

# **Determinants to Accept Compensation by Affected Households in New Capital Region of Andhra Pradesh**

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## **ABSTRACT**

India requires land in terms of both area and quality for the ongoing developmental projects. Land acquisition is a prerequisite to economic development and it appears logical that Governments need to acquire always more land to support an adaptive urban development process (Chiaravalli, 2012). The need for land acquisition arises for developmental projects because it is the first step towards completion of any major project. Land acquisition is fundamentally coercive. When a state notifies farmers that it seeks to acquire their land, “the potential use of violence backs this intent.” If the farmers refuse to vacate their land, the threat of coercion becomes actual violence (Levien, 2015). This paper highlights factors influencing affected households to accept compensation offered by state government to new capital region development of A.P. and constraints faced by affected households due to land pooling. Binary logistic regression was used to assess determinants of households to accept compensation in which variables like pressure, present value of future compensation, fair compensation policy, and percent of family members in labour showed significant influence on willingness to accept compensation. Important constraints were analyzed by Garrets’ ranking technique and found that no further occupation, increased consumption expenditure, search for other income sources inadequate and delayed compensation as main constraints faced by affected households. Most of the affected households suggested that there should be an increase in compensation package especially money compensation, provision of other alternative occupation and speedy implementation of the package.

Key words: *Acquisition, Compensation, Constraints, Suggestions, Willingness.*