

Inclusive development? Paradox of state-led land development in India

Since mid-1990s urban policy-makers in India have promoted state-led land development as the basis for urban expansion. Big cities such as Mumbai, Kolkata, Bangalore and Delhi are engaged in developing peripheral agricultural land attracting investors through wide array of incentives and concessions which often involves reworking on their traditional ideological templates in an entrepreneurial and conniving ways. Cities are competing to offer the best pitch for corporate land acquisition, aside from vigorously redressing urban policies in multifarious ways.

The focus on land appears pertinent given, across South Asia at least 233 million housing units will be required to accommodate projected urban growth and address the existing backlog of affordable housing. India has witnessed land supply constraints triggering serious housing shortage across the country. With the present rate of urbanization and the agenda for new townships, smart cities and extensive infrastructure projects (where the private sector is assigned a central role)—the question of land has become all the more relevant. Moreover, according to the India infrastructure report (2009) problems relating to land and its acquisition were responsible for 70% of delayed infrastructure projects in the country, attributed to the pace of land acquisition¹. Although data on state-led land development is scarce, it is estimated that thousands of hectares of peripheral land are subject to some form of land deals marking the ongoing nature of the phenomenon. Tracking urban footprints from night lit areas, Ellis and Roberts (2016) estimate that urban land area in South Asia grew more than 5 per cent per year, almost twice the growth rate of urban population between 1999 and 2010.

The central concern of land development remains the conflict between the state actions in support of the collective benefits of the development and marginal benefits in the welfare of the poor. The rapid ascendancy of neoliberalism oriented growth appears to accentuate this conflict. Within this context, state-led development projects have been perceived as tools that assert their core commitment to neoliberalism without upsetting its support base by playing a facilitating role. Critical account in this respect has mainly focused on the position of communities vis à vis the private developers and debates over ‘displacement’, ‘compensation’ (Paul and Sarma, 2011; Mallik, 2018) and how urban poor have been excluded (Johnson and Chakrabarty, 2013). Earlier debates have focused on the public purpose of ‘land acquisition’. Understandably, there has been much focus on the politics of land development and the neoliberal discourses of development that underpin them. In this respect the New Town has represented a new mode of state-led privatization in which public funds and objectives have been converted into privately run programmes of action (Sengupta, 2013). On the other hand, the practices involved in the delivery have shown a remarkable extension of top-down development approach. However much less has been written on the processes through which the land development has been managed, regulated and delivered, and the implications for broader understandings of urban policy and politics in democratic cities. The logistics involved in delivering development of this scale are enormous. While the impact, the rationale and the outcomes of state-led land development are broadly similar to those reported in the substantial global literature (Mahalingam and Vyas, 2013) land development in Indian cities shows that a number of crucial context-specific factors that shape the assumption and responses of key players and collective actors. The paper argues that critiques of land development in India is a fall out of a derivative of the ideology of the 1980s and 90s, and is subject to

¹ Chandran (2017) quotes Hukum Singh Meena, a joint secretary of the department of land resources who claims the biggest the country is facing is the pace of land acquisitions - on average, it takes 59 months to acquire land under this law.”

excessive generalisation which ignore the nuances of contemporary practices within evolving state restructuring and liberalisation processes. The study of land development, we would argue, has to move beyond a general alarmist narrative, towards precise empirical research into the causes and effects of the emergence of specific conditions, making distinction on the wider context of the project.

Within this context New Town, Kolkata (also known as Rajarhat) provides a highly illuminative case to articulate the ways in which the state is restructuring and reinventing itself within the context of devolved authority and autonomy seeking to create a 'model development' of state—market partnership for dual goals of fostering capitalist interest while fulfilling welfarist principles. 20 years on and going through various ups and downs, the New Town, the premier state-led land development in India has come to redefine how land market is created in India—a process that is riddled in contradictory actions, perceptions and speculations. It has also come to define land development ethos in India and re-established public private partnership as the key tool for delivery. Interesting insights have emerged that point to a policy paradox. On one hand, the process follows market principles of efficacy and efficiency; on the other, there is a constant stream of top down actions undermining them including a new wave of resistance – from neoliberalist actors. It is argued that the current governance model suggests a continuous framing and re-framing of state governance, hybridities of public and private and rescaling of power that reflects changes in the institutional landscape of rapidly growing cities in global south.

Market vs welfare: Perils of neoliberalist state in action

Need for serviced land to accommodate growing need for urban housing and infrastructure has been recognised in nearly all major cities of global south. The resurgence of large-scale housing and infrastructure programmes (Sengupta 2018) in recent years has required states to lead on making available large tract of land for urban housing and infrastructure development. The state-led land development has however undergone seemingly complementary trends in recent decades. On the one hand there has been an international emphasis, promoted by the UN, powerful governments, non-governmental organizations and others on 'good governance' models of devolution, community empowerment and democratization. Across the global North and South urban policymakers have adopted such language and used it to legitimate wider moves towards control over land. On the other there have been new modes of intervention and ways of thinking within which growing role played by complimentary markets stands out (Carter & Mesbah, 1993; Deininger, 2003a, 2003b). By the reverse logic, market has been adjudged to work best in conjunction with the state (Brennan, 2003). New networks of collaborations have created new rules, pushed regulations and shifted boundaries to achieve the scale facilitated by private capital both FDI and local and delivered often on partnership basis in low risk, 'public-backed' projects.

Whilst the new trends display rescaling of political power and a frame for new governance in land supply, both state institutions and markets are frequently seen to be in friction that not only undermines the target but also, more crucially, fails to address prevailing inequality. As a result, conflicts related to land and claims on land are common, with potentially negative effects for both urban authorities and residents, especially low-income communities who tend to be most vulnerable to these effects (Lombard and Rakodi, 2016). Numerous studies have been undertaken to document urban land conflicts in cities of the Global South, assessing the nature and characteristics of the conflict in which failure to compensate for any loss of land and poor share of vulnerable population in the developed land stand out.

Proponents of pro-market land development are quick to dismiss state-led land development on a variety of grounds. The limitation of state-led land development I attributed to slow regulatory reforms and top-down delivery, implemented through bureaucratic modalities, whether market-assisted or not² (Sikor and Muller, 2009; Sengupta, 2007, 2013). This view subscribes to the earlier criticism that where the institutional framework is weak, evidence base is poor and government is corrupt the resultant outcome will be poor in both efficiency and equity terms (Dowall and Clarke, 1991; Payne, 1989). Dowall and Clarke (1991) go on to assert that public land development rarely works suggesting a critical need for new approaches in land development (Devas and Rakodi, 1993). Public ownership, Buckley and Kalarickal (2006) claim often makes land markets unresponsive to demand due to supply distortions

Large scale land development programmes are however underpinned by enormous technical and regulatory complexity which makes updating old legislations and introducing new essential. The process is slow and cumbersome often forcing states to identify other means of sidestepping regulatory and political hoops. In India, Such measures include indirect ‘informal’ means of pressuring landowners into selling (Vijayabaskar, 2010) and handing out contracts informally with handpicked businesses for mutual gain which Sud (2017) calls ‘shadow’ dimensions of the state. While such practices are seen to benefit mainly property developers, state institutions are seen to maintain a certain degree of authority and set parameters for projects to ensure wider political gain. In India for example, various forms of partnership with either higher or lower order have reflected this. However in doing so, the state is having to deal with a new form of resistance is evolving that against it. Organised resistance from developers is seen to act against the state dominance attempting to re-define where the benefits go.

Ultimately, the main problem in state-led land development lies in the (in)compatibility of development priorities. In other words, the new paradigm of state-market partnership has come to underpin much of the land development programmes across the countries of global south juggle with two contradictory imperatives – create conditions in which profitable capital accumulation is possible, while at the same time ensuring equitable profit share to urban poor. In India, this concern stands out very prominently in prevailing state-led urban land development and renewal projects (Bidwai, 2006; Shiva, 2007)² signifying a hyper-marketized action of the government on behalf of the market.

The key question then is how to address inherent contradictions arising from diverging interests and pluralistic context. The in-country and intra-country variations suggest that specific characteristics of urban land development are diverse and profoundly context-dependent. Whether complex redevelopment of slum settlements in central Mumbai or urban expansion of major cities such as Bangalore and Kolkata, the city and state authorities have adopted divergent modalities and multiscale activities to create conditions for “enabling land development” attempting to balance wide-ranging expectations. Given how widespread such practices are, the space where such dubious operational modalities are administered becomes the space where the real politics of land development is played out. Kennedy (2017) attributes this to the political economy that underpins the ‘geography of investment opportunities’. She argues, in the post-reform period the vagaries of altered geography of investment has empowered subnational states in asymmetrical spatial structures augmented by what

² Bidwai (2006) gives a detailed illustration on carefully orchestrated ‘great Indian land grab’ as a common feature of state-market nexus across India asserting state has been actively land acquiring on behalf of the market. It is also claimed that under Special Economic Zones and Jawahar Lal Nehru National urban Renewal mission a systematic rural colonisation has begun to pave way for upper middle-class suburbanisation.

Chakravarty and Lall (2007:20) call ‘colonialism, subsequently nationalism, to capture new and different markets’. This is further fuelled by globalisation that enabled state agencies to directly approach the international capital. However by the same account the rise of state power is beginning to be contested by organised market power. The “market-oriented” land development is therefore producing in spaces of interaction and conflict with diverse settings with varied outcomes. Many conflicts, involve “mixed motives” (competition and cooperation), arising from some differences over the perceptions, beliefs, or values that the parties bring to the process. The space is now “produced” by powerful economic forces that commodify land and thereby limit what state envisaged could do with it. These combine the diverse spaces and spatial scales (national, supranational and subnational) of state organizations and institutions within civil society. It is in this broader context that the article now turns to the New town development.

New Town, Kolkata Land development

New town development is a remarkable embodiment of neoliberal state in action. Set in the post-economic reforms era, the social, economic and political implications of New Town is far reaching for a city with serious land and housing shortages. New Town is also the most prominent land development project in India with an estimated population of over a million people and second only to Navi Mumbai in terms of the scale of development. The successful delivery of New town represented a significant achievement for the state government and allied agencies. The programme has been widely studied and critiqued on a variety of grounds but from the outset one of its key stated objectives was the creation of development legacy in East Kolkata and establishment of lasting benefits for the city. Rajarhat is located (Figure 1) amidst three distinct nodes a) Netaji Subhash Chandra Airport to the north, fuelling ambition to connect to the wider world b) Salt Lake city to the west, an existing city with Sector V awarded Special Economic Zone and to the south west the east Kolkata wetlands – a green border for Rajarhat development. Thus, for the West Bengal Government New Town was aimed at ‘transforming the city’s communities, establishing a development model that works and is self-sustaining (as especially, to reverse the past failures of land development in Kalyani and to some extent Salt Lake City). The project dwarfs other initiatives within the state and skews broader spatial patterns of spending on urban policy in Kolkata.

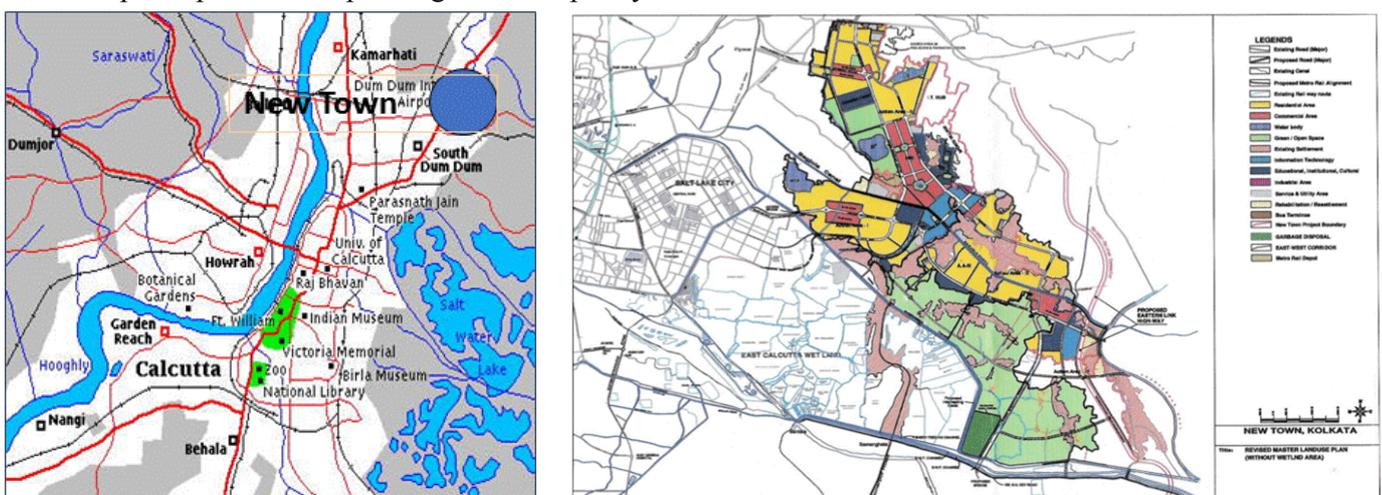


Figure 1 New Town Location in Kolkata

New town project started in 1993 with regulatory groundwork, identification of the development area (KMDA Concept Plan) and establishment of WBHIDCO in 1997 which kickstarted extensive land acquisition. An intensive phase of land acquisition interposed by civil resistance and judicial challenge followed what can be described as inevitably democratic conflict resolution phase. Eventually, construction of Area Action Plan in 1999 commenced. By 2000, major road infrastructure was completed. The project currently encompasses six Action Areas of varying sizes and consisting of various timelines (Table 1). The Action Area 1, 2 & 3 are the first set of Areas that were developed. Action Area 1 consists of Malls, Sub-CBD, Commercial Plots and Planned Residential plots. Action Area 2 has the main CBD (Central Business District) area and Institutions, Business Parks. There are some large higher end residential complexes in this area. Action Area 3 is mainly for high-rise residential complexes and mini townships. One of the modalities of the New Town is it represents a classic public private partnership programme with nine major developers engaged in various forms of joint venture with the state agency WBHIDCO for both housing and infrastructure projects. Major IT companies such as TCS, Wipro, Cognizant and Real Estate giants like DLF, Unitech, TATA Group, Shaporji-Paloni, Ambuja Realty etc. are present in this area including one of the biggest hospitals “Tata Medical Centre”.

Areas for development	Area
Action Area 1	677 ha
Action Area 2	1300 ha
Action Area 3	783 ha
Action Area 4	1150 ha
Action Area 5	240 ha
Action Area 6	1090 ha

Table 1: Land areas in different Action Areas in New Town Kolkata

In the following sections we revisit three major issues most common in literature (Sengupta, 2013) and those confronted by the project to have a considered assessment of the project’s achievements. This is particularly important given within the lifespan of the project, there has been hordes of legislation and governance changes.

Changing politics of acquisition and resistance

The central concern of the growth-centric development model such as the New Town is that it necessitates land acquisition as a prior requirement triggering production of highly contested urban landscapes. The fragmented land ownership then creates a further need for a state institution to intervene. Since the 1990s, land acquisition has increasingly resulted from the combination of private developers, state interventions, state practices and local political traditions. On the other hand resistance to land acquisition legislations has markedly grown taking both institutional and societal forms. In West Bengal for instance, Scholars have linked this to politicisation of the peasantry especially stemming from a series of land reforms the previous CPM government took following its accession to power in 1977. Taking Mukerji’s (2018) account, if the growth agenda had injected

neoliberalism in development since the 1990s, democratisation of society manifested in civil society activism and social movements at micro and macro-levels that reinforced the culture of resistance.

The ability of governments to acquire land for public purposes where necessary is an essential part of urban development. The New Town offered policymakers with a particular experimental ground that tested variety of acquisition models within the salient characteristics represented by fragmentation. The land selected had ownership distributed across hundreds of farmers owning smaller parcels. The delivery agency represented responsibilities and resources fragmented between a myriad of public and private sector interests. According to official estimates, 93% of the land in Rajarhat had been acquired through land acquisition legislation, which displaced a total of 200 households and 1,000 people (Johnson and Chakrabarty, 2013). The remainder was acquired by direct purchase. Under Land Acquisition Act 1894, the government used a special clause in the Act, which enabled direct purchase of land from farmers. In each mouza, land prices were negotiated (by both state agency and developer partners) according to the character of land (low land, agricultural value and proximity to roads etc.) Both approaches led to a protracted legal battle over whether involvement of private developers in land acquisition compromised public interest. Early criticisms from scholars including those from authors of this paper dubbed the state's actions in Rajarhat as being too much 'politics' and 'far too much importance given to private interest rather than public interests' (Sengupta, 2013). It stemmed from WBHIDCO's rather corporate approach which in some ways undermined equity issues. In other words land acquisition is sometimes implemented with little justification in terms of public interest and with negligible compensation particularly for customary landowners. Although the High Court ruling upheld the government action, the continued intellectual debate on the issue has led to redefinition of the term 'public interest' through the amendment to the Land Acquisition Act, 1894.

Since the Singur³ episode, every land development programmes in country has come to be judged on the basis Singur was critiqued. Although the New Town predated Singur by nearly a decade, it is useful draw some analogy here. The issues that received massive criticism in Singur – of corporate acquisition and a top-down model of development; of apparent 'social injustice and livelihood issues' were already played out in Rajarhat with near equal intensity of publicity and acrimony. However, we would argue, there are a number of factors that are fundamentally different in New Town that lead to different outcomes. First, the state introduced a number of measures that reflected a careful manoeuvrings of operational modalities and rescaling of power within pluralistic context. At the heart of these measures was an allocation of rights, entitlements and quotas that were being used to ensure local and systemic support for land acquisition. At the local level, the allocation of contracts for construction materials and employment helped to ensure that local shadow networks were engaged in the social relations that were so critical in terms of facilitating compensation. Systematically, the allocation of land also influenced the participation of high-ranking officials (most notably high court judges), whose rulings were instrumental in ensuring that the acquisition process was unimpeded by environmental regulations (Johnson and Chakravarty, 2013).

Second, in Rajarhat the WBHIDCO faced similar challenges to those found in Singur, but a complex urban landscape as a backdrop to investment plans, made a crucial difference. Over the past decade, conflicts over peri-urban land between urban local governments and individual farmers concern primarily land acquisition and levels of compensation in India (Shatkin and Vidyarthi, 2014). This observation indeed applies to majority cases that are underpinned by short-termism and opportunistic

³ In 2008, the Left Front government acquired 997 acres of land in Singur, 40km from Kolkata, under the Land Acquisition Act (LAA), 1894, for Tata Motors to build the Nano factory.

approach, with narrowly focused- development objectives. For instance, projects initiated by KMDA fit that category with short-term investment/development plans and opportunities approach as opposed to the long term nature of New Town development. As demonstrated by New Town, there has been a substantial change of lifestyle of dispossessed people within rapidly transforming social milieu. The construction work for urbanisation and infrastructure development in rural Rajarhat at large scale has developed a new and unique source of employment and led to diversification of economic activities (Roy, 2014). There is an implied acceptance to land acquisition as an inevitable byproduct of development. The pattern of land-ownership indicating small and marginal land ownership dominated the project area supports this view. Barely one per cent of the total land-owners had exhibited more than 3 acres of land ownership. The pattern of land ownership at once implied that any land acquisition exercise would entail the affectation of a large number of households but made the perpetuity of farming as a viable mode of sustenance on the back of a heavily urbanized setting. Whilst the interrogation of land acquisition continues unabated in the public domain, state agencies have initiated counter studies of to compare the differentiated impacts of acquisition and compensation which shows greater desire to participate in the urban process. A study in Rajarhat by Roy et al (2013) shows education, amount of landholding, profession, castes and katchha houses were the factors influencing their participation. They demonstrate changing citizen–government relationships leading to the empowerment of the farmers who harness the potential desire to expand their claims on the city and political space.

Third, although majority of the land in Rajarhat had been acquired through land acquisition the development stands out for other approaches to land assembly that showed both financial and political prudence. The state agency bought significant amount of land at relatively cheap prices; compensation payments were based on land values before the acquisition is announced. Further, the costs and risks associated with land acquisition were shared by engaging partner-developers in direct negotiation with farmers on price. Controversies surrounding compensation to farmers relative to profit levels for the state agencies were rife, but these measures helped to keep land acquisition cost low and reduced risks. New Town cleverly avoided situations seen elsewhere, where high costs of land compensation that paralyse public infrastructure provision constituted well over half the cost of government infrastructure projects in the city (Blake, 2017). This is pertinent given massive rise in compensation and costs levels of acquisition following 2013 amendment of the law. With the rise in compensation levels through the new law, land cost for highway development has shot up from INR9 million /hectare in 2014 to INR21 million /hectare in 2016, leading to a massive surge in landowners offering their land for acquisition (Verma, 2018). Further, Singh (2013) argues that there are significant benefits associated with this approach as opposed to land acquisition through ‘eminent domain’ principle, which negates both transaction costs and the need to stringently outline the quantum land to be acquired. Market involvement helps to ensure the land requirement is strictly rationalized and hence farmers are subjected to much lower land loss.

These findings agree with Mukerji (2018), who claims that the emerging collaboration between state and capital has led to a fundamental restructuring of economic laws and principles. The amendment in land law is a necessary outcome of this trend. Nationwide, the fall out of Singur was of such significance that the Act was amended in 2013. Under the 2013 Act, all land acquisition for public-private-partnership (PPP) projects requires the prior consent of at least 70 per cent of the affected families. Similarly, all land acquisition for private companies for public purpose requires prior consent of 80 per cent of the affected families. In both instances, the 2013 Act also requires a lengthy, time-consuming social impact assessment and compensation of up to four times the market value of their homes. Scholars have undertaken detailed analysis of the 2013 Act (Singh, 2016). It also includes annuities, land for land, transportation allowance, a portion of capital gains from resale, and

construction of alternative housing and communal amenities in the event of loss of homestead, tightens the definition of public purpose, and provides for social impact assessment (SIA) (Raghuram and Sunny, 2015). The impact of the law is yet to be seen in PPP but a slowdown has been witnessed.

Whilst the amended law did not affect Rajarhat as by 2012, the implementing body had already acquired over 6,000 ha of land, it brought with it a bigger challenge in recent years. Since September 2016, following a Supreme Court judgment that deemed the acquisition in Singur illegal, the present government is forced to return 9,117 land records to farmers and compensate around 800 farmers from whom land had been forcibly acquired by the former Left Front government. The impact of the amended Act has begun to haunt new town development. At Rajarhat New Town, where land acquisition notification for 21 mouzas had started way back in 1997, an agitation has started in 2016 against the Banerjee government following the return of land in Singur. The land was acquired by the former Left Front government.

Public private hybridities and the rescaling of political power

The relationship between public and private represents a salient example of how contemporary modes of land development governance are structured and how they operate in India. The state agency and the JV companies have interdependent roles. In Rajarhat WBHIDCO remains a controlling entity in which the private developer is locked into a series of conditional obligations. This role would traditionally have been undertaken by a public sector body, but as the regulatory environments in which governance is conducted have become increasingly complex, the capacities in the public sector to take on significant programmes have diminished. The New Town thus becomes an experiment and 'showcase' project within the neoliberal context. Other agencies such as KMDA followed the Housing Department model in some of their joint sector housing projects, the contractual arrangements were not as extensive.

The principle of PPP emerged as the preferred delivery vehicle early on in the project with the state agency aggressively pursuing the agenda, which in some ways, was ahead of its time. State agencies' involved JV partners in land acquisition triggering widespread criticism for putting special interests of private partners before public gain. The legal challenge that ensued led to widespread debate over the definition of 'public purpose'. That was a gamble state took, which eventually paid off, although merger of corporate and political interests manifested in what Solomon (2004) calls a 'porous bureaucracy' undermining the welfare provisions and affected lives of many land holders. Literature is rife with issues of compensation and pricing structure and unholy alliance of state and market in expropriation of land in the name of development. The methodology of competitive bidding and the issue of transparency were issues of concern from the beginning (Banerjee, 2013).

Contained within such discourses is an implied criticism of the political nature of the Indian State and its inability to deliver major development projects in an efficient and effective manner. In principle the developments is 'to a large degree a result of public and private working as a true partnership with a closely aligned set of objectives through the contractual model'. It was also argued that the scope and scale of urban development projects has mushroomed to the extent that it is no longer possible for projects to be managed directly by elected government institutions, or directed by a poor performing planning system, such is the regulatory, legal and financial complexity and expertise that was required.

Identifying the structural weaknesses, private developers have worked to consolidate their authority and resources undermining the state authority. In 2016 seven real estate partners with JV agreements with state government were summoned for their alleged violation of JV norms. The Minister went on record by saying these JV firms have developed malls and hotels (Ray, 2016). The mandate for

companies was to provide residential dwellings for LIG/HIG and MIG groups, which was ignored. The scale of the breach is not yet known, but it highlights how the local Indian state is exposed to the pressures associated with neoliberal globalization and competitive urbanism. Such pressures have been documented in Dharavi, in which Weinstein (2014: 30) describes privatized power as “diminishing the authority of the state”. He argues this reveals the reconfiguration and rescaling of the institutional power required by the Indian state to facilitate globally oriented urban development. The most obvious ways in which these patterns manifest themselves are in the equity and social justice. This is problematic in a typically inelastic land supply system, as the developers will almost certainly provide for higher income consumers. This situation is likely to be complicated in eventuality of the government being both an equity partner and the regulator of the sector. Incidentally, we now find an increasing effort in the public domain to indeed distinguish between these two roles of a partner and a regulator. It is widely acknowledged that an enabling, conducive and well defined legal framework facilitates PPP initiatives in infrastructure is still due (Banerjee 2013).

Private sector clearly plays a prominent role in the current thinking about land development but ‘making markets work for the poor’, then becomes a cornerstone of success that the state agencies attempt to navigate and win. The reasons for this are argued to lie in conceptual and methodological weaknesses in traditional urban land market, ideological opposition by some to free markets and ignorance about key aspects of how these markets actually function. In the face of privatized power, along with processes of co-optation, negotiation and popular insurgencies, state agencies have shown considerable degree of resilience and flexibility in delivering New Town. Earlier criticism of the state on profit-seeking (Sengupta, 2007, 2013) has faded with the scale of the project infrastructure cost becomes more apparent. Whilst the infrastructure costs and the benefits are not widely documented there is still lack of evidence that PPP projects deliver housing and infrastructure more efficiently than those funded by more traditional ways, the state agencies continue make aggressive partnership JV (the most recent one currently being advertised is for the Silicon Valley style IT Park). In 2005-06 the Housing Department evolved another variant of the joint sector companies. The new variant consisted of the “assisted sector” companies and the distinguishing feature here was that the private entity was allowed to hold 88% equity share. The state government or its agencies could hold 11% equity, while the rest one percent was issued to the members of the public. Unlike the joint sector companies, these assisted sector companies have few government representatives in the Boards of Directors, and the private partner is allowed virtually a free hand in the management of the company. The initiative indicates the willingness of the state agency to restructure the power dynamics. This is an example of emerging governance mechanism on the basis of what Kennedy (2014) calls a locally negotiated arrangements, which brings together players as well as rules and regulations from different scales. It is within this fluid and sometimes legally ambiguous context that state actors pursue which are not limited to pre-defined political objectives.

There are other areas where subnational authorities have exploited greater scope for rescaling power structure, although the process is uneven not just across states but within the state creating conditions that tend to undermine state-market-society relations and shows how planning power is actualised in India’s cities. In the 1990s new parastatal planning agencies (HIDCO and BRADA) were created, over and beyond existing institutional structures and stipulations to circumvent policy constraints. The land area occupied by Rajarhat development was essentially restricted by the Basic Development Plan of 1966, because of its wetland characteristics, and special powers were conferred to the new agencies to amend those. Whilst the conflict dynamics are less visible today, political motivations led to BRADA being dismantled after the Trinamool Congress came to power in 2011. BRADA’s dismantling may have come with the acknowledgement of indiscriminate land speculation and

violence associated with land aggregation in the new areas it reflects the ongoing nature of state restructuring in areas of land development that has potential to shift the dynamics of power.

Housing for the poor: Avoidable tragedy

In New Town, state and market have interacted at many levels to create a structure that determines the level of affordability of land and housing. State's engagement in direct production of affordable housing through the medium of public private partnership (PPP) has received wide support. However, PPP implementation faces challenges due to primarily lack of enforcement and efficacy impacting elasticity in supply of low-income units and rising prices (Sengupta, 2006). The state agency has experimented with wide variants of PPP for housing for the low income segments. Earlier, low-income housing units are produced through a system of cross-subsidy and depending on the government stake in the JV, proportion of LIG units is set - in most cases at 20%. Whilst the cross-subsidy approach allowed redirecting developer's profits towards creating affordable homes, but the outcome was one which under-produced LIG and EWS homes. Still retaining the JV approach the state experimented with off-site cross subsidy and land swap deals with the likes of Saporji Pallonji Group⁴ to build all EWS housing. The significance of this project can be seen from the fact that residential scheme has been cross-subsidized by commercial scheme. Corollary to this view suggests the market validity of the approach makes it a more efficient production. This aligns with the principles of TDR policies seen in Mumbai, where the developer is given off-site transfer of development rights, eventually unlocking development potential in two places.

⁴ The Housing Board has allotted the construction of 12,000 LIG and 8,000 MIG units on 150 acres in Rajarhat to the Shaporji Pallonji group. The company has been given a plot of 50 acres for building commercial ventures at low prices.

Notwithstanding innovative approaches, equitable benefits among the urban poor remains the biggest issue with New Town. Historically new towns in West Bengal have been mostly engaged in serving the housing interests of the economically affluent. In Rajarhat, only 21% of land had been reserved for the disadvantaged population (Jana and Sarkar, 2018), and production of HIG dwellings has outperformed the EWS housing by 10 folds. This is not unique to New Town but endemic in all state-led projects. The West Bengal Housing Board's completed projects log since its inception suggests 1304 EWS units which contrasts with 16328 units for HIG households (Table 2).

LIG	MIG	HIG	EWS	Developed plots	Shop	CPS	Total
4539	11445	16328	1303	819	698	2417	37549

Table 2: List of completed housing Projects by WBHB since its existence

Novel approaches apart, the state actions on housing is underpinned by lack of ability to scale up the production. Whilst in general, developers have been disinterested in providing affordable housing (as noted in earlier section) resulting in breach of contracts, on the other, the focus on economic and infrastructure development gradually took the focus away from housing. The output remains low, and within the context of deregulated finance system New Town demonstrates a supply-constrained land market where production of affordable homes is limited, demand is very high and regulations are stringent, providing scope for market-bias on those with ability to pay.

Among the most pernicious factors that aggravate affordability are regulatory constraints. Research in Bolivia, India, Lesotho, South Africa, Tanzania, and Turkey found that in each country, administrative procedures represented the greatest single regulatory constraint to enabling the urban poor to obtain legal and affordable shelter. A World Bank (2011) A study in India found that bribes and informal charges levied during the permitting procedure for development amount to 15 percent or more of total project costs and, if not paid, lead to additional delays and increases.

Ultimately, in housing sector the shift away from state-led housing projects to an era of PPPs thus represents a move away from low-income to and middle-high income housing. This relates to the competing development priorities. Banerjee (2013) claims the PPPs in New Town act as a catalyst for the re-invention of Kolkata as an elite fantasy realm of consumption, necessitated by the need to rework on the 'world city image' and geared towards competition with cities such as Hyderabad and Bangalore to attract investments. This, together with the organised resistance in building affordable homes from JV partners makes it a grey area that gets lost in the transition of power from the state to the market. Previously a case was registered with the Competition Commission Authority in India against all the nine JV companies in partnership with WBHB (Order under Section 26(2) of the Competition Act, 2002 Case No. 103/2013) claiming WBHB and JV partners squatted on the land parcels for far too long. The claimants argued that developers colluded to increase in prices of flats (up from INR 1100 to 4800 per sq. ft.), manipulated restricted supply and used dominant status for monopolistic pricing and exploitation of buyers. Whilst the CCI ruled against the claimants, taken together with the more recent allegation of violation of JV norms suggests the potential contribution of urban land markets to low income housing has not been optimised so far in New Town.

Conclusion

The Newtown development has entered the third decade of its existence. The land development in new Town confronts several assumptions behind traditional development thought, broadly arising from the long-term nature of investments and efforts into it alongside existence of multitude of partners. Development theory would suggest the investments to dry out, politicians to back off and vagaries of markets come into play to stall the process. Remarkably though, in the last two decades New Town has shown resilience and financially sustained itself, both shaped through the state's aggressive and sometime innovative modes of operation, principally in two areas of development process: land acquisition and public private partnership. Unravelling the challenges, the former exposed the state with civic resistance materialized through protests and legal challenges during the land acquisition phase, which the state dealt with high levels of efficiency and efficacy to a degree. The latter however presents a new issue for the state – the governance resistance from the developer bloc, leading to breach of contracts, lengthy negotiations and a proposition of non-cooperation in supplying affordable homes. We argue that the latter is seemingly a more challenging matter within the evolving context that stems from lack of infrastructure, both regulatory and managerial – within the organisation to effectively deal with the problems. The state agencies in India have to pay more attention to the public control over the distribution of surplus from land development. The former is addressed by the rapidly evolving land law, to a large degree.

On the other hand, the notion of long term investments reaping short term benefits presents a paradox in New Town. As discussed, although economic growth and development remain important driving forces for the project, other motivations (e.g., personal and political gain) of stakeholders muddies the waters. The scholarship presented here demonstrates that land governance is increasingly shaped by multi-scalar politics, playing out within the state system. While globalisation and economic liberalisation do support the emergence of new forms of partnership, local characteristics like the existing institutional landscape and its objects, regional dynamics, land and building regulations, and the corporate-politics nexus structure create specific local expression of the land development that needs more empirical research. The lessons from the New Town suggests that the pressures and vagaries of the land development requires both technical and collaborative attributes to be valued and interdependence of the state, market and the society promoted to lead to a productive outcome.

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