Sai Balakrishnan. *Shareholder Cities: Land Transformations along Urban Corridors in India*

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REFERENCES

What role do agrarian capitalism and regional caste/class formation play in the making of post-liberalization urban India? And, what can we learn from these agrarian-urban entanglements to better understand current processes of urbanization in India? These are some of the main questions Sai Balakrishnan specifically addresses in her book *Shareholder Cities: Land Transformations along Urban Corridors in India*. The book is an empirically rich and highly informative narrative of “agrarian-urban uneven development” (Balakrishnan 2019:149) along India’s new economic corridors.

In 2001, India launched the development of a series of economic corridors. As in other parts of the world (Dannenberg, Revilla Diez, and Schiller 2018), India’s economic corridors are bundles of infrastructure which are intended to make India attractive for global capital. Balakrishnan argues that economic corridors “are not just highway constructions but are envisioned as spines along which ‘new nodal Industrial Cities’ will be built” (Balakrishnan 2019:5). Thus, economic corridors are inevitably linked to new processes of urbanization, and by crossing urban-rural divides the book moves “the narrative of urbanization out of the cities into the economic-corridor regions” (p.3).

The broad framework used to interpret these current transformations are the “twin institutional reforms of liberalization and decentralization” (p. 21) since the early 1990s, which have fundamentally changed land and property relations in India from a state-controlled land system to dynamic land and real-estate markets. In particular, the author argues that decentralization has “reterritorialized the state” (p. 21) and the (new) democratic institutions on the local level—in particular the Gram Panchayats (village-level governments) and the newly instituted Gram Sabha (village assembly), which were earlier absent in land-use decision-making, are nowadays a “key site of conflict over post-liberalization land commodification” (p. 21). In this context, the book explores another interesting question: How does the local state collide or collude with agrarian elites entering urban real estate markets?

Geographically, the book focuses on western Maharashtra, a region which was shaped by colonial and post-colonial agrarian modernization, in particular the introduction of large-scale irrigation systems and the Green Revolution. In order to better understand current processes of uneven urban development, Balakrishnan argues that we must look into agrarian histories of uneven access to land and irrigation water, dam-induced replacement and several other caste/class/space entanglements. Her main argument is that agrarian histories have a distinct legacy shaping processes of urbanization today. She explains that during the post-colonial land reforms, land was unevenly (re)distributed from the zamindars to the different caste communities, and that the
location of the large dams, the route followed by the irrigation canals and eventually the flow of water also benefited specific castes—notably Marathas and Kunbis. These landholding caste groups also profited from the Green Revolution and emerged as powerful electoral constituencies. They became what Balakrishnan calls “dominant-caste middle peasantry” (p. 153)—a powerful political constituency, mainly of the Congress Party. In contrast, marginalized groups—scheduled tribes or Adivasis—who are “disproportionately concentrated on uncultivatable waste land,” were “bypassed by irrigation” and further marginalized (p. 7). When the region became an epicenter of investment in large-scale corridor infrastructure and new cities, not only land prices skyrocketed, but—as she argues—these “development fantasies of new economic corridors are built on the histories of past agricultural-modernization programs” (p. 149) and on the lasting uneven geographies of agrarian capitalism.

Conceptually, Balakrishnan uses a “three-pronged analytic of caste/class/space as a key device” (p. 7) to study the agrarian-urban entanglements and links this to economic geographers’ location theories, Marxists’ rent gap theory (Smith 1996) and Polanyian views of land as a fictitious commodity and its associated “double movement” (Polanyi [1944] 2001). In doing so, she uses the understanding of “waste land” as the bridging concept to link these different conceptual streams, as the re-evaluation of former (agricultural) “waste land” emerges as a central conflict in the corridor region—more on this later when we look into the first chapter.

Drawing on extensive qualitative fieldwork conducted between 2010 and 2015, Balakrishnan gives detailed insights into the underlying caste/class relations and political geographies that make the specific urban developments of three case studies possible: Magarpatta City, Lavasa Lake City and Khed City. All three are portrayed as shareholder cities, in the sense that they are built with private capital (Balakrishnan 2019:20). However, all three cities are distinct in the composition of their shareholders and in the role local democratic institutions played in the development process. Balakrishnan narrates the developmental history of these three shareholder cities in five chapters plus an introduction.

The introduction presents the main foci and research questions of the book, and it sets the scene of the corridor region. Besides a short discussion of the book’s conceptual roots, the author further introduces the key institutional reforms—economic liberalization and decentralization—that have been reshaping India since the early 1990s (a section especially helpful for readers not familiar with India). This is followed by a brief summary of the empirical chapters (1–4), before the author reflects on her methodology, problems of getting access to a contested research field and her own positionality. Appendix II provides a more detailed description of the research methodology and is definitely worth looking at to better understand how the author achieved such detailed insights in a challenging research environment.

The first chapter “From Railways to Big Dams to Economic Corridors” details the geographical focus of the book by examining the history of large-scale infrastructure projects in the region. Balakrishnan periodizes three eras: “Railways, Cotton and Empire”; “Irrigation, Sugar and the Making of the Agrarian Propertied Class” and “Economic Corridors, Real Estate, and the Emergence of New Constituencies.” She describes the distinct uneven geographies of all three periods and links them to a coherent story of agrarian-urban change. As already indicated above, the re-valuating of waste lands is a central theme of the book and the author introduces the two land
categories, uncultivatable waste land and (generally irrigated) multicrop land (p. 55). It is important to differentiate these categories of land, as waste land is given priority for urban development, while the conversion of multicrop land into urban uses is generally restricted. She then compares land prices for these two categories across the region and gives a detailed picture of land prices for 242 (!) villages from 1996 to 2016. Based on this extraordinary empirical material, she illustrates different property regimes and their particular price trends reflecting on the agrarian past and current geographies of development. She highlights that while in 1996 (the year when the new Mumbai-Pune expressway was announced) land prices were generally defined by land fertility (crop yields), in 2016 land prices had skyrocketed and were by then almost fully defined by their location in relation to expressways and urban developments. Or, as Balakrishnan puts it, “location trumps fertility as the main determinant of land price” (p. 62).

To understand how Balakrishnan got access to this remarkable data, the reader needs to read the acknowledgements to find a detailed answer. Here, she thanks a bureaucrat from Mumbai who helped her set up meetings with tahsildars (tax officers) in the region to collect this data and discuss real estate markets. No doubt, the land-price analysis must have been extremely laborious work and it showcases the great empirical richness of the analysis. In sum, the discussion of the re-valuation of land on the regional scale is highly informative and sets the stage for the following case studies at the city level.

In chapter 2 (“From Sugar to Real Estate”), Balakrishnan examines the development of Magarpatta City, near Pune. She tells the story of Maratha elites who were successful in convincing small-scale sugarcane farmers to pool their land into a real estate company and develop an integrated township. In doing so, agrarian landholders became shareholders of the city. Crucial for the development of Magarpatta City, she argues, were (1) the former sugar cooperatives, which provided the trust relationships needed to convince farmers to buy into this risky endeavor; and (2) the political power of the (former) agrarian constituents—the middle peasantry and agrarian elites—to allow land-use change to happen, since the fertile sugarcane land needed a legal exemption as it was otherwise protected. The author presents the case in great detail and reflects also on some intriguing findings. These include, among others, the important role of agrarian cooperatives, which are often considered to operate beyond market logics, as an institution designed to protect agricultural land. However, the case of Magarpatta City highlights the opposite, as the presence of the sugar cooperative is what made the development of the integrated township possible in the first place. Balakrishnan compares the case with other cooperatives across India, in particular milk cooperatives, where the members have grazing rights rather than land rights, and argues that it is hence not the cooperative organization per se that is crucial but rather the existing property relations (p. 69).

Other interesting points are that Magarpatta City has now been replicated in several other places, and the case has become further institutionally innovative and instructive as “the company shares cannot be publicly traded; they can only be traded among the landholding families” (p. 74), which guarantees the reproduction of the specific caste composition and protects the assets from outsiders. Balakrishnan grounds the Magarpatta City case further in the broad “Bharat v. India” debate—which simply stated stands for rural versus urban interests—and highlights that these fractures are politically produced, rather, and are largely directed against forced land acquisition by...
the state. The Magarpatta City model seems to resolve this conflict as landowners directly profit from real estate development. Yet, she highlights the important point that this inclusiveness of development is limited to landowners only. By telling the story of former agricultural laborers, living in an informal settlement on the edges of Magarpatta City, she shows “how the uneven geographies of the past are shaping inequalities in an urbanizing present” (p. 91). The detailed analysis of the Magarpatta City model is further important as it eventually served as a blueprint for the state government’s Integrated Township Policy (p. 82).

In chapter 3 (“From Forests to IPO”), Balakrishnan unveils the agrarian past and current developments of Lavasa Lake City, located in the formerly remote hilly forest lands of the Western Ghats. Thus, in contrast to Magarpatta City, situated in the agricultural heartland, Lavasa is located in the earlier neglected areas of the region and the case unveils another property regime dominated by marginalized small landholders. The building of dams in the colonial and post-colonial eras—for the irrigation of sugarcane lands—had resulted in forced relocation and the submergence of large tracts of fertile lands. The remaining land had been of low value before the developments of the Mumbai-Pune expressway and Lavasa Lake City were launched.

Lavasa Lake City is a very upscale city for high income people. Balakrishnan refers to it as the “weekend gateway for wealthy Mumbai residents” (p. 98). The project has been promoted as an ecocity, but it has met with immense opposition from environmental and social activist groups and has generated protracted legal battles. Developed under the so-called Hill Station Regulation, the projected city was exempted from all land-ceiling laws and was even authorized for development in an ecologically sensitive area. Yet, its promoters never applied for environmental clearance from the central government’s Ministry of Environments and Forests. This challenged the lawfulness of the project and it came to a temporary standstill. Balakrishnan gives a detailed history of the development of Lavasa (see especially Table 2, p. 104–05), and dives deep into the political geography of the project. Based on detailed accounts of the regional histories and the political battles around the project, she develops several key arguments.

First, she contends that Lavasa Lake City is not merely about land; rather water emerges as being at least as important as land. “Water is a key valorizer of Lavasa Lake City’s brand value” (p. 105). For her investigation of Lavasa’s water sources she had to file a Right to Information (RTI) petition with the state-level Water Resources Department. The information accessed in this manner revealed that the Water Resources Department diverts water entitlements from agriculture to urban developments like Lavasa by declaring drinking water as a first priority use. Yet, the water ends up in the recreational lake, which is further filled from private dams. Based on this analysis, Balakrishnan argues that local communities in the region, which had already been bypassed by the irrigation canals and marginalized by dam-induced relocation, are today again overlooked by the provision of water.

Second, Balakrishnan argues that local communities—in contrast to Magarpatta City’s landholders-turned-shareholders—were not able to profit from the project; rather local elites colluded with the developers. She advances the idea that the legacies of dam-induced replacement of large parts of the population has resulted in very limited “democratic capabilities” of local communities. This is demonstrated, for instance, by the non-existence of Gram Sabha assembly meetings in the region (for a detailed discussion of the local actors and similar findings, see also Parikh 2015). In sum, she
argues that the case of Lavasa illustrates “liberalization co-opting decentralization” (Balakrishnan 2019:165), as the local democratic vacuum—non-functioning Gram Sabhas—allowed accumulation by dispossession. Her detailed accounts of the reasons for this vacuum, however, substantiate her arguments and help her to build a carefully balanced, critical analysis, rather than just another blunt neoliberal critique.  

Chapter 4 (“From Waste Land to SEZ”) focuses on the development of Khed City, a Special Economic Zone (SEZ) near Pune, which is linked to the Delhi Mumbai Industrial Corridor (p. 122). Drawing on existing literature on SEZs in India, in particular Sivaramakrishnan (2009) and Jenkins (2013), Balakrishnan highlights the uniqueness of Khed City. After the project was announced in 2006, local protest against land acquisition resulted in the rare case that “local bureaucrats decided to negotiate with the protestors” (Balakrishnan 2019:126) and a joint-venture company was set up, which included, besides the state industrial parastatal Maharashtra Industrial Development Corporation and the private company investing in the SEZ (here the Pune-based multinational Bharat Forge), the landholders as shareholders in a farmers’ land cooperative, called Khed Developers’ Limited (p. 126). In contrast to Magarpatta and Lavasa, where the local democratic institutions were bypassed, here the Gram Sabha played an important role in the process. Drawing on the agrarian histories, Balakrishnan shows why this was the case. First, she outlines the specific property regime: the area is marked by vegetable production and hardly any sugarcane is grown. Thus, larger cooperatives are absent, which agrarian elites could otherwise activate as in the Magarpatta City case. Therefore, in the Khed City case, it was necessary for the “elected representatives to convince their constituents of the SEZ benefits” (p. 133). Second, both the dominant castes (Maratha-Kunbi), who mainly hold irrigated land in the plains, and the marginalized Adivasi (called Thakkars here), who hold primarily waste lands on the hills, feared large-scale land acquisition by the state—which was a widespread practice at that time with SEZ development. Third, besides shares in the real estate company, the bureaucrats lured the land owners in with direct cash for their land (85 percent cash, 15 percent shares) and guaranteed admission for one family member to the Khed Industrial Training Institute—an entry card to a formal job. Balakrishnan highlights that this deal was reached during public discussions at a Gram Sabha. However, on the sidelines of these public negotiations, the Maratha-Kunbi were able to press for a redrawing of the initial boundaries of the SEZ to include mainly waste lands and to exclude their fertile lands—which were set aside as a “safety net” (p. 139) in case the project failed. However, this meant that the “waste” land of the Adivasis was specially targeted. They had to go all in with their land and bear the greatest risk. In exchange, they were promised water connection and caste certificates by the politicians at the local level. Balakrishnan argues that these promises were most important to the poorest Thakkars (p. 132). The last part of the chapter tells more about the lives of the Thakkars, living on a hill without access to water or electricity. Here, she reveals the intensity of ongoing caste discrimination and also adds another scale to her analysis by offering a fine-grained understanding of the Thakkars’ various viewpoints, with a breakdown for men/women, youth/elderly. In sum, she concludes that the realization of Khed City was possible based on an “antagonistic cooperation” (Sanyal 1991) among historically hostile groups (Balakrishnan 2019:137).

The last and concluding chapter 5 entitled “Shareholder Cities” brings together the three city cases and relates them to the overarching liberalization/decentralization framework. The chapter is structured in four sections. In “Agrarian-Urban Uneven
Development” (p.149–55), Balakrishnan unfolds her—in my eyes—strongest argument that “India’s agrarian elites are important protagonists in contemporary urbanization, not just for the surpluses they generate but also for the regulatory power they wield in the state legislatures over subjects like land” (p. 153). And I would add here also water, based on the land-water-nexus she outlined earlier, especially in the case of Lavasa. She argues reasonably that liberalization invited (foreign) financial capital to invest in former state-controlled agricultural land for real estate development — in particular, through large-scale land acquisition by the state itself. Yet, existing policies blocked agrarian elites from transforming their own land into real estate, and it required immense political pressure to allow exceptional cases like Magarpatta City, which eventually became the blueprint for the Integrated Township Policy. An important point that becomes clear from her analysis is the crucial role the dominant-caste middle peasantry have played in this context, and that the success of corridor projects heavily relies on the involvement and ensured economic gains of these dominant caste groups.

18 Her second argument “Market Movements: Shareholders over Publics” is connected to the first as well as the unique landowners-turned-shareholders story, i.e., Magarpatta City: “Transforming landholders into shareholders ... may ensure expedient and even efficient regulation of land, water and other urban services” (p. 157). Yet, as she critically notes, this results in new forms of privatized urban governance (p. 157); it “silences the claims of nonpropertied constituents” (p. 158); and “in effect trigger[s] speculative urbanism”’ (p. 158).

19 By comparing her cases with other examples from India (e.g. Yamuna Expressway, Amaravathi, Bangalore Mysore Infrastructure Corridor, etc.) she spells out regional differences and simultaneously refrains from any generalization of her specific findings. Rather she questions whether a “single law” (p. 160)—as existing in India with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013; in short LARRA—is able to cater to these highly varying regional caste/class/space entanglements. She develops this argument further in the next section “Countermovements: Publics over Shareholders.” Here, she contrasts the three shareholder cities according to the existing property regimes; market movements and countermovements in land; and the function of the Gram Sabha (see Table 5, p. 163). Drawing on Polanyi, she credits the Gram Sabhas with the role of “a much-needed countermovement, slowing down the breakneck speed of urban expansion” (p. 161). Yet, her own findings show the limitations of this, and she concludes on the final page of the book that the Gram Sabha is not “a magic bullet” (p. 169). While she puts her normative confidence and hope in the Gram Sabhas into critical perspective, there remains the risk to step in what Purcell (2006, p. 1921) described as “the local trap, in which the local scale is assumed to be inherently more democratic than other scales.”

In sum, “Reclaiming the ‘City’ in Shareholder Cities” (the title of the last section of the book, p. 167–69) remains—how could it be otherwise?—open to debate. Yet, the book offers many new insights and explores interesting new views taking into account different scales of analysis from the region to the city level and different caste groups.

20 To conclude with a question—why read the book and not stick to author’s published papers?—I suggest it is worth reading the book, as the book format allows Balakrishnan to fully develop her arguments based on empirically rich narratives, which clearly do not fit in the word limit of journal articles. Beyond this, the book is
worth reading as it offers a balanced multi-sectoral, multi-scalar analysis of the urbanization process and no “black-and-white narratives of winners and losers” (p. 145) of accumulation by dispossession in neoliberal times. However, one may regret that the author does not elaborate further on different conceptual debates she touches upon here and there in the book. For example, it could have been interesting to bring her findings into discussion with Gavin Shatkin’s work on the “real estate turn in policy and planning” (2016) or Loraine Kennedy’s work on state spatial rescaling (2014). Further, the long-lasting debate on land and water in the context of peri-urbanization in India is to some extent bypassed (e.g. Dupont 2005; Vij and Narain 2016). Additionally, here and there the author relates her findings to well-known concepts, e.g. splintering urbanism (Graham and Marvin 2001) at the end of chapter 3 (p. 120), without a meaningful analytical added value.

Despite these minor points, the book clearly contributes to rethinking current processes of urbanization in India and to a new wave of agrarian-urban scholarship (Ghosh and Meer 2020; Gururani 2019). By bringing to light the agrarian histories and political geographies of the region, the author urges the reader to think beyond existing urban-rural binaries and to take the caste-ridden history of India with dire seriousness. Balakrishnan’s book is a strong reminder that without paying attention to the legacies and enduring importance of caste relations, we cannot fully understand current processes of urbanization in India—howsoever shiny, postmodern and world-class they appear. The book is well-written and in the manner in which she tells the complex stories, they are easy to understand. Therefore, the book will be of interest and relevance to anyone interested in India’s post-liberalization urbanization, but also to anyone seeking to learn more about land conflicts and uneven agrarian-urban development in India and beyond.

BIBLIOGRAPHY


NOTES

1. The British government used the zamindari system, which goes back to pre-colonial times, to extend their regional control and collect taxes by making the zamindars the landowners in many parts of the country, especially in the North.
2. See also Datta (2012), a source missing in the book.
3. The Right to Information Act was passed by parliament in 2005. RTIs are an instrument widely used by activists to gain information from government agencies, but less frequently directly used by researchers.
4. Caste certificates, which are issued to Scheduled Castes and Scheduled Tribes, are needed to benefit from special quotas in education, government jobs, and poverty alleviation programs (p. 132).
5. The author has already published a series of articles on the processes of urbanization along India’s corridors, see e.g. Balakrishnan (2018, 2019).
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