, still is outside of the SEZ boundary. The villages were largely dependent on rain-fed agriculture (centered around coarse grains) and livestock rearing, which provided cash-income through selling milk, supplemented by most small-holders with casual wage labor in and around Jaipur. With little irrigation – 27 percent of the land was irrigated according to the 2001 Census (Registrar General 2001) – and insecure rains, capitalist relations of production in agriculture were muted with 91 percent of households self-cultivating, and only 18 percent hiring wage labor for some part of the season (survey by author). Instead, most non-cultivating landowners leased their land to sharecroppers at the prevailing rent of one- to two-thirds of the crop, depending on who advanced the cost of production (the larger tenants being in a better position to do so). Both the lower caste – Scheduled Castes (SCs) and Tribes (STs) in Indian parlance – semi-proletariat and the dominant cultivating Jat caste leased in land at similar rates (approximately 30 percent), the former to augment their meager holdings for greater food security, the latter to expand the surplus-generating production from their already significant holdings. Tractor ownership was limited to 30 percent of families and concentrated along with most assets at the top of the caste structure – 69 percent among the large land-holding Jats and 9 percent among the SC/STs.

With minimally capitalist agriculture, most of the semi-proletariat and landless found irregular work in construction or other informal industries in Jaipur, the block-printing mills of Sanganer, or a government industrial estate 15 km away. While only seven percent of households were landless, 44 percent were dependent on such casual wage labor, including 85 percent of the SC/STs (see Table 1). Traditional caste-based occupations absorbed some of the OBCs and SCs as village potters, blacksmiths, carpenters, sweepers, barbers, shoe-sellers and musicians. In addition to these were small provision shops, traditionally run by the village’s Jain bania (merchant) caste, though increasingly over the years by Jats and Brahmins diversifying from agriculture. As Table 1 shows, the ownership of informal sector businesses was fairly widespread at 37 percent of households, but concentrated at the top of the caste hierarchy. Twenty-four percent of families had formal sector employment (private or government), though this was also concentrated among the general castes (who are mostly ‘Haryana’ Brahmins) and Jats (50 and 31 percent of families, respectively) with very little among SC/STs (nine percent) in spite of reservations in government jobs. This is, of course, related to large inequalities in

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26 After political agitation, Jats are now considered OBCs in Rajasthan. However, as dominant landowners in the area, I have separated them out from the other OBCs for analytical purposes.
Table 1. Distribution of Socio-Economic Attributes of Peasant Households by Caste in Villages Rajpura, Jatpura, Shivpura and Neempura before the SEZ.

<table>
<thead>
<tr>
<th>Caste Category</th>
<th>Number and proportion of families in sample</th>
<th>Average size of family landholding (Ha.)</th>
<th>% who are landless</th>
<th>% who own a shop or business</th>
<th>% who have formal sector employment</th>
<th>% who have a business or formal employment outside of village</th>
<th>% doing informal wage labor</th>
<th>% with family member educated to 10th class or higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>24 (26%)</td>
<td>4.6</td>
<td>0</td>
<td>54</td>
<td>50</td>
<td>58</td>
<td>8</td>
<td>83</td>
</tr>
<tr>
<td>Jat</td>
<td>16 (17%)</td>
<td>7.3</td>
<td>0</td>
<td>44</td>
<td>31</td>
<td>44</td>
<td>13</td>
<td>69</td>
</tr>
<tr>
<td>OBC</td>
<td>21 (22%)</td>
<td>3</td>
<td>10</td>
<td>43</td>
<td>14</td>
<td>19</td>
<td>48</td>
<td>43</td>
</tr>
<tr>
<td>SC/ST</td>
<td>33 (35%)</td>
<td>2.2</td>
<td>15</td>
<td>15</td>
<td>9</td>
<td>6</td>
<td>85</td>
<td>24</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>94 (100%)</strong></td>
<td><strong>4</strong></td>
<td><strong>7</strong></td>
<td><strong>37</strong></td>
<td><strong>24</strong></td>
<td><strong>29</strong></td>
<td><strong>45</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

*Note:* These figures are based on a household level survey (N = 94) and thus show the percentage of households not individuals with these characteristics (i.e. column six shows the percentage of families that have at least one member with formal employment). Landholdings are the undivided family holdings, not the stake of individual siblings. Education levels reflect the attainment of the most educated adult person (over 18 in 2005) in the family. General castes include principally Brahmins and Banias (merchants). ‘Otherwise Backward Castes’ (OBCs) include Kumar, Gujjar, Mali, Lakhara, Soni, Nai, Raona Rajput, Kumavat, and administratively Muslims. Jats, while officially OBC, have been listed separately for analytical purposes. Schedule Castes (SC) include Raegar, Balai, Khatik, Sangat, and Beirwa. Scheduled Tribes (ST) include Meenas and Dhankas. An earlier version of this table appeared in Levien (2011).
education, as 84 percent of general castes and only 24 percent of SC/STs had someone in their family who had finished the 10th grade. As Table 1 also shows, the upper castes were also much more likely to have a business or formal employment outside of the village (58 percent of general castes and 44 percent of Jats compared to 19 percent of OBCs and six percent of SC/STs), providing social networks that, as we will see, became even more useful with the arrival of the SEZ.

Crucially to our story, the distribution of land in these villages was inherited from Rajasthan’s insufficiently reformed system of feudal land tenure (jagirdari). Until 1949, Rajasthan consisted of 22 princely kingdoms in which land was granted to Rajput lords (thakurs) who extracted rent and corvée labor from peasant tenants. Land to the tiler policies post-independence abolished the role of feudal intermediaries and distributed land in surplus of land ceilings to the tenants (Rudolph and Rudolph 1984). However, the thakur in Rajpura – as in other parts of Rajasthan (Chakravarti 1975, 95, Rosin 1987, 94) – retained a large amount of land (over 375 hectares) by transferring it into the names of various family members and trusted retainers and continued to be by far the largest landholder in the village until the MWC. Because land was redistributed according to the amount of land being tilled under the jagirdar system (Singh 1964), the largest beneficiaries were the main cultivating Jat caste and the Brahmins, with the lower castes receiving much less (Chakravarti 1975, 82–110). Given the central importance of land to people’s livelihoods and social standing, and the lack of any non-agricultural demand, this post-independence distribution of land changed only marginally through subdivision and periodic distress sales over the 50 years until the SEZ came along. As Table 1 shows, at the time of the SEZ’s arrival, the average size holding for Jats was 7.3 hectares of land per family, followed by 4.6 hectares for the general castes, 3 hectares for the OBCs and only 2.2 hectares for SC/STs. While SC/STs constituted 35 percent of the population (Registrar General 2001), they owned just 15 percent of the land.

The SEZ transformed this distribution of, and relationship to, land in two important ways. The first of course was through forcible dispossession, which stripped the productive assets of the village while creating the basis for accumulation in the SEZ. People lost their farmland, their source of grain and fodder, and all the improvements that had been built up through generations. Those living on their land (the majority live in the village settlements which were not acquired) lost their habitation as well. The enclosure of the village grazing land – which Deutsche Bank now sits upon – compounded the loss of private land in making fodder and fuel unavailable, with particularly disastrous effects for the poor. Among those who had land acquired, 86 percent had to sell livestock for want of fodder and, overall, enclosure decimated 66 percent of livestock herds, including 56 percent of buffalo

27These landholdings reflect the size of the undivided family property at the time of the survey. This means that in many cases it is the holding of the living grandfather, while there might be two generations of adult heirs with their own households whose individual stakes will be correspondingly much lower. If we go by the individual stakes of the households in the survey to property that is not yet divided, then my survey indicates that the average size landholdings for each caste would be: 3 hectares for Jats, 1.6 hectares for general castes, 1.2 for OBCs and 1 for SC/STs.

28This is based on the census data and land records for the three villages (Rajpura, Shivpura, and Neempura) for which complete data was available to the author. In the village Rajpura alone, SC/STs were 41.4 percent of the population and owned 20 percent of the land.
and, crucially for the poor, 76 percent of goats (Survey by author). Moreover, because wells were acquired along with the land, many were left having to purchase drinking and household water from tankers. In sum, people lost their means of production and had their daily needs commercialized, a situation compounded by drastic inflation in food prices. While in absolute terms the loss of land was proportionate to land ownership, larger farmers were already more diversified into off-farm activities and, as we will see, were more able to profit from the market-based compensation model they were offered. The poor and mostly lower caste semi-proletariat lost the only asset separating them from the insecure penury of landlessness and proved much less successful in navigating commercial land markets.

This leads us to the analytically distinct effect of commodification. As mentioned earlier, farmers were compensated for their acquired land with smaller pieces of developed (commercial and residential) land which was, in the words of one official, designed to ‘buy peace’ by giving farmers a stake in the real estate appreciation or enhanced market demand (if they use it to start a business) that would inevitably accompany multi-national companies setting up in a rural village. This neoliberal compensation model was in some ways an application to land acquisition of the De Sotoean (2000) proposition that the best solution to poverty is to give the poor secure property rights that they can leverage in markets to harness their micro-entrepreneurial abilities.

In fact, the SEZ provided more ideal conditions for success than De Soto would assume, as the value of these (not yet constructed) assets appreciated massively in the real estate boom set off by the SEZ. Even before the SEZ was officially announced, real estate companies and outside parties tipped off by government officials (who may have been silent partners in some of these shell companies) flooded into the area to buy up cheap land that would appreciate many times over after the SEZ came into being. Once the announcement came, even more buyers from Jaipur, Delhi and Mumbai snatched up land. Large national real estate developers – including a joint venture with Dubai’s Emaar – bought up farms to build luxury housing colonies adjacent to the SEZ. A market for the rights to the not-yet-constructed compensation plots also quickly developed. A whole stratum of local land brokers (dalals) emerged in the villages to facilitate these transactions for two percent commission in coordination with Jaipur-based brokers. As Figure 1 shows, land transactions in Rajpura increased out of all proportion to anything that had happened before – reaching a peak of 91 in 2006, over nine times the pre-SEZ level – as land prices surged from roughly $16,000 per hectare to over $280,000 per hectare in some areas by 2008. This land commodification – by which I mean the increased treatment of land as a commodity – hit Rajpura like a sudden exogenous shock.

This shock refracted through the local social structure in complicated ways, and with some amount of randomness that is inherent to real estate speculation. But the ability of local farmers to profit from this speculative boom – either through selling their compensation plots or land they still had outside of the SEZ – was largely based on existing inequalities in economic, cultural and social capital. Land markets are essentially a social game that people have differential abilities to play. As Table 2 shows, size of land holdings, education and social networks are all highly associated

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To provide some historical perspective (though for obvious reasons the events are not comparable), the 1899–1900 famine that struck Rajasthan decimated 40 percent of the livestock in Jaipur district (Kachhawaha 1992, 200).
with success in navigating land markets, measured by whether people already sold their plot at the time of the survey in February 2011 (thus getting a lower price than those still holding on to them), the ultimate selling price of those who did sell, their propensity to become land brokers, their degree of relative proletarianization by the process (whether they are now doing more wage labor), and whether their food insecurity increased or decreased after the process. All of these initial inequalities are highly associated with each other and congeal around caste (as shown in Table 1).

Those with little land and few other sources of income had to sell the rights to their compensation plots quickly and at a consequently lower price. Thus, at the time of the survey, 70 percent of those with less than two hectares of land had already sold their plots, compared to only 23 percent of those possessing more than four acres. When the larger-holders did sell their plots, they received a median sales price that was over $44,000 per hectare more than the small-holders. A much larger percentage of the larger holders also became land brokers, appropriating commission from the land sales of other villagers; 25 percent of large-holding families contained brokers compared to eight percent of small-holding families. As a result of these uneven gains from land markets – combined with an uneven ability to invest, as we will see later – 39 percent of the small-holders with less than two hectares were pushed further towards proletarianization compared to 15 percent of the large holders. Moreover, 61 percent of the small-holding families reported having ‘less food’ after

Figure 1. Land sales in Rajpura.

Note: This figure previously appeared in Levien (2011). The numbers are taken from the official village land records kept with the village patwari (2005–2010) in Sanganer and at the district collectorate in Jaipur (before 2005).
Table 2. Differences in Capability of Peasant Households to Cope with Consequences of Land Dispossession for SEZ by Forms of Capital Possessed.

<table>
<thead>
<tr>
<th>Form of Capital</th>
<th>% who sold compensation plot</th>
<th>Median price received for plot (US$)</th>
<th>% who became land brokers</th>
<th>% doing more wage labor after land acquisition</th>
<th>% with less food after land acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landholding (ha)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 4</td>
<td>23</td>
<td>$106,666</td>
<td>25</td>
<td>15</td>
<td>38</td>
</tr>
<tr>
<td>2.1 to 4</td>
<td>46</td>
<td>$62,222</td>
<td>17</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>Less than 2</td>
<td>70</td>
<td>$62,222</td>
<td>8</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td><strong>Cultural</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10th class or higher</td>
<td>40</td>
<td>$62,222</td>
<td>17</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td>Less than 10th</td>
<td>63</td>
<td>$62,222</td>
<td>11</td>
<td>46</td>
<td>63</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal job or business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>outside of village</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>24</td>
<td>$88,888</td>
<td>29</td>
<td>6</td>
<td>25</td>
</tr>
<tr>
<td>No</td>
<td>64</td>
<td>$62,222</td>
<td>8</td>
<td>39</td>
<td>66</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>51</td>
<td>$62,222</td>
<td>14</td>
<td>29</td>
<td>51</td>
</tr>
</tbody>
</table>

Note: The figures in all columns except that of brokers are based on those farmers in the sample who had land acquired for the SEZ (N = 49). The number of brokers is based on the sample as a whole (N = 94).
land acquisition compared to the still significant 38 percent of large-holding families. The incompletely reformed feudal land structure thus appears as a crucial determinant of the uneven outcomes of people’s forcible entry into land markets.

Cultural capital, measured imperfectly in this case by formal education, but in theory also including non-formal market savvy that enable people to better understand what an SEZ heralds for local land markets, was also important. Many illiterate farmers report being cheated and many did not anticipate that land prices would keep multiplying, while those with more education better optimized the timing of selling their land or plots. Thus 40 percent of those households that had a member educated till the 10th grade or higher had sold their plot at the time of the survey, compared to 63 percent of families without such educational attainment. When they did sell, however, there was no difference in the median sales price between those with more or less education (there were, however, more extremely low outliers among the less educated, with a few selling their land at half the median price). The incidence of becoming a land broker was higher among the more educated – 17 percent compared to 11 percent of the less educated – though the relatively small difference suggests that other factors may be more important. Along with the previous observations, this suggests that education up to the 10th grade may not be the most relevant threshold (which may be that of literacy) and/or that formal education is much less relevant than informal business savvy. However, education did have a substantial association with people’s ultimate post-SEZ welfare: while 46 percent of the less educated families became relatively proletarianized by land acquisition, only 12 percent of families with education above the 10th class experienced a similar fate. This suggests that formal education is probably significant because it is associated with higher initial diversification and people’s subsequent ability to profitably invest their cash earnings. However, it is sobering that 40 percent of those families educated to the 10th grade still wound up with less food, which was better than the 63 percent of less educated families who found themselves in that position, but bad nonetheless.

Besides the distribution of land and education, the possession of social networks spanning the village and city – what we might call social capital – also seems to have had a significant bearing on the outcomes of forcible land acquisition. By ‘social capital’ I do not mean normative bonds adhering to groups that enable cooperative action for collective benefit (e.g. Putnam 2001, Krishna 2002), but on the contrary an unequally distributed form of power based upon access to networks that convey real or potential advantages (Bourdieu 1986). Both the quantity of those networks and their quality (the capital of those within one’s network) are unequally distributed among individuals within any social unit and this is certainly true of a class- and caste-divided Rajasthani village. Some only go to Jaipur to perform wage-labor, while others have more economically advantageous connections based on formal employment or business. While caste and kinship are central to social networks and economic cooperation (Harriss-White 2003), what I have found to be particularly crucial to profitably navigating land markets are connections built through non-menial work and business to those outside of the village, and particularly the city. While these connections may or may not be within caste, Table 1 shows that the upper castes have much more of them.

As Table 2 illustrates, differences in social capital – operationalized as whether people had prior business or non-menial employment outside of the village – were more highly correlated than education with the speed at which people sold plots, the
price they received, their propensity to become brokers, and showed a roughly equivalent correlation with the outcomes of proletarianization and food security. Only 24 percent of those with formal employment or a business in Jaipur had sold their plots, compared to 64 percent of those did not have such an urban foothold. The former received a median sales price that was over $26,000 per hectare more than that received by the latter. Only six percent of those with these economic connections beyond the village were relatively proletarianized, compared to 39 percent of those who lacked them. Twenty-five percent of the former wound up with less food, compared to 66 percent of the latter.

Of course, business ownership and urban employment can also be considered forms of economic and cultural capital, and it seems quite possible that they capture the relevant cultural capital (an informal business or market savvy) better than formal education. However, the survey data combined with my ethnographic observations strongly suggest that the social networks associated with these urban economic footholds were, if nothing else, decisive in the ability of people to become land brokers. Land brokering requires little or no capital since it is largely based on commission (though more lucrative deals can be had by advancing money). It does require some aptitude for dealing with land documents and registration procedures, though formal education, as we have seen, is not necessary. As many of them told me, what a prospective land broker needs above all are contacts (sampark) beyond the village, particularly to the city. This, incidentally, was reinforced by the repeated attempts of people to bring me into land deals: despite my protestations that I had no savings and knew nothing about business, they insisted that that did not matter – all I needed to do was to bring in an ‘excellent’ outside party.

The survey indicates that 29 percent of those with formal employment or their own business outside of the village became land brokers, compared to seven percent of those who did not. Almost all of the several dozen dalals I have interviewed had previous business or non-menial work experience in Jaipur through which they told me they established contacts with Jaipur-based brokers. Many of them were former milk-middlemen, continuing their old role as intermediaries in a new economic context. Others were village chai stall proprietors, an obvious point of contact and source of information for any outsider looking to buy land. These networked individuals used their ability to establish connections between their village and the city to build trust between both buying and selling parties in return for handsome commissions. Many villagers ultimately felt cheated by these brokers who they see as the main local beneficiaries of the SEZ. Ironically, this manipulation by brokers of their social capital in the Bourdieusian sense of unequal social networks has led to a dramatic decline in social capital in the Putnamite sense of trust and norms, effectively undermining collective action.

The distribution of all these forms of capital congeal to a large degree in caste hierarchies (as Table 1 shows) and the inequalities they have produced in the context of real estate-driven agrarian change are perhaps most visible in the differential abilities of the members of different castes to cope with land acquisition, as shown in Table 3. We should start our analysis, however, with the family of the former Rajput thakur – the outlier not included in the survey – whose abundant land, highly sophisticated business acumen and many social and political connections have enabled them to gain the most from the SEZ. Instead of expropriating millet from sharecroppers on their 375 hectares of land as they have been doing since independence, they can now turn their remaining land into real estate and do what
they will with the hundreds of appreciating compensation plots they have received for the land acquired from them. The thakur’s grandson, a highly educated former investment banker for a multi-national company in Mumbai, is overseeing his family’s interests as the functional village sarpanch (elected head) after his mother was elected on a reserved ticket. He has not sold any of their plots, is building his own housing development near the SEZ and is acting as a large land broker for outside buyers (Interviews, 9 July 2010, 16 Feb 2011). Thus, the former feudal class is proving quite adept at moving from pre-capitalist to capitalist ground-rent in the neoliberal era of real estate–driven growth.

After the Rajputs, as Table 3 shows, the mostly Brahmin general castes – with significant land holdings and high overall economic diversification, more abundant networks beyond the village, and the highest education levels – are mostly (81 percent) still waiting for their compensation plots to appreciate, got the highest prices when they did sell (with a median price of over $13,000 per hectare more than SC/STs), were well represented among the land brokers (second only to Jats), and were pushed in fewer numbers towards wage labor and food insecurity (though a substantial 31 percent still reported having less food than before acquisition). The Jats, with the largest landholdings and with economic diversification and educational levels second only to the Brahmins, were also shrewdly hanging on to their compensations plots (75 percent), received almost $9,000 per hectare more than SC/STs when they did sell (though because of the small number of Jats in the sample who did sell, we should treat this number with caution), and were over-represented (25 percent compared to six percent of SC/STs) among the land brokers ‘eating commission’ (in the words of local farmers) off the plot and land sales of others. With their larger landholdings more often spilling beyond the SEZ border, many were also shrewdly selling small fractions of their remaining land for huge returns. As we will see, they – along with the Brahmins – also did well in reinvesting these returns. My ethnographic and survey data, however, make clear that there is a stratum of relatively poor and uneducated Jats, and the survey shows that 25 percent were relatively proletarianized and left with less food, which is hardly insignificant.

While this increased food insecurity among even the dominant castes is a further indictment of forcible land acquisition, for some it may reflect a transition period between losing their land and realizing the fruits of land appreciation (in other words, being momentarily rich in assets but poor in food and income).

Among the lower ‘scheduled castes’ (SC) and artisanal castes falling into the ‘otherwise backward’ (OBC) category things are more bleak. As Table 1 shows, these

<table>
<thead>
<tr>
<th>Caste</th>
<th>% who sold compensation plot</th>
<th>Median price received for plot (US$)</th>
<th>% who became land brokers</th>
<th>% doing more wage labor after land acquisition</th>
<th>% with less food after land acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>19</td>
<td>$71,111</td>
<td>21</td>
<td>6</td>
<td>31</td>
</tr>
<tr>
<td>Jat</td>
<td>25</td>
<td>$66,666</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>OBC</td>
<td>58</td>
<td>$62,222</td>
<td>10</td>
<td>25</td>
<td>58</td>
</tr>
<tr>
<td>SC/ST</td>
<td>82</td>
<td>$57,777</td>
<td>6</td>
<td>53</td>
<td>75</td>
</tr>
<tr>
<td>TOTAL</td>
<td>51</td>
<td>$62,222</td>
<td>14</td>
<td>29</td>
<td>51</td>
</tr>
</tbody>
</table>

Table 3. Differences in Capability of Peasant Households of Different Castes to Cope with Consequences of Land Dispossession.
castes contain the vast majority of the marginal peasantry and semi-proletariat, with average holdings of 2.2 to 3 hectares. Educational levels are lower and fewer have non-farm business or employment outside of manual wage labor. Many also carry very significant debt. Because of both economic compulsion and lack of market savvy, 58 percent of OBCs and 82 percent of SC/STs sold their compensation plots early (many also sold their land outright before the land was acquired at very low prices). They received substantially lower prices than the upper castes ($14,000 per hectare less than the general castes for SC/STs and almost $9,000 less for OBCs) and were hardly represented among the land brokers (particularly the SCs) and thus more often paying than ‘eating’ commission. Over half of SC/STs and a quarter of OBCs were pushed further towards proletarianization by the land acquisition and a staggering 75 percent and 58 percent, respectively, were left with less food. This is perhaps the most damning indictment of forcible land acquisition for the SEZ and of the application to compensation of De Sotoean principles of poverty alleviation.

To complicate this analysis somewhat, I should add that my ethnographic fieldwork clearly shows that the process has exacerbated inequalities not only between castes but also within castes and families. The unprecedented sums involved in land speculation create the basis for inequalities of a magnitude that was not possible in an economy dominated by single-cropped agriculture and wage labor. It is now common to see huge concrete mansions next to kaccha (earthen) houses in the same caste muhallah (settlement). The two houses are in some cases owned by brothers, one of whom became a broker while the other still does wage labor. Inequalities in economic, cultural and social capital are highly associated with caste, but such inequalities (particularly in cultural and social capital) are also not absent within castes and even families. Factors such as where one’s land is situated, and whether it is inside or outside the SEZ, also introduce an element of randomness into social trajectories. Some Brahmins have been ruined while a few Dalits have become crorepati (rupee millionaires). Most significantly, and cutting across castes, women are almost universally excluded from negotiations over land sales, even in cases where the title is in their name. While their level of input into land-related decisions varies by household, the replacement of an agricultural economy over which women exercised some control with a real estate economy controlled exclusively by men – and involving much greater sums – has, by many accounts, weakened their position and exacerbated domestic abuse.30

What should in any case be apparent is that the formulation of accumulation by dispossession as a phenomenon that pits capital versus the peasantry (or

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30The ‘causal’ link is, of course, difficult to pin down and by all accounts domestic violence was endemic before the SEZ. However, more than a few women I spoke with blamed the SEZ for an increase in the related phenomena of alcoholism and domestic abuse. On one level, alcoholism increased because those who cashed in on their land or plots had much more money to buy it, and domestic abuse increased because men were more often drunk. On another level, domestic abuse was seen to increase because the men were now unoccupied, making them idle. Once the land money ran out, they would resort to violence to expropriate women’s wage earnings from NREGA to finance their drinking (this was common practice for a few men in the muhallah I lived in). Finally, because women were relegated to the margins of land transactions, men had more power over how it was spent. As one OBC woman said about domestic abuse, ‘It was less before... Now, if they make a hundred it’s only with a fight that they give (the women) fifty’ (Fieldnotes, 6 April 2010). Whatever the combination of mechanisms, it seems apparent that the position of (especially poor) women in the village has deteriorated.
‘commoners’) is overly simplistic. Accumulation of this sort generates a whole feeding chain of rentiers that extends from multinational capital to the savvy farmer-cum-commission agent. While it is clearly the case that the SEZ developers, producing units, real estate companies, middle-class investors and city-based brokers (with their greater amount of capital, business savvy and in-house economists and elite connections) capture the lion’s share of such land-based rents, it would be a mistake to ignore the way in which fractions of an inegalitarian rural society unevenly tap into this process. The rampant real estate speculation that swept through the villages because of the SEZ – and in which dispossessed farmers were given a small stake by the neoliberal compensation model – produced not a singular ‘neo-rentier’ class (Adduci 2009) but a chain of rentiership in which speculative opportunities were unevenly exploited by those (men) with different endowments of economic, social, and cultural capital. As we will see, these inequalities also shaped the ability of farmers to turn cash from land sales into capital.

Agrarian transformation 2: involution

We have so far covered only one aspect of the great transformation generated by land dispossession and commodification in the villages surrounding the SEZ: the quantitative distribution of money from land sales. Equally interesting from the point of view of the agrarian question is the qualitative ways in which that money circulates through and transforms the rural economy and social structure. A predominant concern of studies of agrarian change has been the conditions for, and consequences of, the development of capitalism in agriculture. However, in the case of the SEZ under question (and it would not be alone), we are confronted instead with the transformation of a minimally capitalist agrarian economy by the exogenous force of speculative land commodification. Capital is seizing hold of land rather than agriculture. As we have seen, this has led to the destruction of productive agricultural assets and a redenomination of agrarian land as real estate. But this has also injected unprecedented amounts of cash into the local economy. To what extent and in what forms has this money generated from land commodification been turned into capital? Put simply, how do farmers invest or otherwise allocate their money from land sales?

What is striking is the largely non-productive character of most of the investments made by farmers, as the agricultural economy is replaced by informal livelihood strategies based on rentiership, merchant capital and usury. Following Burawoy’s (1996, 2001) adaptation of Geertz’s (1963) concept of involution31 to understand the economic collapse of post-reform Russia, we might call this an involutionary process of economic change in which the sphere of exchange cannibalizes production and ‘antediluvian’ forms of capital are not transformed but reproduced on a greater scale (see also Harriss 1991). As Table 4 shows, after paying off debts, paying for marriages, and building a concrete house (which generates only temporary employment), the most

31Geertz (1963) originally used the term involution to describe how Javanese peasants adapted to the twin pressures of the Dutch agro-export industry and increased population on existing land by intensifying rather than transforming the existing pattern of agriculture. Geertz saw this as a ‘stagnant’ over-elaboration of detail. The empirical basis of Geertz’s argument was subsequently called into question by White (1982). However, Burawoy (2001, 270) gives the concept a more general and dynamic meaning as a situation in which economic change is not accompanied by transformation, and in which production degenerates while the sphere of exchange expands.
Table 4. Avenues of investment/allocation of cash gains from the sale of land or compensation plots, and brokerage commissions.

<table>
<thead>
<tr>
<th>Caste Category</th>
<th>Paid off debt (%)</th>
<th>Built house (%)</th>
<th>Married children (%)</th>
<th>Bought land (%)</th>
<th>Became absentee landlord (%)</th>
<th>Bought urban plot (%)</th>
<th>Started shop/small business (%)</th>
<th>Drilled tubewell (%)</th>
<th>Bought tractor (%)</th>
<th>Bought tanker (%)</th>
<th>Gave loans (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>56</td>
<td>78</td>
<td>78</td>
<td>67</td>
<td>33</td>
<td>22</td>
<td>44</td>
<td>44</td>
<td>33</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Jats</td>
<td>80</td>
<td>60</td>
<td>40</td>
<td>80</td>
<td>40</td>
<td>30</td>
<td>50</td>
<td>70</td>
<td>40</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td>OBC</td>
<td>85</td>
<td>61</td>
<td>46</td>
<td>54</td>
<td>46</td>
<td>30</td>
<td>23</td>
<td>0</td>
<td>15</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>SC/ST</td>
<td>92</td>
<td>68</td>
<td>28</td>
<td>48</td>
<td>44</td>
<td>32</td>
<td>12</td>
<td>12</td>
<td>2</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL</td>
<td>82</td>
<td>67</td>
<td>42</td>
<td>58</td>
<td>42</td>
<td>30</td>
<td>26</td>
<td>25</td>
<td>25</td>
<td>16</td>
<td>11</td>
</tr>
</tbody>
</table>

*Note: Percentage of households who received any type of income from land transactions – land sales, compensation plot sales, or brokerage commission – (N = 57) who invested in any of the above. An earlier version of this table appeared in Levien (2011).*
common investment of farmers who made money from land transactions (compensation plot sales, voluntary land sales and commissions) was to purchase equivalent or more land in more remote areas where land is cheaper. Overall, 58 percent of farmers bought land, though Jats (80 percent) and general castes (67 percent) were much more successful at it than OBCs (54 percent) and SC/STs (48 percent). Since most cannot or do not want to shift their houses to far off villages, the majority of these have become absentee landlords, expropriating one-third of a monsoon millet crop from local tenants. For the smaller holders, this has actually been quite an inconvenience and net loss as they receive less grain than they previously had when they were cultivating less land with family labor and now have to incur substantial transportation costs. Moreover, the available cheap land in remoter parts of Rajasthan is typically more marginal and less productive. But some of the bigger farmers (particularly Jats) have become quite large absentee landlords, receiving not insignificant rent-in-kind from sharecroppers. However, for many, their share of the millet crop is only part of the calculation; they have bought land where they think the forces of urbanization will eventually drive up land prices. Expropriating grain as landlords (pre-capitalist ground rent) is thus a short-term strategy until they can reap the gains of real estate speculation (capitalist ground rent). With a similar logic, 30 percent have also bought as yet vacant plots in some of the many residential colonies that began sprouting up around Jaipur or outlaying towns during the real estate boom. Others have made additions to their houses to rent rooms to construction laborers and very recently the first batch of students at for-profit colleges that have come up on land around the SEZ (the latter being more significant than the former for the rental market). Significantly, there is almost no investment in agricultural production. While 25 percent have used the money to drill tube-wells on remaining land (almost all of them Jats and Brahmins), most have done so in order to sell scarce groundwater in tankers to Mahindra for construction and to their fellow villagers for consumption (this is what most of the tractors are used for). Water is thus being diverted from production to exchange, and ultimately diminished. Overall, investment in land is largely of a rentier nature (in capitalist or pre-capitalist ground-rent) and is not accompanied by an investment in its productivity. We may note the irony that the entry of the most advanced sectors of the Indian economy into rural Rajasthan has led to an expansion of rent-in-kind sharecropping as previous self-cultivators become large or petty landlords.

After land, the next most common investment (26 percent of those receiving land money) is in small shops (dukans) selling daily provisions or various consumer items. The market in Rajpura has been transformed from a handful of shops run by the traditional banias and artisanal castes to a bustling profusion of sometimes redundant enterprises run by non-traditional merchants. These shops include general provision stores, cell-phone and photo shops, chai and juice stalls, small vegetable carts, tire-puncture stalls, motor-cycle parts and repair shops and two small eateries (dhabas). Most supply the newly commercialized needs of the dispossessed farmers or the growing consumer aspirations of those with land money in the bank (or dresser). Some are quite profitable (earning over $200/month), others yield only the equivalent of wage labor but with the benefit of avoiding hard manual work, and a significant number go out of business. The overall result is a growing stratum of shopkeepers, though one that is internally highly stratified and whose lower echelons hardly qualify as ‘petty bourgeois.’ For the upper castes, these enterprises often yield substantial mercantile profits, while for the lower-caste semi-proletariat they are often ‘strategies of minimal survival’ (Burawoy 2001, 47). If we consider the proprietors of enterprises
that yield the equivalent of minimum wages as disguised ‘wage laborers’ (in terms of assessing their welfare, not their structural position) then those relatively proletarianized by the land dispossession would be much greater than what Table 2 suggests. This ‘informal’ or ‘need economy’ of micro-entrepreneurship is hardly liberating for the majority of rural poor and, on a larger scale, it is far-fetched to imagine this kind of economic activity absorbing the mass of dispossessed rural agriculturalists whose numbers increase by the day (Harriss 1991, Breman 2009).

Finally, those with remaining liquidity lend it out to other villagers at the prevailing rate of 2–3 percent per month or 24–36 percent annually. Eleven percent of respondents and 21 percent of the general castes reported becoming money lenders (though because of the stigma attached to this activity, there was likely substantial under-reporting). Many of the small shops also provide merchandise on credit, which adds to their margins. Thus the infusion of cash has actually expanded the pool of village moneylenders who usuriously fill the credit gap created by land loss and the general drying up of rural credit following the liberalization of India’s banking sector (Shah et al. 2007). The village’s biggest land broker – the sarpanch at the time the SEZ came – also gives loans at higher rates to other brokers for land deals. Land commodification has thus fed usurer’s capital, a form of pre-capitalist exploitation which, as Marx observed, adaptively ‘clings on to’ and ‘impoverishes’ new modes of production without itself being transformative (Marx 1981, 731, Adnan 1985, 56).

Consequently, the entry of the much-heralded IT industry and accompanying real estate finance into rural villages via the SEZ has had the effect of expanding what Marx would call ‘antediluvian’ forms of capital (1981, 728), resulting in economic involution rather than productive transformation. By generating speculative rather than productive links with the rural economy, the SEZ has brought about ‘an expansion of the sphere of exchange at the cost production’ (Burawoy 2001, 270) as the proceeds of land sales (forced and voluntary) have found relatively few productive outlets, and instead fed landlordism, further land speculation, petty mercantile activities and usury. Accumulation by dispossession for the SEZ has dissolved the productive forms of the old economy while preserving and expanding its rentier, mercantile and usurious elements (while adding capitalist to pre-capitalist ground rent). This is not to say that this expansion and elaboration of pre-existing economic forms is ‘rigid’ or ‘stagnant’ as in Geertz’s formulation; it is a wildly dynamic process as local people constantly and creatively devise and revise strategies to adapt to the extraordinarily rapid commodification of land and the marketization of their means of reproduction. But it is a dynamic of economic change that is fragile (in its dependency on speculative land markets), wildly unequal (in its distributional effects) and, for the poor, evidently incapable of sustaining the levels of well-being and consumption provided even by single-cropped agriculture.

The result is a peculiar agrarian transformation indeed, one that appears distinct from agrarian transitions via agricultural capitalism. Capital is seizing hold of land but not production as agriculture is sidelined for urban rents and knowledge-intensive production; rural land is commodified while peasant labor power is marginalized; the class and caste structure undergoes dramatic differentiation on the basis of people’s ability to survive in speculative land markets though without polarization into ‘traditionally’ recognizable agrarian classes; and an enclave of high-tech capitalism and urban real estate feeds a process of involutionary growth in the surrounding rural hinterland as different classes of dispossessed and marginalized peasants look with unequal success to forms of rentiership and informal exchange for survival.
Conclusion

In constructing a theory of land grabs in contemporary capitalism, the key question is not the origin of the capital, but why land dispossession becomes necessary or at least useful and possible for capital accumulation in general at a particular time and place. Accumulation by dispossession, in contrast to the normal functioning of land markets (globalized or not), is above all a political process whereby states (or other bearers of coercion) exercise extra-economic power to transfer to capitalists means of production, subsistence or common social wealth that are difficult or impossible to obtain on the market. Reconstructing Harvey, I have offered a definition of accumulation by dispossession centered on the use of extra-economic force in process of accumulation, which has the merit of being flexible enough to allow for research into variations in both of its terms (forms of accumulation and means of dispossession) in different times and places. Factors such as different state structures and legal frameworks, the presence or absence of foreign finance capital, the type of industry involved, pre-existing agrarian social structures and the balance of class forces will shape the character, degree and consequences of such dispossession in different contexts. This diversity is well illustrated by the articles in this issue of JPS.

In India, SEZs are the culmination of a long transformation of the state (or states to be more precise) toward becoming the chief land broker for capital. As increased demand for land – driven both by higher growth rates in general and real estate markets in particular – has confronted an inelastic supply in rural land markets, capitalists increasingly turn to the state to use non-market means for making land available for capital accumulation. This is the crux of accumulation by dispossession in India today. Unlike the older developmental state that expropriated large amounts of rural land for public infrastructure and heavy industries, land brokering in the neoliberal era – culminating with SEZs – proceeds under an expansive definition of ‘public purpose’ that is indistinguishable from private capital accumulation. Elite housing colonies, IT parks, malls and amusement parks have joined the hydroelectric dam and steel mill as causes for expropriating the peasantry.

What SEZs represent is thus the ascendance of real estate (the developers) and high-tech services (the producing units) over heavy industry and irrigation projects as levers of dispossession in India. The SEZ developer is a state-appointed capitalist landlord who receives windfall returns by commodifying artificially cheap land expropriated from farmers. I have put forward the concept of the rate of accumulation by dispossession to define and measure such accumulation based on the expropriation of land rather than the exploitation of labor. In return for turning farmland into ‘developed land parcels’, SEZ developer-landlords command a portion of the profits generated by the producing firms inside the SEZ. In the Mahindra World City, as in the two-thirds of SEZs that are devoted to IT and IT services, these profits largely derive from the labor of middle-class back-office workers rather than the urban or rural proletariat. The production that occurs in the SEZ marginalizes more than it exploits the labor of the dispossessed peasantry. Accumulation by dispossession is, in this case, about capitalizing the land while not exploiting the peasant.

With rural labor power a matter of indifference, the main impact of the SEZ is through the dispossession and commodification of rural land. Instead of capital seizing hold of agriculture – the traditional problematic of agrarian political
economy (Kautsky 1988, Akram-Lodhi and Kay 2010) – capital is seizing hold of the land, creating a new pattern of agrarian transformation driven by real estate speculation. The dispossessed see their assets disappear and are very unequally equipped to ‘play the game’ of land markets even in the rare case examined here in which they are given a stake in it. The legacy of feudal class and caste structures creates the basis for unequal upward mobility via land prices. Inequalities in economic, cultural and social capital congeal in caste inequalities, which perhaps express most clearly the differential ability of people to profit from land markets and turn cash from land sales into capital. However, the lack of perfect correspondence between different forms of capital and an inescapable amount of randomness in real estate speculation has generated a complex recomposition of the local class structure, introducing greater inequality not just between but within castes, classes and families (including between men and women). Rather than simple class polarization or the generation of a singular ‘neo-rentier class’ (Adduci 2009) there is a multi-scaled chain of rentiership that individuals try to tap into, with very uneven results. The more successful minority become landlords, brokers, shopkeepers and moneylenders of different magnitudes, while the less successful become redundant members of the underemployed rural proletariat. In the middle are those dispossessed marginal farmers who try to survive in this involutionary dynamic off of a vegetable cart or chai stall, the small returns of grain from a distant piece of land, or place their hopes in an appreciating plot in a gritty peri-urban development. While not entirely wrong in the broadest sense, binaries such as capital versus peasants or enclosers versus commoners do not adequately capture this complexity.

In the terms of classical economics, the process of transforming rain-fed agricultural and grazing land into an IT-SEZ is undoubtedly efficient. For the majority of rural inhabitants, however, it is hardly developmental. The two-thirds of India’s population that live in rural areas see few opportunities in this new economy of the urban and educated middle classes (Upadhya 2007). The chasm between rural India and Infosys is so great that such development creates few employment opportunities for the agrarian population. Without significant employment, the sole spillover effect of such an IT/real estate–driven SEZ is land speculation, the money from which, in the absence of any productive linkages, feeds an expansion and elaboration of old forms of rentiership and exploitation while creating some new forms as well. The result is what we might call a real estate–driven agrarian involution in which exchange displaces production and a dispossessed peasantry looks, with very unequal success, to opportunities for rent, interest and mercantile profits in the ‘informal economy’ for survival. That over 50 percent of families – and 75 percent of SC/ST families – report having ‘less food’ after having their land acquired under one of the most ‘inclusive’ compensations models on offer in India, is a grim and tragic verdict on the development consequences of accumulation by dispossession in the neoliberal era.

So while the Indian peasantry is being chastised in some quarters for its ‘emotional attachments’ to the land, the above suggests that they are in fact not so ignorant. While in Rajpura the enticement of quick real estate gains was enough to dissolve organized resistance to the SEZ (to the subsequent regret of many), in many more parts of India, farmers are militantly refusing to relinquish their land to capitalists, putting a halt to many SEZs and other industrial projects. While it may be true that there are many Indian farmers who would in theory like to exit agriculture (Bardhan 2011), the important point is that many of them can see – quite rightly – that the types of development proposed for their farmland will create no place for them, or at least not a
good enough place to warrant surrendering their land. The ‘agrarian question of labor’ is thus still intimately connected to that of capital; but their intersection has shifted from the surpluses from agriculture to the control over land. Without attractive exit options from agriculture, for many farmers keeping their few bighas of land and buffalo seems like a much better option than handing it to capital. They will consequently continue to pose the most serious contradiction for capitalism in India today.

References


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32While arguing that land acquisition is necessary to transfer agricultural land to higher value uses, Bardhan cites surveys showing that ‘the overwhelming majority of farmers children want to leave agriculture’ (2011, 56). However, the important question is not what people would like to do in theory (if asked on a survey, most people would say that they would rather be a millionaire than be in their current occupation), but what choices they would make among the options available to them. In a situation where the trajectory of economic growth is not creating sufficiently remunerative opportunities for people from farming backgrounds, then maintaining possession of land to ensure household reproduction while making forays into irregular and low-paying labor markets is highly preferable to being a landless wage-laborer. I found the desire to keep land strong among most people in Rajpura, including youth, in spite of the fact that they were trying to find footholds in the urban economy. This study demonstrates the easy slide into greater poverty and food insecurity that can arise when land is removed from diversified livelihood strategies, even when it is compensated at higher than normal rates.


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