

Michael Levien, *Dispossession without Development: Land Grabs in Neoliberal India*

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## DEVELOPMENT'S SHADOW

In contrast to the relentless expansion of capital-intensive developments in China over the past decades, many similar projects in India have been stalled by peasant resistance. As Michael Levien writes in an important new study, attempts by India's state governments to transfer large tracts of rural land to private developers for hundreds of SEZs, following China's model, have detonated militant protests across the country, making land dispossession a central political issue. Sustained local protests forced Reliance Industries to abandon two mega-SEZ projects in Maharashtra and Haryana. Farmers took up arms against a real-estate project in western Uttar Pradesh. In coastal Odisha, villagers blocked a massive Pohang Steel development. SEZs have faced stiff resistance in West Bengal, Telangana, Karnataka and Andhra Pradesh. Debates about these land struggles, Levien argues, have been trapped in a binary framework: modernization versus peasant romanticism—the defiance of rural communities against the predations of capital and state. Yet there has been little research in India into the actual development outcomes produced by 'successful' SEZs, cordoned-off zones where labour laws do not apply.

*Dispossession without Development* focuses on the case of the Mahindra World City (MWC), one of the first and largest private SEZs in North India, situated in Rajasthan, not far from Jaipur. Marketed as the biggest Informational Technology SEZ in India, the MWC consists of an assortment of businesses, including campuses for Infosys and Deutsche Bank, as well as a salubrious residential colony for a well-to-do urban clientele. However, the focus of Levien's story is not the MWC itself, but the process of expropriating the huge amount of land that now comprises it, and the impact this large-scale expropriation has had on the affected villages and their dispossessed

inhabitants. The book is an account of the experience of the residents of one village in particular, 'Rajpura', where Levien, a graduate of the sociology department at Berkeley who now teaches at Johns Hopkins, lived for thirteen months beginning in January 2010, by which time the MWC, the development of which began in 2005, was already operational. Levien's book is the result of the fieldwork he conducted during his time living in Rajpura, plus shorter revisits spanning seven years.

Levien frames his detailed and excellent case study with a discussion of the prevailing theoretical understandings of land dispossession, which, he suggests, view the expropriation of the holdings of agrarian populations as either uniformly progressive and developmental (whether capitalist or socialist), or uniformly predatory. Against these alternative schools of thought, Levien advances the hypothesis of different 'regimes of dispossession'—a concept designed to better account for the different purposes and variegated consequences of expropriation, particularly depending on how it collides and interacts with specific agrarian milieux. Levien's principal contention is that India's shift from state-controlled capitalism to free-market neoliberalism in the early 1990s ushered in a new and dramatically different regime of dispossession. Broadly speaking, from Independence to the final decade of the twentieth century, the major projects driving dispossession in India took the shape of infrastructural works, all of them managed and funded by the public sector, and involving a commitment to labour-intensive growth and balanced regional development. Large amounts of arable land were routinely expropriated for constructing roads or railways, building dams in river valleys, modernizing agriculture, mining minerals, and expanding heavy industry. Following economic liberalization, these developmentalist priorities were replaced by the willingness of states to confiscate farmers' land on behalf of big corporations for any private purpose whatsoever alleged to contribute to economic growth, including for real-estate development. Though this coercive redistribution continued to be promoted as an intervention to generate employment by upgrading the value and productivity of the land, the projects were increasingly speculative, rent-heavy and non-labour absorbing.

Mediating in these land transfers was India's state machinery, which, acting in tandem with corporate capital, assumed the role of land broker. Why were states willing to mobilize coercion in aid of private developers? The abolition of industrial licensing that followed economic liberalization, Levien explains, meant that whereas previously states lobbied central government for licenses, they now had to compete for the capital of private developers who were free to decide where to invest. As this competition to attract investment intensified, the ability of state governments to dispossess farmers of their land for private developments became 'a key criterion of their economic competitiveness'. This inter-state contest also created incentives to requisition land cheaply—which was mostly achieved by compensating

farmers poorly. But there were individual motivations at work as well, since it was not just the local landowners who found ways to profit from SEZ developments: there were plenty of lucrative opportunities for office-holders in the state, too. As Levien discovered from his interviews with dozens of government officials—conducted not only in Rajasthan but in six other states involved in land acquisition—what passes for public authority and agency dissolves on closer scrutiny into a multi-level array of bureaucrats and politicians using their offices to serve their private interests. With advance access to information about the location of future SEZ developments, and thus able to predict where and when land-price surges would occur, government officials as well as politicians of the ruling party would cash in on this knowledge either by buying land in the area themselves—often registering their purchases under relatives' names or *benami* ('no-name') companies—or by passing the information on to others in exchange for favours. As Levien heard on one of his first days in Rajpura, 'everyone from the peon to the head of the Jaipur Development Agency is getting commission'. And, later: 'the JDA is a moneymaking machine for government and bureaucracy'. The cuts creamed from deals varied by rank, within a state hierarchy corrupt from top to bottom. Media reports of scams, fraud, graft, speed money, et cetera, reflect an all-encompassing regime of informality, with brokers on both sides of the 'public/private' fence teaming up in *mafiosi* practices. This state of the art malfeasance is abetted and promoted by neoliberal capitalism.

In striking contrast to the fights waged against forced land transfers on behalf of SEZ developers elsewhere in India—the 'land wars' Levien describes in one of his chapters—the Rajasthan government managed to avoid concerted opposition to the dispossessions it carried out during the development of the MWC. Indeed, this is one of the reasons Levien takes Rajpura—one of nine villages dispossessed for the MWC—as his case study. Home to roughly four hundred families, Rajpura was a multi-caste village whose semi-arid, monsoon-dependent agrarian economy was largely based on rain-fed cultivation and livestock rearing. Yet Rajpura was a far cry from the enamoured image of an egalitarian peasant community. As the result of a series of post-Independence land-reform laws enacted in the 1950s and 60s, the distribution of property in Rajpura was extremely unequal. Generally favouring the large cultivating castes—Jats, Kumavats and Brahmins—the reforms left the lower castes, who were less able to defend their tenancies at the time of settlement, with the least land. Rajpura is in many ways a best-case scenario for the modernization theory of dispossession, since the precarity of its agriculture—rain-dependent in a drought-prone region—meant that dispossessed farmers looked more likely than in most other cases to gain from the non-agricultural growth promised by the coming of an SEZ. But though income from agriculture fell short of meeting livelihood requirements due to water scarcity, and many households had already

partially diversified to other employment, farming remained a vital means of subsistence for many of the village's families—particularly for the lower-caste semiproletariat, whose sole other income source was irregular and badly paid manual work.

Although these objective conditions of the agrarian economy in Rajpura may have contributed to the absence of widespread resistance to the MWC, the 'compliance' of the village's farmers was also deliberately produced—or purchased—through the compensation policy adopted by the Rajasthan government. Instead of offering the farmers below-market compensation for their land—as was by far the most common policy in India—Rajpura's farmers were allocated compensatory plots of developed land adjacent to the SEZ. These plots were only 26 per cent the size of the original farmland, but the land-price boom meant that farmers were effectively absorbed into the real-estate speculation unleashed by the development. (The price of a hectare of farmland in pre-SEZ Rajpura was approximately \$16,000; by 2008, a hectare was selling for \$280,000.) Dispossessed landowners, Levien writes, were thus transformed from having 'a collective relation to the state to an individualized relation to the market', further splintering the farmers' interests—already fractured by the caste-based inequalities in property ownership—and softening opposition, particularly among those larger landowners who saw the coming upheaval as an opportunity to enrich themselves.

Despite such seemingly promising beginnings—the existing agrarian economy insecure and the compensation policy atypically 'generous'—the MWC did not benefit everyone, and its effects were drastically uneven. Indeed, the real-estate bonanza that the SEZ development ushered in led to an explosive widening of pre-existing inequalities due to the uneven distribution of land and the uneven capacities of landowners to commodify it for sale rather than cultivation: while a top segment of upper-caste land-rich farmers, through savvy or mere good fortune, ended up obscenely rich, many Rajpuran villagers—including most of the land-poor and debt-ridden lower castes—were further proletarianized and impoverished. For this majority, the income from land commodification did not compensate for the cessation of agriculture, which deprived them of crucial means of subsistence. With their low levels of education and relatively unskilled labour power, and without a social network extending beyond the village, these villagers did not qualify for most of the employment opportunities offered by the SEZ, and at best found casual work in the informal economy—for example, as gardeners or janitors—that dominates both within and outside the SEZ. Meanwhile, the total exclusion of women from land speculation boosted gender inequality to new heights in what was already an ultra-patriarchal society. In addition to all this, the villagers remain shorn of the promised services, facilities and connectivity which would at least have upgraded their locality.

Endeavouring to give some 'conceptual order' to the different post-MWC trajectories, Levien splits up Rajpura's residents into four categories: 'neo-rentiers', denoting the minority of large landowners who became very wealthy through real-estate speculation and brokerage; 'petty-asset managers', who were engaged in similar activities on a much smaller scale, and thus lived more precariously, with the risk of proletarianization always looming; 'the proletarianized', a category covering a majority of the lower-caste marginal farmers who have become landless wage labourers; and lastly, 'the excluded', those residents who had occupied plots without owning them, and so were accordingly given no compensation. Often burdened by debt, small landowners could not afford to wait for further surges in land prices and accepted offers when the value of their compensatory plot was still relatively low, while those with larger holdings, extended social networks or greater business acumen had the knowledge and the means to postpone selling their plots until the real-estate boom peaked. 'Differentiation by speculation' is how Levien sums up the process by which landowners fell into one of these trajectories.

What are the wider conclusions to be drawn from Levien's account of what happened in Rajpura? Firstly, the failure of the development paradigm that suggests that the transformation spearheaded in the Atlantic Basin in the course of the nineteenth and twentieth centuries—a shift from an agrarian-rural to an industrial-urban economy—would also be the trajectory of late-coming nations like India. Mega-projects like the MWC confirm that the application of this paradigm to late-developing countries is wrong. In the shadow of the new SEZ, Rajpura is no longer an agrarian-rural economy, but nor has it become industrial-urban. Instead, it is a kind of halfway house, with the workforce engaged in a makeshift economy while trying to hold on to the agricultural assets required for safeguarding part of the household income, but increasingly dependent on the earnings from the irregular and unstable work available in the non-agrarian and informal economy. According to a recent study, development-induced displacement has forcibly relocated 70 million Indians since the 1950s. Uprooted from their rustic moorings but with insufficient exit routes out of agriculture, for the majority, the new way of life is a contradictory hybrid: they aspire to urbanity and a consumption style reflecting upward mobility, but the real conditions underpinning such a lifestyle are impossible to realize.

Levien has produced a magnificent book: his empirical findings are meticulously analyzed, while the book as a whole is immensely readable and vivid. I end my discussion of it with just a few notes of mild dissent. Firstly, though Levien usefully builds on David Harvey's concept of 'accumulation by dispossession', departing from Harvey's emphasis on the agency of capital by emphasizing the role of states—indeed Levien's definition of dispossession is 'coercive redistribution mediated by states'—his account of

economic liberalization in India is peculiarly apolitical and under-specified. The ruthless liberalization push by the Rao/Singh government in the early 90s is largely rendered in the passive mode: 'trade was significantly liberalized', while the liberalization process itself is given a kind of impersonal agency: 'these reforms transformed the Indian economy . . . liberalization rapidly reversed the predominance of the public sector'. The political forces enacting these neoliberal reforms receive little mention, or analysis. At the same time, despite Levien's sensitivity to the heterogeneity both between and within the agrarian milieux dispossessed for SEZs, he gives little sense of the differences within, and the unevenness of, the landscape of Indian capitalism. Similarly, his argument could have been strengthened by a comparative analysis of the colonial state's legacy of dispossession, using survey and settlement manuals biased to issuing deeds to upwardly mobile peasant communities, subsequently classified as dominant castes—to the detriment of the customary rights of agro-pastoralists and other footloose strata, usually of tribal denomination. Since Independence, the privatizations of village commons, including water, have continued the policy of 'betting on the strong'.

Lastly, and most specifically, Levien argues that the villagers who suffered most from the MWC development were those with small holdings, who, struggling to avoid impoverishment and pay off mounting debts, either sold their compensation plots quickly and for much less than they might have, had they been better informed or less in need of instant cash, or became 'petty asset managers', tenuously sustaining themselves by turning over small amounts of capital, and often falling by the wayside. But while it is technically true that the landless villagers—Levien's 'excluded'—had nothing to lose from the dispossession, there are reasons to conclude that they were still the worst affected group, even if their material losses are harder to quantify. Treated as squatters, Rajpura's landless residents were displaced without being compensated or resettled, and this effectively meant disenfranchisement from citizenship. Indeed, on one of his follow-up visits, Levien found that this pauperized fringe had disappeared from the village altogether. With nowhere to live in the altered landscape since they were not allotted compensatory plots, these excluded villagers were presumably left with no choice but to depart. 'Nowhere people' is how I have labelled these cast-offs, who, evicted from mainstream society for their prolonged redundancy to demand, are not acknowledged in the state annals and are no longer vested with the rights of citizenship. They roam around without a voice and beyond visibility—though not to the strong arm of the state—seemingly irrelevant even to the accumulation-by-dispossession regime of which they are the ultimate consequence.