Litigation over Compensation under Land Acquisition: Actors and Outcomes

Abstract

Most instances of land acquisition in India end up before a court of law. Indeed, disputes and litigation over eminent domain compensation is an international phenomenon. The empirical literature on the subject shows that the compensation under eminent domain is regressive - Compensation for high-value [low-value] properties is much greater than [less than] their market value. Moreover, the regressive nature of compensation persists, regardless of whether the compensation is received by accepting the official offer or through the litigation process. In this paper, we model the litigation process under symmetric as well as asymmetric information set up. Our model helps us put structure on the incentives structure for the parties involved at every stage of the eminent domain. Using our model, we address the following questions: Why the litigation over compensation amount is rampant? Is the compensation structure by nature regressive? Are there some other forces also at work?

Dr. Ram Singh

Dr. Ram Singh, Associate Professor of Delhi School of Economics, is specialized in the area of Contract Theory, Law and Economics, Public Private Partnerships, Infrastructure and Property Rights in India. He had undertaken extensive research in the area of land acquisition in India and published peer reviewed articles in national and international journals. He completed his Ph.D. in Economics from JNU New Delhi and had done Post-Doctoral research at Harvard University, USA.