

AMARAVATI CAPITAL PROJECT: LEGAL REFORMS TO ENSURE CONTINUITY & PROTECT FARMERS' RIGHTS BEYOND POLITICAL TRANSITIONS

AUTHOR – MANNE KEERTHIVARDHAN, STUDENT AT AMITY LAW SCHOOL, AMITY UNIVERSITY, MUMBAI

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ABSTRACT

The Amaravati capital project has suffered severe distress because of political metamorphosis, beginning with its launch in 2015, then the 2019 policy reversal, and the 2025 comeback. Prima facie, this instability spells out an acute necessity of protection of long-term infrastructure projects from the volatility of politics. By reviewing the Amaravati case, this study finds major gaps in protection of the farmers' rights and continuation of projects under APCRDA Act and RFTLARR Act, 2013. Telling recommendations suggest legally enforceable farmer agreements with land-for-land compensation and annuity payments guaranteed, constitutional guards against arbitrary cancellation of proposed projects, and an arm's length oversight authority ensuring transparency in implementation. By studying models such as the Dholera SIR of Gujarat and best practices of the world, the research provides practical solutions to moderate the needs of development with protection of stakeholders. These reforms seek the stability of policies that can withstand state transitions and guarantee farmers' livelihoods – important lessons for sustainable urban development and infrastructure governance in India.

KEYWORDS: Amaravati, Land acquisition, Farmers' rights, Political continuity, Legal safeguards, Infrastructure policy

1. INTRODUCTION

Amaravati's rise to become the capital city of Andhra Pradesh is an example of one of the most massive urban planning exercises ever undertaken in India while at the same time signaling some basic challenges facing infrastructure governance. The project was launched in 2015 under the Andhra Pradesh Capital Region Development Authority (APCRDA) Act, and to its credit, it involved an innovative land pooling mechanism that saw its acquisition of as much as 33,000 acres of farmers lands (Rao, 2016). This method promoted equitable development on a purely voluntary (Vakulabharanam, 2017) basis with

landowners getting their reconstituted plots and subsequent benefits.

However, the election for 2019 in state was a turning point for the institution. The proponents of the new administration came up with the controversial three-capitals postulation which stalled development in Amaravati, in the process (Sridhar, 2020). This reversal stranded thousands of farmers in a legal vacuum, claiming many compensations promises yet unpaid (Human Rights Watch 2021). The subsequent years witnessed protest that continued and numerous public interest litigation mounted against the government's decisions (Andhra Pradesh High Court, 2022).

The central government's 2025 revival declaration has re-opened debates on policy continuity in infrastructure projects (The Hindu, 2025). The fact that this case reveals latent deficiencies, especially lack of statutory guarantees in relation to hasty policy reversals, is posited by legal scholars to underline this case (Singh, 2023). The Amaravati case illustrates the ways in which political transitions can undermine long term planning in ways that have serious implications for stakeholders and regional development.

This research explores the legal and institutional mechanisms that may be used to avoid such disruptions in future projects. Drawing on the primary documents – the APCRDA Act, court rulings, and policy statements and on secondary sources of urban development and land rights, it offers tangible reforms to correlate the need for development and stakeholder protection.

2. Historical Background

2015–2019: The Ambitious Launch

The Amaravati capital project which began in 2015 under the APCRDA Act of 2014 incorporated an innovative land pooling system by which the farmers voluntarily contributed 33,000 acres. In exchange, they were promised:

- Annuity payments (₹30,000–₹50,000/acre/year)
- Reconstituted residential/commercial plots
- Employment opportunities in construction
- World-class infrastructure (roads, schools, hospitals)

Although the initiative got an initial boost of interest, delays in implementation and indeterminate timelines soon resulted in doubt in the minds of participating farmers. The land pooling nature of the approach, which was supposed to be farmer friendly, suffered with delays in timely distribution of compensation and implementation of the projects. Almost 80% of the promised infrastructure work has not

been started by the end of 2018, and most of the farmers do not know what is in store for them. Large gaps between grand visions and ground realities began to emerge as administrative bottlenecks caused a slowdown in progress. This time pre-figured the later unhappiness when it was the political changes that scrapped the project altogether.

2019–2024: Policy Reversal and Crisis

The partisan realignment of 2019 saw Amaravati's development at a messy phase as the new leadership enacted a three-capital policy that grounded the project.

Key consequences included:

1. **First**, the development of infrastructure stalled sharply, leaving important projects unfinished in the capital region halfway stage.
2. **Second**, farmers suffered broken promises because annuity payments ceased while land commitments eluded them, and over 100 PILs emerged challenging the government's reversal.
3. **Thirdly**, the judiciary acted powerfully and the 2022 ruling by AP High Court directed full adherence to original agreements and protection of farmers' contractual rights.

AP High Court Orders (2021–22)

Farmer Protest Documentation (2019–24)

Infrastructure Damage Reports (2023)

The social impact was terrible – eroded public trust demonstrated in persistent protests, while thousands of farmers suffered financial crisis without promised compensation. In an economic sense this shift in policy led to colossal wastage as government structures half built went to rack and ruin, investments to the tune of ₹15,000 crore also became non-performing assets. This five-year crisis showed how dramatically changing policies can destroy mega projects, question stakeholder faiths and cause massive economic losses to declare Amaravati a textbook example of development interruptions for political transitions.

2025 Revival: Renewed Hope with Lingering Distrust

The May 2025 pronouncement by the apex government to revive Amaravati as Andhra Pradesh's only capital was the biggest of its policy reversals, which provided ₹15000 crores for infrastructure projects. Though this decision injected new life into the stagnant project, a few challenges remain problematic.

The hope of revival is met with deep cynicism for the part of the farmers and original stakeholders who still insist on ironclad legal security against future policy turnarounds. They do not trust this fact because of 2019-2024 when previous commitments were abandoned. Important issues left to be finalized are the large arrears of the compensation to farmers to be paid and lack of clarity on time for implementing the revised development plan. Political opposition to the single-capital model is still making people wonder if the project can deliver in the long term.

The volitional nature of the rise and decline of Amaravati - launch with grand ambition to abrupt abandonment followed by revival - underlines the structural failings in India's handling of mega infrastructure projects. Such a pattern indicates the dire need for institutional checks and balances that could preserve the continuity of the projects despite one administration or another. The modern revival process needs to consider not only the shortages of the material infrastructure but also returning lost trust again thanks to the transparent process and a legally binding guarantee. Without such basic reforms Amaravati risks mimicking its past to become a political football rather than a sustainable capital city, which benefits all stakeholders with a particular mention to the farmers who have pawned their land for its development.

3. Legal Issues

The Amaravati capital project has brought into the open major legal weaknesses of India's governance of long-term infrastructure project.

Under article 298, the present constitutional edifice has given a lacuna of space to the state governments to blatantly reverse policies such as the three-capitals decision of 2019 which put Amaravati's development on the rails out of the window (Andhra Pradesh High Court, 2022). Unlike special economic zones with legislative protection (such as Gujarat's Dholera SIR Act, 2011), conventional urban development projects are bereft of legal shield to political modifications (Singh, 2023).

Although the land pooling deals with farmers were innovative; they did not have statutory weight and consequently exposed those involved without protection when the government suspended compensation payments in contravention of the rehabilitation requirements of the RFCTLARR Act (Rao, 2016; Human Rights Watch, 2023). Then, although judicial interventions ultimately supported contractual obligations (AP HC, 2022), the reactionary quality of litigation is insufficient to guarantee project continuity.

The lack of law requires immediate reforms.

- First, amending the APCRDA Act to require super-majority legislative approval for fundamental policy changes,
- Second, establishing escrow mechanisms, which will prevent stakeholder compensation from political interference.
- Third, designing a model law on mega-projects seeking a balance between government powers and binding commitment to the investors and affected (local) communities.

The Amaravati experience evokes what contemporary laws privilege the political flexibility at the cost of developmental stability, which calls for legal innovation to avoid a repetition of similar catastrophes in future projects.

3.1 Farmers' Rights Violations

The political instability on the part of the Amaravati project has resulted in ruthless violation of the rights of the farmers especially on the issue of compensation and rehabilitation. The original 2015 land pooling scheme envisaged failure of farmers to surrender over 33,000 acres to annuity payments (₹30,000-50,000/acre/year), developed plots and employment opportunities (Vakulabharanam, 2017).

However, 2019 reversion of policy excluded the provision of these commitments, hence their beneficiaries were the thousands of farmers. The lack of APCRDA efforts to make payments on compensation breached the initial agreements and the rehabilitation terms under sections 26 – 30 of the RFCTLARR Act, 2013 (Human Rights Watch, 2023). Many farmers entered financial ruin, and they have been depending on pending payments while the lands have had a roller-coaster. This trust breach shows how political uncertainty can bluntly spiral to weaken the critical livelihood safety nets thus driving the need for legal reforms to shield the rehabilitation packages from policy shifts.

3.2 Judicial Interventions

The Andhra Pradesh High Court's 2022 decision in the Amaravati case was potentially a substantial legal effort to protect the rights of farmers but shed light on fault lines in enforcement mechanisms. The court directly banned the misuse of land interchange and decreed the state government to comply with the original contractual agreements applicable under the APCRDA Act (Andhra Pradesh High Court, 2022 PIL No. 45/2021). Nevertheless, the judgment lacked concrete implementation frameworks thereby enabling further noncompliance on payments and rehabilitations. Legal scholars have observed the paradox: court pronouncements; are being strong but failing to manifest at the grass roots (Sridhar, 2023).

The court acknowledged farmers' legitimate expectations as enforceable rights under Article 300A of the Constitution, but it failed to block further political skulduggery to evade the court order. This case is indicative of the difficulties facing judicial interventions in complex, politically charged development disputes, if no such monitoring mechanisms or clear contempt provisions had been made prior. The experience speaks volumes to the absence of built-in enforcement structures in judicial orders relative to large-scale infrastructure projects.

4. Comparative Analysis

Lessons from Gujarat's Dholera SIR

A good example of a difference between the Dholera Special Investment Region (SIR) in Gujarat and the challenge in Amaravati is the consideration, as made by legislation, to ensure project continuity. Dholera has a governance layout established under the Gujarat Special Investment Region Act 2011 but with important stabilizing mechanisms, which are missing in the approach adopted by Andhra Pradesh. The Act establishes an autonomous, Dholera SIR Development Authority with powers above politicization (Gujarat Government Gazette, 2011). Whereas Amaravati is sensitive to policy shifts, Dholera's development plan ensures continuity of commitment using legislated five-year lock in periods covering all commitments, now including land taking and infrastructure timelines (Patel & Desai, 2022). The model also sets up escrow accounts for payment of farmers, which are insulated from budgetary imbalances – necessity Amaravati farmers were screaming for during the 2019-2024 paralysis. Noteworthy, the Gujarat Act demands the parliament's approval for any fundamental amendments of any kind of projects, thereby setting a high constitutional hurdle against arbitrary changes (Singh, 2023). Such provisions have enabled Dholera to retain investor confidence during three political administrations and has earned ₹78,000 crore in committed investments by the year 2024 (Industrial Extension Bureau, Gujarat). The

comparative success also shows that Andhra Pradesh could anyhow amend the APCRDA Act and enact similar legislative safety nets in areas with long-term capital projects where political and economic interests converge.

Singapore's Land Acquisition Model

The legally strong, non-partisan approach adopted in Singapore's land acquisition framework teaches precious lessons on how to manage the issues in Amaravati. Under the Land Acquisition Act (1966), there is a set, non-negotiable compensation hierarchy according to then prevailing values, which do away with discretionary payments, leading to disputes (Singapore Statutes Online, 2023). Unlike India's system, Singapore's system does not allow for retrospective challenge of acquired land use, giving policy continuity irrespective of who rules (Tan, 2022). The same law requires direct deposit of compensation, which must occur within a short period and has severe interest penalties for having late a strategy that could have averted payment lapses by aravadi (Urban Redevelopment Authority, 2022).

Importantly, the Singaporean land-use plans have taken shape under 50yr master plans framed within the legislative approval framework are insulated from political pressure (Wong & Yap, 2023). The success of the system is witnessed through adoption of transformational projects such as Marina Bay that were accomplished without landowner litigation, despite huge land purchases. For Andhra Pradesh, it is possible to adopt automating Singapore's compensation and the long-term plan locking mechanisms to avert future crises like Amaravati crisis while protecting fair landowner rights. The model provides an example of how legal precision and depoliticized administration can create balancing of need for development with property rights.

5. Recommendations

5.1 Legal Safeguards for Project Continuity:

For the sake of avoiding such future policy reversals as Arbitration and Tribunal Bill or Arundhati's Amaravati's Stalled Development, reforms in structural legal reforms must be brought in.

1. **First**, a constitutional amendment should open a protected category for national infrastructure projects by amending the Ninth Schedule to provide for identified areas of capital development, insulating them from arbitrary cancellation (Basu, 2023). This approach learns from the constitutional protection that had been earned over the years in the land reformation bridges and extends the same protection to the vital urban development projects.
2. **Second**, the APCRDA Act needs modification that requires any amendments to Amaravati's bureaucrat status to attract two-thirds legislative approval, thus introducing a high barrier to policy switching (Andhra Pradesh Law Commission, 2022). This supermajority requirement would ensure that project foundations are changed with more comprehensive political agreement, something that has been achieved in Gujarat's Dholera SIR governance model.

These legal changes need to be complemented by a sunset clause that would maintain protected status for 25 years and thereby would guarantee project completion over multiple cycles of government (Infrastructure Policy Institute, 2023). Combined, these would provide a balance of state's autonomy and developmental stability circumventing the practice of abandonment and revival that has stricken the troubled history of Amaravati while at the same time providing for mechanisms of democratic oversight.

5.2 Farmers' Rights Protection: Ensuring Guaranteed Benefits

Two mechanisms must be put in place to protect farmers' interest in development projects.

1. To start, mandatory land-for-land contracts should be implemented as were in the Naya Raipur model where the land is leased to government for development whilst the farmers retain ownership (Chhattisgarh Urban Development Authority, 2021). This idea ensures long term security as farmers are maintained in terms of maintaining their assets and sharing a stake in future value appreciation of land.
2. Second, escrow accounts for compensation need to be created so that the funds are deposited to secure bank accounts prior to land acquisition, and the automatic yearly payments are not influenced by political changes (World Bank, 2022). The Andhra Pradesh government is required to enact a policy requiring payment of 125% of estimated compensation to be made upfront into these accounts, as is done in Malaysia's Iskandar Development Region (Urban Studies Malaysia, 2023).

These accounts would be operated jointly by banks, farmers representatives and government officers and transparent withdrawal routines would be followed. Combined, such actions would ensure that the compensation defaults will not recur in Amaravati, while conforming to the rehabilitation spirit of the RFCTLARR Act (Amaravati Report, 2013). Such structural protections would restore trust in public-private land partnerships, while guaranteeing farmers that they will be receiving guaranteed benefits irrespective of the change in administration.

5.3 Institutional Oversight: Ensuring Accountability and Timely Justice

For the sake of transparent governance of Amaravati, its development can be developed under the majestic voluntary

- **Amaravati Development Authority (ADA)** consists of judicial members (retired High Court judges), civil society representatives and technical experts

(Urban Governance Committee Report, 2023). This agency would monitor subsistence project implementation; operate quarterly audits of funds disbursements; and intervene legislatively to compel adherence to farmer agreement provisions – in the manner of the Singapore – Urban Redevelopment Authority, (World Bank, 2022).

At the same time, under the Andhra Pradesh Land Disputes Resolution Act, the need to use fast-track land dispute courts specifically for such cases must be implemented, within six months, with mandatory daily hearings and limitations of time to present evidence (Law Commission of India, 2021).

Followers of this human rights project view the establishment of local satellite courts as an opportunity to better the current judicial system, though with the eligibility of the courts, the implementation of the Rajasthan model of mobile land tribunals which conduct onsite inspections and mediation (National Legal Services Authority, 2022) with digital case tracking accessible to all stakeholders. The ADA would complement these courts and would refer violations directly for a judicial resolution. This dual structure of unending second-level supervision and accelerated justice would remedy the systemic gap in governance and garden-variety complaints that imperiled Amaravati's first stage, birth institutional memory and accountability missing in politicians alone.

5.4 Transparency Measures: Ensuring Accountability in Amaravati's Development

To restore the public trust into the Amaravati project, strong transparent mechanisms must be incorporated into the system. A real-time public dashboard for the display of project progress, expenditure details and compensation status through user friendly visualizations must be created under the Right to Information act 2005 (Digital India Initiative, 2023). This platform should be GIS mapping of

land parcels with ownership details (in the style of the Karnataka Bhoomi Project model) and monthly contractor performance ratings (National e-Governance Division, 2022). Supplementing this, there should be compulsory annual social audits carried out by a consortium of accredited NGOs, along the successful lines of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) audit set up (Ministry of Rural Development, 2021).

These audits would specifically evaluate:

- a) Physical progress versus promised rehabilitation and resettlement (R&R) benchmarks,
- b) Grievance redressal effectiveness, and
- c) Environmental safeguard compliance.

Social audit reports would be presented to the State Assembly and associated with future budget clearances (Andhra Pradesh Governance Reforms Commission, 2022). Combined, these actions would generate unprecedented transparency on capital region development and citizens would be able to check government commitment and thereby address the information asymmetry that helped Amaravati to earlier failings. The system would utilize India's Digital Public Infrastructure and apply learnings from the global movement such as in Uganda Infrastructure Transparency Index (CoST, 2023).

Conclusion

The Amravati capital project's troubled path is indicative of systemic flaws in India's large scale infrastructure development strategy. From its audacious 2015 launch to policy flip-flops in 2019 and then a recovery for 2025, the project's blunted upswing underlines the ill effects of piecemeal policymaking and insufficient legal protections. The human cost, especially for farmers who lost their lands based on unfulfilled pledges, increases the need for a radical change of structure. This case study illustrates how political transitions can destroy long held

development visions when projects are without institutional insulation.

The suggested four-pillar solution involving legal guarantees for continuity, duty-free farmers' independence, and radical transparency, provides holistic set up, away from this cycle. By constitutionally safeguarding designated projects, by way of escrowing account compensation, establishing the Amaravati Development Authority and instituting social audits, the real-time monitoring Andhra Pradesh can develop a replicable model of stable urban governance. Such reforms would at the same time reflect a contractual obligation to stakeholders as well as guaranteeing project viability across political administrations.

The Amaravati experience is of national importance as India races to develop infrastructure. The same problem at projects such as Dholera (Gujarat) and Jewar (Uttar Pradesh) points towards a need for homogenized protector measures. Now it is the days for the state government to modify Amaravati from a lesson to an example in the field of responsible grown time. By undertaking these reforms at the present revival phase of Andhra Pradesh, it can prove to restore the trust of the farmers and the stability of the developmental future of the state that the democratic administration and long-term planning can co-exist. The moment has finally arrived to substitute political opportunism for institutional wisdom in India's infrastructure governance paradigm.

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