



## Land in the Neoliberal Times: A Commodity or a Social Good?

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### Abstract

*Developed land could be either used as a commodity to generate profits by the class which owns productive resources, or it could be deployed to create built environment which meets the real and genuine needs of all people excluding none whatsoever from dignified access to housing leading to complete human flourishing. In both cases land is being used as a resource but social motives are quite different in each case. Meeting needs of everyone for human flourishing is quite different from meeting needs of the working classes for the reproduction of labor power, which then is used for accumulation of capital because this process is designed to reproduce only those elements of labor power which are useful for making profits, obviously excluding large swaths of population erroneously designated as urban poor.*

### 1. INTRODUCTION

Land remains central to the production and reproduction of the society and economy. According to Nikita Sud (2007: 603) 'Land is a metaphor for power, wealth and status'. More than a metaphor for power, wealth and status, land is that critical resource on the core of which the system of capitalist mode of production is built, for example, by extraction of minerals, their processing and use for producing commodities for consumption. It is land which provides a basis for construction of road and rail networks for the distribution of commodities before these could be consumed. Without developed land construction of built environment such as housing, commercial spaces, recreational spaces, utilities, etc. is impossible. Most crucial of all built environment is critical for the reproduction of the social relations necessary for the capitalist mode of production. Therefore, apart from other things, land is critical to the reproduction of the capitalist mode of production.

Rightly land and built environment have always been the core concern of planners and modern urban planning has always been in the thick of creation and allocation of built environment of which land is a crucial part. Planners facilitate allocation of physical resources including developed land. In this limited sense, planners are constantly engaged in the distribution and redistribution of land through framing and implementation of public policies.

My main argument in this paper is that developed land could be either used as a commodity to generate profits by the class which owns productive resources, or land could be deployed to create built environment which meets the real

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and genuine needs of all people excluding none whatsoever from dignified access to human flourishing. In both cases land is being used as a resource but social motives are quite different in each case. Meeting needs of everyone for human flourishing is quite different from meeting needs of the working classes for the reproduction of labor power, which then is used for accumulation of capital because this process is designed to reproduce only those elements of labor power which are useful for making profits, obviously excluding large swaths of population. Although, I position land as a commodity and a social good in opposition to each other, the relationship between the two uses of land is not binary but uneven and dialectical that is contradictory and multidimensional. An unambiguous and starkly oppositional condition does not appear to exist in concrete situation of social practice.

Planning as the state (government) activity which treats land as a commodity to be used in the service of capital accumulation treats land as a resource, which must be efficiently exploited for relentless profit making for the capitalist class. Land in this case is an economic resource, the commodity. When the state treats land as a resource to be put in the service of humanity to meet their real social needs, planning assumes egalitarian character whereby land becomes a social good rather than an economic good. For the first time in post independent India, the Delhi Development Authority implemented a remarkably innovative 'Scheme for Large Scale Acquisition, Development and Disposal of Land in Delhi' in 1961 for planning and development of housing and infrastructure (Government of India, 1962). The idea was simple but sound as land was to be used as a resource for funding urban development for the benefit of all citizens. This was the policy that treated land as a social good. We no longer produce such land policies; instead land has become a 'hot property', signifying the dominance of the institution of private property in capitalist form of urban development. Special Economic Zones or all sorts of privatization of the process of urbanization treat land as a commodity to be freely bought and sold in the market place. In this capitalist condition, labor power must compulsorily be sold in the market place with the expectation to have some access to built environment. Possibility of dignified access to built environment is not at all guaranteed.

This paper takes up these issues of land as a social and as an economic good, and examines planning as an integral part of the state existing within the capitalist mode of production. In this paper, I will examine these issues with the help of various cases and examples after a brief review of literature, particularly on primitive accumulation or accumulation by dispossession.

## **2. LAND AND ACCUMULATION BY DISPOSSESSION**

Land is critical to urban planning and development. Without land most built environment would not exist. Without built environment cities would remain a



utopia. Without cities, civilizational leaps of progress could not be made. Land is a resource in many other ways; for example, it allows us to grow food which is so crucial for the existence and sustenance of humans and other living species. Land has extreme social value, respect in the eyes of others and power that the land owner wields is enormous as land turns persons into 'lords'.

However, to use land as a resource, as DDA intended, is a political issue and certainly embryonically related to urban planning. Planners along with other professionals convert rural land into urban and hugely enhance its 'use value' in the market place. Sometimes government investments in infrastructure such as recent construction of Delhi Metro lead to large increases in land values appropriated by the land owning class. Those who do not own land could not benefit from such government investments. Therefore, the issue of land as a resource has to be seen in the context of appropriation within the capitalist mode of production. Without counterbalancing appropriation through some sort of taxation, property owning high and middle classes unduly benefit from the state at the cost of working classes. This is the seedbed of urban inequality among social classes.

Under the capitalist mode of production, attachment to land is not emotional; it has a material reality in our lives. All classes look upon land from different perspectives. People who are endowed with productive resources like capital view land as a resource to be used for investment for making more money through the process of accumulation. People who own built environment such as a house on a piece of land see land as a resource to appropriate rent. People who could be broadly classified as workers view land as a commodity to be consumed, for example, housing for the urban poor. They do not view land as a resource for making more money, they view land and built environment as something which is necessary for their own reproduction, to put it simply for their own existence. Therefore land has different meanings for every social and economic class. Class differences apart, land is a vital commodity for the existence of the system in which we live (Harvey, 1996, Harvey, 2010).

Development of land within or outside the city is institutionalized by the state through the mediation of the free market. As land development is routinized in the city, land is also rapidly being urbanized in the peripheries of all small, medium and large cities of the country. But it is much more visible in the peripheries of metropolitan cities where endless building activity by corporate builders is pursued to meet consumption and speculative demands of the middle and higher income groups. There is a considerable urgency on the part of these classes to acquire land which is matched by builders with equal ferocity. This has serious consequences for the environment and food security of metropolitan cities as large tracts of productive agriculture land in the peripheries are permanently taken out of the productive agricultural use.



In the 1960s and 1970s, land was viewed as a resource for urban development whereby it was presumed, sometimes correctly, that land could be developed and sold at a profit to middle and higher income groups with the clear objective of use of such receipts for providing shelter benefits to the urban poor. While it is a noble planning strategy to serve the basic needs of low income groups, it depends on how profits obtained from the higher and middle classes are deployed so that eventual benefits reach the less endowed groups of people.

Land is a limited resource. Sustainable use of land is therefore relevant. Generally new land cannot be created without spending huge sums of money as oil rich government in Dubai has done it. Netherlands appears to be the only other country which has converted sea into land for public purposes. For a country like India, under normal circumstances, the option to create new land is not available. In any case abundant land is available in and around cities for meeting genuine needs of the people. Critical question however is what the real motive is when we talk about 'sustainable use of land'. Do we want to make sustainable use of land for the purposes of reproducing the current system of inequitable distribution of land in favor of the private sector, and middle and higher income groups? Do we have to surrender urgent needs of the urban poor before the speculative and accumulative ends of the builders and other elite classes? Saving of resources such as land or lack of funds for housing appears to arise only when built environment has to be created for the benefit of the poor who are not likely to immediately be incorporated into the capitalist mode of production. I assert that this is the primary reason for continual squatting. Land as a resource for sustainable urban development, among other things, therefore, implies equitable distribution among all social classes according to need. How to determine social need for land or built environment is a collective enterprise clearly embedded in the economic and social context of the time and place. If sustainable use means peaceful and economically buoyant towns and cities, then it is in our collective interest that policy makers do not allow profits of the builders and speculative desires of the middle and higher income groups to come in the way of justified needs of the working classes to acquire a decent house and adequate access to critical basic services. Right question is not why squatters have illegally occupied land; the right question is why governments throughout the country and globe have failed in providing decent housing to the poor. This the central issue at the heart of urban planning, which sadly remains unaddressed in planning policy circles. A concern for sustainable use of land for urban development from the perspective of its equitable distribution should stay at the center of any egalitarian urban planning, and this also implies that relentless drive of the market to fulfill speculative needs of the higher and middle classes must be contained. It, however, appears impossible under the current capitalist mode of production as I demonstrate below.

Capitalist mode of production hinges on three pillars, the state, the capital and the labor. However, complex interactions between these three primary elements



of the capitalist system produce unique and uneven results in different places, times and social contexts.

Under the capitalist mode of production, urban planning is regarded as an inseparable part of the state. Being an integral part of the state, urban planning fundamentally works for the reproduction or perpetuation of the capitalist mode of production, which is essentially characterized by the dominance of the capitalist classes over the laboring classes. This however does not imply that the state does not enact laws or create institutions and policies and implement such policies for the welfare of working classes. Under the capitalist mode of production, it is rather expected that the state will participate in welfare oriented works as long as they are in the long term interests of the capital or as long as they fundamentally do not threaten the capitalist mode of production. In this way, the capitalist society is “founded on principles of private property and market exchange, a society that presupposes certain basic social relations with respect to production, distribution, and consumption, which themselves must be reproduced if the social order is to survive (Harvey, 1996: 177). It is argued that built environment produced under the capitalist mode of production must also contribute to the reproduction of these basic social relations: class society and endless desire for creating surplus value.

Urban planning as an activity of the state thus vitally participates in producing those elements of the built environment, which directly help in production, consumption and circulation of commodities in the market place. For example, urban planning and the state could build bridges, roads, railways and the like. These are directly used by the manufacturing capital for production, warehousing and distribution of commodities. Urban planning also creates certain other crucial elements of the built environment, which contribute in the reproduction of the labor class such as housing for the working class. It is in this context that Manuel Castells attributes inability of the market system to meet consumption needs of the working class as the reason for the growth of urban planning, while David Harvey relates “state intervention in urban development process to the inability of the market system to provide for the maintenance and reproduction of the immobilized fixed capital investments (for example, bridges, streets, sewerage networks) used by capital as means of production” (Foglesong, 1996: 170). Thus, it becomes sufficiently clear that urban planning, a part of the state, is used as a strategy for the reproduction of social relations necessary for the reproduction of the capitalist mode of production premised on relentless accumulation of surplus value.

In order to reproduce the capitalist social relations and resolve recurring capitalist crises, Karl Marx developed the notion of ‘primitive accumulation’. In ‘The New Imperialism’ David Harvey notes that “Marx’s description of primitive accumulation reveals a wide range of processes. These include the



commodification and privatization of land and the forceful expulsion of peasant populations; the conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights; the suppression of rights to the commons; the commodification of labor power and the suppression of alternative (indigenous) forms of production and consumption; colonial, neo-colonial, and imperial processes of appropriation of assets (including natural resources); the monetization of exchange and taxation, particularly of land; the slave trade and usury, the national debt, and ultimately the credit system as radical means of primitive accumulation” (Harvey, 2003: 145; also Marx, 1967: 714). For Marx primitive accumulation is the first moment of ‘surplus value’.

More than describing and analyzing Karl Marx’s concept of ‘primitive accumulation’, David Harvey brings to life Marx’s formulation of ‘primitive accumulation’ under the rubric of ‘accumulation by dispossession’ and makes it relevant for the present round of accumulation by dispossession. Erminia Maricato puts together the formulations of primitive accumulation and accumulation by dispossession:

Primitive accumulation involves, *inter alia*, the merchantization and privatization of land, the violent expulsion of peasants, the slave trade, the misappropriation of assets, the increase of national deficits, and the growth of agribusiness. While accumulation by dispossession maintains many of these processes - perhaps in more radical forms - it also involves new ones, including privatization, biopiracy and theft of genetic resources, destruction of natural resources, and patenting of transgenic material (Maricato, 2009: 195; also see Harvey, 2003: 145).

Most important of all accumulation by dispossession transforms social relations where agricultural producers are rendered wage laborers. This transformation in the case of Special Economic Zones in India is most visible but if we examine carefully, a number of urban planning cases could be explained by using the concept of accumulation by dispossession as it remains relevant to the analysis of current round of neoliberal capital accumulation. As Jim Glassman notes “removal of agricultural producers from the countryside and consolidation of more privatized control over resources - both central to primitive accumulation - remain hugely important processes today, effecting literally billions of people” (Glassman, 2006: 609).

Therefore, primitive accumulation and its transformed and heightened self could be deployed to examine current as well as colonial urban and regional planning. As I argue below plunder of land in cities and regions continues today as it used to take place during colonial days in India. Poor people in urban areas and villages have been continually ousted from their lands and livelihoods for the purposes of accumulation of surplus value or capital. The original moment of accumulation has been continually used to reproduce the capitalist system and its social relations as we go along.



### 3. NATURE OF URBAN PLANNING IN INDIA

Three trends have been identified in urban planning of developing countries. First is 'housekeeping' in which local authorities primarily focus on the maintenance and expansion of infrastructure and services. Second, planning agencies prepare long range master plans with the hope that cities would develop on the basis of these plans. This trend shows continued influence of colonial planning from where master plans have been exported to the colonies. In the third trend planning is viewed as short term investment centered projects without any long term pretensions (Taylor and Williams, 1982). Although concrete planning practices are complex and cannot be captured within the schema presented by Taylor and Williams, nonetheless, it is a useful starting point.

Nature of modern urban planning in India has been transforming ever since it was introduced by the British in early 20th century. It has been changing from occasional attempts at new city building during the late colonial period to project based private developments in the cities and their peripheries beginning in the early 1980s to development and provision of infrastructure by the private sector by the close of 20th century. Large scale land acquisition for special economic zones, starting nationwide in 2005, could be added to this uneven continual developments and transformations. Whatever forms planning in India has been taking; its two features have remained largely intact: accumulation by dispossession, and enclosures and enclaves. Both concepts are integral to each other and will be explicated in the following account.

Seizing land from farmers, and handing over this land to private owners, urban planning has contributed more to proletarianization of farmers and landless workers by turning producers into wage laborers or unemployed laborers than pursuing its espoused modernist ideal of orderly and balanced urban development for the benefit of all citizens. Moreover, it will be shown that urban planning in India is complicit in rewarding violations when these are committed by the rich and middle classes while severely punishing those lumped as 'urban poor' for minor offences such as squatting on small pieces of marginal public land ignoring completely the fact that squatting arises out of the dire need for shelter to survive when the state fails to fulfill its legal obligations of providing minimum amount and quality of shelter.

#### 3.1 Colonial Planning in India

Modern planning in India has a colonial past as it was introduced by the British most visibly in the twentieth century (King, 1976 and Hosagrahar, 2005). Anthony King argues that "any understanding of contemporary urbanism requires an understanding of its colonial past (King, 1990: ix). To bare the present, examination of the past is necessary. Therefore, I begin by briefly commenting on the spatial manifestations of colonial planning in Indian cities, exposing the



fact that its main purpose was to secure uninterrupted presence of the empire with accumulation ends at its heart.

I begin by making a suggestion that urban planning was deployed as a strategy for colonial domination, and perpetual economic resource accumulation under the British rule in India. The point is that domination is not prior to accumulation; it is used as a legitimating device for continued accumulation. Ambe J. Njoh rightly argues: “planning is not the benign, objective and value-neutral tool for promoting the functioning of the built environment that it professes to be. Rather, it serves as a viable instrument for realizing the cultural imperialistic goals of Westerners” (Njoh, 2010: 369). From the very beginning colonial built environment was clearly aimed at achieving economic gains as could be seen from the development of various port cities such as Calcutta, Madras, Madurai and Surat among others and networks of railway lines and national highways. There are, however, some authors like Michael Bartholomew who stress that colonizers were primarily motivated by the “twin overriding concerns of the imperial rule of the subcontinent, and other personal safety, comfort and enrichment” (Bartholomew, 1999: 329). Nevertheless, economic gain remains critical to colonialism and built environment plays crucial role in the realization of this goal.

The first significant planning intervention was made in the form of development of port cities of Calcutta and Madras, the imperial outposts that acted as trading areas for the colonizers. Housing for the white employees took new urgency after the disturbances and then the revolt of 1857. Model towns and military cantonments were used to provide safe but segregated housing. Use of built environment as a means of imperial domination eventually culminated in the construction of the new capital of the British Raj at New Delhi in the early 20th century (King, 1976). Last major planning intervention was made in Orissa in the form of modern Bhubaneswar, which was designed by the German architect Otto Königsberger in 1946. My argument is simple: colonial rule in India was not perpetuated for its own sake to showcase the British dominance over the world; it has one overriding objective of accumulation by dispossession to create surplus value, which could not be achieved without state interventions such as state institutions, construction of built environment and physical infrastructure such as networks of roads and railways. Thus state was put into the service of the capital at a great loss to the working classes of the time.

### 3.2 Post-Independence Urban Planning

**Large Scale Land Acquisition in Delhi:** Land bank that is large scale acquisition of rural or agriculture land by the state for development into serviced land for urban uses has been used world over since 1950s. “The essential aim of a land bank is to appropriate some of the capital gain that private landowners and building developers derive from transforming rural into urban uses. If the state buys land before granting planning permission, it will be able to share in the



benefits of any subsequent increase in land prices and use the revenue for the benefit of the society as a whole” (Gilbert, 2009: 426). In India this technique was first used by Delhi Development Authority in 1960s. Since then most new towns such as Navi Mumbai, New Ahmedabad, Noida and Greater Noida, etc. are built by large scale acquisition of land by the state. However, as can be seen below, Delhi’s efforts are unique in many ways least of all its egalitarian ambitions.

Entrusted with the task of planned development of the city, Government of India through Delhi Development Act, 1957 established Delhi Development Authority (DDA). To achieve this goal, DDA adopted a remarkably innovative ‘Scheme for Large Scale Acquisition, Development and Disposal of Land in Delhi’ in 1961 for planning and development of housing and infrastructure (Vajpeyi and Bihari, 1998:139). The idea was simple but sound as land was to be used as a resource for funding urban development for the benefit of all citizens. DDA intended that land will be acquired in bulk by government from land owners (farmers), and then it will be developed by providing critical infrastructure such as roads, water, sewerage and drainage systems, etc. Once developed, sub-divided land will be sold either in the form of plots or built up apartments to the citizens on the basis of managed pricing system. Under this system, developed plots or apartments will be sold to higher and middle income groups at a profit with a specific purpose of redeploying these profits to subsidize housing for the urban poor as the poor will be offered houses and plots at a cost less than the production cost to the DDA. The first round of land development and production of housing began with government created ‘revolving fund’ of Rs.50 million. This policy was dubbed as ‘cross-subsidization’. Ballabh Prasad Acharya elaborates: The principle has been that all the land on the yet undeveloped periphery of a growing city should be notified at an early stage and acquired by a public authority, at the prevailing agricultural price. This would prevent the undesirable speculation in land dealings when the rural land is being converted to urban uses. There are a number of additional benefits attached to this approach, such as: it allows all increases in land values to accrue to the public benefit; it can promote orderly planning and development of the city since the public authority has over the urban fringe land, appropriate control can be exercised in the land distribution policy so that the aims of equitable income and wealth distribution can be achieved; and the development of land is largely left to the public sector (Acharya, 1987: 101).

DDA was given Rs.50 million initially for the implementation of the Scheme, which was later increased to Rs.173.1 million. One of the aims of the policy was to contain private speculation in land. “In fact, the financial success of the DDA (the revolving fund rose as high as Rs.2,067.5 million in 1981) is conclusive evidence that it has been consciously speculating and has in fact given to the earnings of speculative profits a higher priority than to any other professed goal” (Acharya, 1987: 102, 104 and 115).



Farmers were being paid at 1961 prices in 1981 causing the farmers staggering financial losses. This was happening due to usual time gap between first notification and the actual payment of compensation. “By depriving the periphery land owners of their rightful prices and allowing most of the benefits to accrue to the elite and the public authorities, this large scale land acquisition approach not only gives rise to a political debate, it also contradicts the objective of equity implicit in the policy statements” (Acharya, 1987: 105).

Recently published Delhi Citizen Handbook 2009 paints a grim picture of land acquisition and housing development (Center for Civil Society 2009: 147):

- Only an average of 777 hectares of land was acquired annually instead of 1,372 hectares as intended to meet the targets of the development set in the MPD-62 in the period of 1962-1981. During 1981-2001, against a planned acquisition of 24,000 hectares, 9,507 hectares were acquired by 2001, only 39.6 percent of the target.
- Around 14,479 hectares of land was proposed to be developed in the plan period 1961-81. However, by 1984 the land actually developed for residential purpose was 7,316 hectares.
- In the various sub-cities envisaged under MPD-2001, of the total 17,493.15 hectares proposed to be developed; only 8,388.15 hectares (47.95) of serviced land was made available by 2001.

Delay in acquisition of land, delay in development of serviced land and delay in delivery of housing and infrastructure has serious consequences for the urban poor as these are pushed out of the distorted housing market by middle and high income groups. Normal notion that due to lack of housing in the middle and high income ranges, households from these income groups tend to buy low income housing. To a limited extent this was true till 1980s when land and development market was not freed up in the neighboring Haryana and Uttar Pradesh states. Since early 1990s there is no dearth of housing options for the middle and high income groups in and around Delhi for their genuine shelter needs. However, most middle and high income group households find investing in real estate safe and profitable. Therefore, they continue to invest in all kinds of properties depending only on the amounts of capital available to them at a particular time and place. It is therefore not scarcity of certain kinds of housing that pushes urban poor out of the housing market but successful speculative endeavors of the elite and middle classes aimed at accumulation ends. Seen from this perspective, delays in policy implementation is not the primary source of ouster of urban poor from having access to decent housing and infrastructure, it is the working of the state institutional mechanisms under capitalist mode of production which operate in specific ways that ensure exclusion of those places and people not useful under the current conditions to the capitalist system.



**Current Round of Accumulation by Dispossession: The Special Economic Zones:** In 2005 Ministry of Commerce and Industry, Government of India came out with very special legislation called Special Economic Zones Act, 2005 and Special Economic Zone Rules were created to implement the Act in 2006. Since then formal approvals have been granted under the 2005 Act to 579 Special Economic Zones in different states with Andhra Pradesh 109 and Maharashtra 105. Out of 579 SEZs, 367 have been notified by the government. Out of all notified SEZs, 62 percent are meant for IT, ITES, EH and Semiconductor sector (Ministry of Commerce and Industry, 2010, website accessed on 4 December 2010; also see Government of India, 2005, Government of India, 2006). What are the expected and visible consequences of this far reaching legislation?

Critics of this legislation have called it 'the great land grab' (Bidwai, 2006: 9) where farmers are dispossessed of their productive agriculture land and the same productive resource is taken over by large industrialists such as the Reliance and Tata. What has not been made part of this discourse of dispossession is the fact that a large number of landless workers who earned their livelihood by working in agriculture fields have lost their jobs, their only means of survival. This faction of the labor class has lost everything including social discourse about their exclusion from livelihood opportunities and inclusion in any future policy redresses. This is, however, not to suggest that farmers are going to get fair compensation for their land or farmers are giving up land without pain, quite the contrary.

Implementation of the SEZ Act 2005 has led to uneven and unpredictable economic and social consequences. For example, in Singur, West Bengal violent clashes between farmers and workers on one hand and police armed cadres of the Communist Party of India (Marxist) on the other led to cancellation of the SEZ meant for manufacture of small cars, touted by the manufacturer, the cheapest mode of private commuting meant for low income working classes. The plant was eventually closed and shifted to Sanand, Gujarat.

Framers all over the country are not same as the shifting of the Tata Car Plant from Singur to Anand has shown the diversity of interests of the state governments of West Bengal and Gujarat.

In Nandigram another SEZ was to be developed by the Indonesia based Salim Group on 10,000 acres of land to set up a chemical hub. Here also people protested against the SEZ proposal. Violent clashes with the police on 14 March 2007 resulted in the death of at least 14 villagers. People eventually defeated the Nandigram proposal and West Bengal Chief Minister Buddhdeb Bhattacharjee had to announce that "the government has formally decided that it does not want bloodshed for industrialization". It is not only peculiar to the state of West Bengal while some people might blame it on the left wing government for



what they perceive as a mess. Similar proposal for an SEZ was also defeated in Maharashtra. In Raigad district of Maharashtra Reliance Industries was planning to declare an SEZ which would affect 22 villages. In total 10,000 hectares of land was to be acquired including 3,000 hectare from these 22 villages. This was productive land being used for paddy cultivation. Maharashtra government organized a referendum in 2008 in 22 villages to know whether villagers wanted their land acquired for the Reliance SEZ. People voted against the proposal.

In these examples, one may carry an impression about an emerging movement of socialist farmers against the capitalist industrialists. This is a false impression. As noted earlier state governments have been able to secure notifications for more than 365 SEZs throughout India and another 200 have been approved in principle by the end of 2010. Therefore, it would be correct to suggest that the SEZ policy is being successfully implemented with few but important glitches.

But these agitations also show the diverse interests of the farmers throughout the country. For example, farmers in Nandigram, Singur and Raigad may have rejected the SEZ proposals but elsewhere they are fighting for enhanced compensation for their land. Farmers in Gurgoan district in Haryana state, which is very close to Delhi, have been demanding higher compensation for their land. They argue that their land is acquired cheaply by government and then handed over to a private company, the Reliance. But a part of land which is being acquired directly by the private company is being purchased at much higher rates. Farmers feel shortchanged by the state government. However, it has to be amply stressed that farmers in Gurgoan are not nostalgically bonded with their land and traditional occupations but quite concerned about inadequate payment for the sale of their land. A case is pending in a court.

Second critical fallout of the SEZ policy is that it treats a part of Indian land as a “foreign territory” as general public does not have any access to it and even walls could be constructed to prevent trespassing. The SEZ Act provides that an SEZ area to be broadly divided into two parts: production areas and area meant for residential purposes. Production areas are treated as foreign territories exactly like a colonial power would treat the natives. Maha Mumbai SEZ in Navi (New) Mumbai is one such SEZ. Apart from SEZs, new landscapes of enclosure can be seen on the horizon as schematically presented in Table 1.

As shown in Table 1, special economic zones lead to proletarianization of farmers and landless agricultural workers. Both factions of the farming class have little education and few skills useful for the new jobs being created in the SEZs that are being built on their land.

How much compensation should be paid has been debated by those who pay compensation (industrialists and government agencies) and people who receive



Table 1: The New Landscape of Enclosure

Enclosure	Spatial Formation	Mode of Subjectification	Type of Power
Geoeconomic	Special Economic Zone Extractive Enclave	Proletarianization	Governmentality
Geopolitical	Elastic 'territories'; Global War prison; 'Camp'	Subjection; 'De-humanization'	Sovereignty
Biopolitical	Population: the body	Normalization	Biopower

Source: Vasudevan, McFarlane and Jeffrey (2008: 1644).

compensation for giving up their land to the government and private entities. One aspect of compensation which does not receive adequate attention is that what happens to the money received by farmers as compensation. Our surveys in Gurgaon district in the context of the Reliance SEZ showed that farmers have no experience of managing large sums of money paid to them as compensation. So when they receive these comparatively large sums of money, they spend on conspicuous consumption rather than productive uses. We found many farmers have purchased luxury cars generally on the insistence of their younger male college-going children. Money is also spent quickly buying a good house and on the marriage of their daughters. But some farmers have purchased land in Rajasthan primarily due to low price (but also low productivity). There is no government support for the farmers to productively use their money, or in securing alternative employment. SEZs would create employment, but farmers do not have educational qualifications to secure these high technology based jobs.

**Housing and Habitat for the Poor:** Housing the urban poor has become a thorny issue in Indian urbanization. Number of families without adequate shelter keeps on increasing every year, every decade. In its latest housing and habitat policy, Government of India admits to the staggering number of low income dwelling units that are required to be provided to house the urban poor. Squatters and slums are mere spatial manifestations of the housing and habitat policy failures. Although it could not achieve its objectives, bulk land acquisition for urban development was a reasonably good policy to provide housing for the urban poor. As it has visibly benefitted higher and middle income groups, there is no reason to presume it could not benefit the urban poor if properly directed by the state.

Land as a resource for housing the urban poor cannot work without large scale long term employment guarantee programmes for the same group. Separation of planning policies from social and economic policies has always led to the failure of all policies. As noted above 'sociological and geographical imaginations' must come together when framing or implementing policies. Horizontal and vertical integration of policies is an integral part of successful outcomes like decent housing for the poor. Even if government is successful in building adequate



number of low income dwelling units for the urban poor, it will remain a policy failure as poor people will sell their land or houses in the absence of reasonable income earning opportunities or state run social security networks. Innovative policy analysis leading to critical debates on housing the urban poor is the need of the hour.

Even after the concerted efforts made by central and state governments, housing shortage has assumed frightening proportions. It is estimated that there is a housing shortage of nearly 25 million dwelling units affecting 67 million households. Most of this housing shortage pertains to low income families (Government of India, 2007).

Housing shortage continues to remain the pivotal issue for urban planners in India since independence, first intensified by unfortunate mass immigration due to the partition of the country in 1947, and later on due to lackluster implementation of shelter policies for low income immigrant families who continued to move from rural areas to towns and cities over the last five decades primarily in search of livelihood opportunities. Housing shortages have affected all income groups in one way or the other but urban poor are the worst affected group as most of housing shortage is low income housing shortage. The crucial and daunting questions then are why low income housing policies could not be realized on ground and how these families could be housed. In a paper like this, comprehensively answering these questions may not be possible. However, an attempt will be made to tackle critical issues of housing shortage and their implications for planning norms and standards.

First, a word on the nature of the Indian state, which is deemed to be responsible for the provision of decent housing to all citizens. One dominant part of the development discourse is that India has made much economic progress during the last one and a half decade. Economic progress has been primarily measured in terms of growth rate of the Indian economy and piling up of the foreign exchange reserves. We are constantly reminded that Indian economy has been growing at nearly 9 percent annually, and India's foreign exchange reserves have crossed US\$300 billion threshold in April 2008. However, the other equally significant part of this discourse is that the number of urban poor has also increased by 4.4 million making a frightening total of 81 million in 2004-2005. Under the capitalist mode of production, the private sector will look after the economic wellbeing of people useful for sustaining the system, the state is generally considered to make serious attempts to reproduce the capitalist social relations. Neither the state nor capital appears to be seriously concerned about people living below poverty line defined on the basis of caloric content or income of one dollar a day. There is no novelty in describing this 'inequality paradox' of concentration of wealth on one hand and the widespread poverty and deprivation on the other end of the scale. What is important is the fact that whether effective attempts could be made to resolve these inequalities of wellbeing and living opportunities.



State is thus structurally embedded in the capitalist mode of production where it is bound to act as a facilitator of the capital. By focusing on the issue of shelter for the urban poor, this section of the paper has pointed at the structural compulsions of the state. The National Urban Housing and Habitat Policy, 2007 argues for restricted role of the state in providing shelter to the urban poor. It should be highlighted that withdrawing from low income housing and infrastructure is not an option available to the state as it is in any case structurally required to provide essential infrastructure and housing for the relevant elements of the labor class because of the nature of the organization of the capitalist mode of production including the production of the built environment.

#### 4. CONCLUSIONS

Liberalization of Indian economy in general and land in particular has hastened the process of accumulation by dispossession that is movement of assets (in this case land and built environment) from the farmers to the capitalists (industrialists). Special Economic Zones Act, 2005 is the latest manifestation of the state initiated process of 'the great land grab' from farmers to the big industrialists. Dispossession is likely to continue in one form or another as long as the capitalist mode of production exists because within this system society is organized on the principles of private property where land is treated as a commodity or economic good to be freely bought and sold in the market place. In the capitalist societies land is treated as a social good only to the extent that it helps in sustaining and reproducing the capitalist social relations. As soon as policies treating land as a social good show any signs of threatening the capitalist mode of production (manifested in the form of periodic economic crises), state intervenes to redress the imbalance by freeing up land through liberalization policies.

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