



It is a position not to be controverted, that the earth, in its natural uncultivated state, was, and ever would have continued to be, the COMMON PROPERTY OF THE HUMAN RACE.

Thomas Paine

Regulation in a crony capitalist state: The case of planning laws in Bangalore

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Abstract

The city of Bangalore came up with a draft structural plan 2031 to accommodate the emerging challenges of urban growth, congestion and environmental concerns through planning and regulation. In the decade 2000-2010, when the city opened itself to the booming IT industry, its developmental response to the pressures of growth has been through policy measures like airport relocation, introduction of metro rail, satellite township development, traffic improvement projects and revenue layout development. This paper focuses on regulatory evolution in the period 2000-2015 and the way the city regulations changed to accommodate this process.

The study attempts to understand what drives planning regulations in Bangalore. The literature on the changes in planning laws in capitalist contexts such as European cities informs us that demands for changes in planning were made by creative class and the political class responded to the same in the interest of the city. In this backdrop, we examine the impact of private sector participation in the city planning and regulation in Bangalore city. Through an analysis of recent changes in the planning laws and the infrastructural regulations, we argue that rent-seeking interests engineered through the nexus of politician-realtor class have driven the regulatory changes in Bangalore.

Keywords: Bangalore, Regulation, Revenue layout, Urban growth

Introduction

The public debates on land issues in South Asia, in recent times, have been around the discourses of private property and dispossessions through state-facilitated land acquisitions (Baviskar 2010). These discourses, in the context of urban property, have to be understood in the context of two phases of developmental orientations. First, post-independent India, since 1947, has carried out a city-centric growth model through a state-led centralised planning approach (Kohli 2004) by neglecting rural areas where majority of Indian population resided (rural population: 1951 – 82.7%; 1991 – 74.4%; 2011 – 68.8%). Second, since the era of economic liberalisation in 1991, increased investments for businesses, particularly focusing on urban hubs in developing countries have led to significant spatial restructuring through a market-led process. By 2031, Indian urban population will be over 600 million (about 40% of Indian population), and how cities are planned and managed today is going to determine the quality of life in the future.

In the context of rapid infrastructural changes, this paper

attempts to understand what drives the planning regulations in Bangalore, one of the fastest growing cities in India. To answer the question we examine the case of a key infrastructural change, namely 'revenue layout', a deviation from planned residential infrastructural development. 'Revenue layout' refers to quasi-legal property that is formed on agricultural land. In other words, the approval from a competent authority for the required conversion from agricultural purpose to residential purpose is not full and thus, quasi-legal status exists. The vagueness in the legal status of a property enables politicians to extract rents from property owners on a continuous basis. The weakness of regulatory capacity and the limitation of planning laws in crony capitalist states are the key arguments this paper advances.

In the first section, an overview of the urban sprawl is provided by showcasing the magnitude of urban challenges. Then, an overview of the evolution of planning laws and bodies responsible for urban planning is provided primarily aiming at the readers who may be new to Indian planning system. After these two introductory sections, the case of revenue layouts and driving forces behind such developments is analysed. To

develop the argument of how politician-realtor nexus paralyzes the planning regulations, we analyse two sources of information. First, we systematically look at two master plans and associated planning bodies responsible to implement these plans. Second, we critically analyse the practices of urban development particularly around revenue layout expansion. Here, we depend on evaluation reports, newspaper reporting and case laws.

The urban sprawl in Bangalore

After the liberalization of Indian economy in early 1990s, there was a constant flow of investment toward India. Indian economy has since then seen a dramatic change in the growth of urban areas that were the hubs of these frantic transnational market activities. Cities attracted more population due to the improved infrastructure and investment opportunities

resulting in large scale migration from rural areas. The idea of a secure job for the Indian middle class changed from exclusive government jobs in the 1960s to the growing IT based engineering jobs. The city of Bangalore in the south of India (in the state of Karnataka) was the epicentre of these developments, metamorphosing from a quiet green cantonment town to the 'Silicon Valley' of India.

Bangalore is the fastest growing city in India in terms of its population growth, having added an estimated 46% to its count over the last decade (Census 2011)¹. The estimated population in the city municipality area, called Bruhat Bengaluru Mahanagara Palike (BBMP), as per the 2011 census is 84.74 lakhs², up from 45.92 lakhs in 2001 with a corresponding increase in area from 254 sq km to 800 sq km. The population density in Bangalore Metropolitan Area has also seen proportionate increment in the past decade from a mere 2985

- 1 Bangalore is the third most populous city in India and the 18th most populous city in the world.
- 2 1 lakh=100,000 persons

Tab. 1. Trajectory of Urbanization in Bangalore- 1991 -2001^a

a The data for 2001 is the latest data available from the government sources on urban agglomeration. Results from 2011 are still awaited.

Indicators	1981	1991	2001
^b <i>Bangalore UAA¹</i>			
Total population (million)	2.9	4.13	5.69
Total area (km ²)	365.65	445.91	531.00
Decadal growth of population (%)	76	41.36	37.69
Annual growth rate (%)	5.8	3.52	3.25
Density of population (per km ²)	7991	9263	10710
<i>Urban Karnataka</i>			
Annual growth rate (%)	2.37	2.63	2.57
Share of Bangalore UAA in urban Karnataka (%)	27	29.70	31.73
<i>Urban India</i>			
Annual growth rate (%)	3.79	3.14	2.77
Share of Bangalore UAA in urban India (%)	--	1.90	1.99
<i>Size class of cities</i>			
Share of Bangalore UAA in Class I cities in Karnataka (%)	46	45.90	47.22
Share of Bangalore UAA in Class I cities in India (%)	3.04	2.91	2.90
Share of Bangalore UAA in Million plus cities in India (%)	6.94	5.85	5.27

Source: Compiled and computed by the authors, using the basic data in Census 2001.

Notes: (a) Annual growth rate refers to compound average annual growth of population during 1971-1981, 1981-1991, and 1991-2001. (b) UAA refers to urban agglomeration area. (c) Class I cities are those with population size of 0.1 million and above.

b The Bangalore Metropolitan Area is the metropolitan area comprising the erstwhile Bangalore city corporation and cantonment area. The city had an urban and rural taluk which were regrouped as Bangalore Metropolitan Area in 1986. This is the term used in all plan documents of Karnataka and these are the figures given in the text. However, to understand the urban sprawl especially the growth of industries in the periphery, Urban agglomeration is the unit of analysis given in the Census of India data since 1971.

per square km in the year 2001 to now 4378 per sq km in the year 2011.

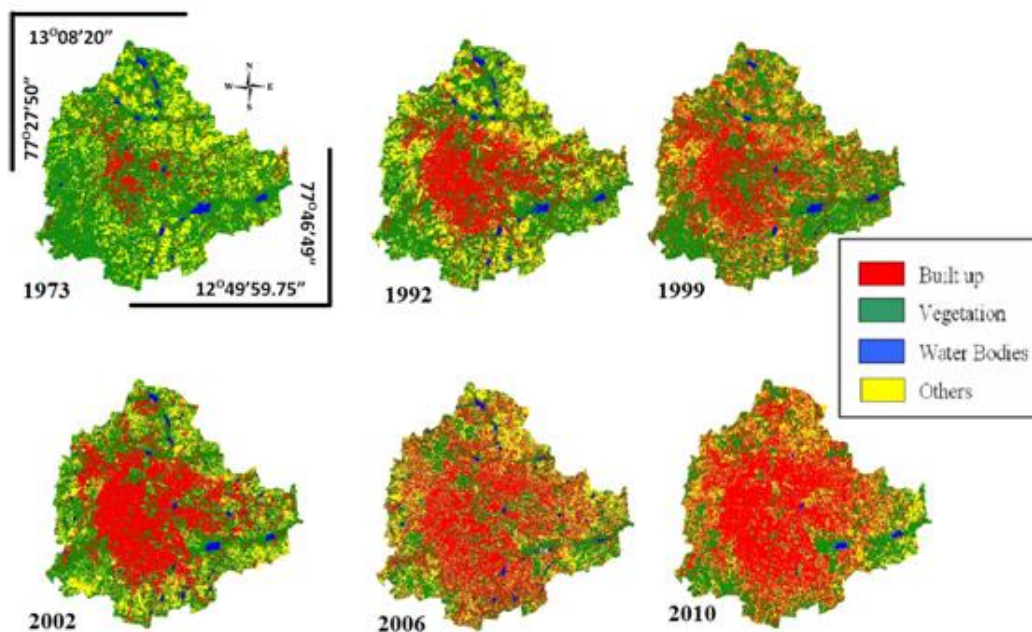
These demographic changes have put tremendous pressure on resource distribution, especially that of land availability. The emergence of satellite towns on the periphery of the city, the relocation of public transport hubs like the airport, metro and the B Trac³ and revenue layout development have all been unique ways in which Bangalore has responded to this transformation. As a result, seven neighbouring city municipal councils, one municipal town and 110 villages were merged into Bangalore in 2007. The last available city profiling of 2001 had already placed it as the fifth biggest urban agglomeration area (UAA) in India. Table 1 summarises the trajectory of urbanization in Bangalore during last three decades.

The rapid growth of Bangalore has been accompanied by a constant expansion of residential and commercial land development outside the Bangalore Metropolitan Area, leading

3 B Trac 2010 is the government initiative to manage traffic congestion in Bangalore through modern technology system.

to displacement of population from the core area to the outer zone. For instance in 2010, 15,416 dwelling units were absorbed against 13,413 in the previous year. 264 sqft per minute was additionally built up in Bangalore between 2006 and 2012 (Bharadwaj 2015) There were regional disparities in the nature of urban growth in Bangalore. The north and south of Bangalore saw maximum localities reporting rising land values, which eventually led to increase in urban sprawl in the Metropolitan Area.

One of the notable changes in the land use pattern due to urban sprawl is what is locally described as 'garden city to garbage city'. Bangalore had 280 lakes in 1960. These lakes used to be the elixir to keep Bangalore as a garden city. As of 2012, Bangalore has only 17 lakes. Most of the lakes were encroached upon by realtors for land. A looming crisis for water is overshadowing the sparkling growth of Bangalore. In the context of this urban sprawl, this paper demonstrates how the planning regulations emerge from the rent-seeking interests of politicians because of their nexus with realtors.



Source: geospatialworld.net

Map 1. Land Use Change due to Urban Sprawl in Bangalore (1973-2010)

Evolution of planning laws in Bangalore

The first major legislation in Karnataka for urban planning and development came in the form of the Karnataka Town and Country Planning Act, 1961. This was done with the belief that physical planning had to precede economic planning as otherwise cities, towns and villages would grow to unmanageable sizes without proper planning, resulting in unhealthy surroundings. This act therefore promoted the

regulation of planned growth of land use and development and for preparing and executing town planning schemes. The state then went on to enact the Karnataka Municipalities Act 1964 in order to manage the affairs of the towns and cities of the state.

Over the years, through multiple legislations, multiple agencies began to exercise jurisdiction over the city of Bangalore with some of them having overlapping functions. These included authorities such as the Bangalore Metropolitan Corporation (1945), the City Improvement Trust Board (1945),

the Karnataka Industrial Area Development Board (1966), the Housing Board (1956) and the Bangalore City Planning Authority (1961). A need was felt to establish a common authority in order to coordinate development activities. The BDA (Bangalore Development Authority) was thus setup through the enactment of the Bangalore Development Act 1976 in order to bring together the functions of the City Planning Authority and the City Improvement Trust Board. Thus, the BDA became the body for plan preparation, enforcement as well as implementation. The Act however did not bring much improvement as the jurisdiction of the BDA was not coterminous with that of the Metropolitan Area. This meant that local bodies like BDA (1976), Bangalore Water Supply and Sewerage Board (1964), Karnataka State Road Transport Corporation (1961), Karnataka Electricity Board (1970), Karnataka Slum Clearance Board (1975) and Bangalore City Corporation (1945) saw very little coordination. This led to the formation of the Bangalore Metropolitan Area Development Authority in 1985 which had jurisdiction over both the Bangalore Metropolitan Region, as well as surrounding rural areas.

None of these many bodies is constitutionally mandated to carry out planning functions. The absence of a constitutional mandate for planning made them less accountable in carrying out planning regulations. After a long battle with the government by the civic activists, and a favourable decision from the High Court, government was forced to set up a constitutionally mandated Planning Committee for Bangalore in 2014 namely, Bangalore Metropolitan Planning Committee (BMPC). However, government found this institutional arrangement as a challenge to the politician-realtor nexus, since the new body had limited participation of members of legislative assembly, whose real estate interests were pushing haphazard development in Bangalore. One of the ways to reinstate the power balance of crony capitalism was to appoint a minister for 'Bangalore Development' who would make sure interests of politicians are first met than the planning requirements (Bharadwaj, 2016).

The history of planning in Bangalore has been of a kind that has exuded chaos and delays in which the first phase was predominated by planning. The first development plan for Bangalore was the Outline Development Plan (ODP) for the Metropolitan Region, adopted under the 1961 Act. This plan was prepared for a period of fifteen years from 1961-76; however it was approved by the government only in 1972. This plan divided the city into two areas of a total of 500 sq. km. of which the outer ring was to be conserved as a green belt. In the meanwhile, the BDA in 1974 was tasked with the duty of preparing a Comprehensive Development Plan (CDP) to succeed the Outline Development Plan. However, this did not take place till 1984, making the Outline Development Plan the governing plan for a full eight years past its period, and by then the natural growth of the city had already encroached the green belt (see Map 1), resulting in large scale unauthorized development. The Comprehensive Development Plan was enacted for a period of fifteen years from 1986-2001, and extended the planning area - inclusive of the new green belt area and a new conurbation area which absorbed the encroachments in the old green belt - to a total of 1279 sq. km.

Up until 1991, Bangalore City development plans were man-

dated to be prepared once every five years under the 1961 Act. In 1991, an amendment was brought to this legislation to increase the time period to ten years. The Bangalore Metropolitan Region Development Authority has since prepared two structure plans, one with a period up to 2011, and another draft that has been in preparation from 2008, and will be in force until 2031. A comparative analysis of these two plans, gives an idea of the shifting priorities for the city planning of Bangalore over time, and since this planning usually lays the ground work for a lot of land and urban policies, it becomes hard to ignore.

A blue print for the expansion of Bangalore

A structural plan is a perspective plan that attempts to integrate two axes of planned development- the levels of planning from national to the sub national and local level and the concerns of planning like social, economic and environmental. Structural plans have been identified in the Indian planning context as the tool to tackle regional disparities. For instance, Bangalore is the only metropolitan region and megacity in the state of Karnataka. To address the disparity of urban development in this region and balance it with the hinterland, structural planning was thought of as necessity. Secondly, the development of other regions not only vis-a-vis Bangalore, but also as independent settlement required long term planning.

The structural plan 2011 for Bangalore Metropolitan Region (BMR) was first developed in 1997 and received approval in 2005. This plan conceived the BMR and South Karnataka Region as separate but contiguous entities. The South Karnataka Region constituted six districts around Bangalore Metropolitan Region namely Bangalore, Tumkur, Hassan, Mandya, Mysore and Chamraj Nagar with a total area of 50,555 sq km and a population of 203 lakhs in 2001 (BMRDA 2011: 12). The Bangalore Metropolitan Region has three districts called Bangalore Rural, Bangalore Urban and Ramanagaram.

The mission statement of Structural Plan 2011 says:

The mission of the integrated South Karnataka Region and Bangalore Metropolitan Region development strategies is to change the landscape of investment opportunities of Southern Karnataka so that development is appropriately managed in the Bangalore Metropolitan Region and successfully promoted in the surrounding South Karnataka Region thereby creating more equitable and sustainable regional economic conditions and growth prospects. (BMRDA 2011: 27)

The 2011 structure plan attempted to make Bangalore investor friendly, but also decentralize industry into the areas surrounding Bangalore, so as to retain the primacy of Bangalore. At the same time it also attempted to decongest and reduce the burden on the city, while containing its outward growth. For this it chose to break the surrounding region into six Interstitial Zones and five Area Planning Zones with their own local planning authorities. Within these regions, it also tried to push industry and investment toward the more water plenty South-Western Areas.

The 2031 Plan (revised version of the 2011 Plan) (BMRDA 2011) significantly differs from the earlier version and sheds light on the changing contours of planning objectives. For instance, the mission statement reads thus,

To promote the region's ecological and cultural values while seeking optimum land utilization suited to its capability for sustained balanced economic production and inclusive growth by inducing agglomeration economics and clustered development through a decentralized planning and governance system (MRDA 2011: 12)

The 2031 Plan which has been drafted with the help of private participation focuses more on issues such as environmental sustainability, public participation, transparency and accountability. Thus while the previous plan focussed on attracting investment and spreading it in the right areas, this plan is focussed more on governance and making sure the city runs in an economically and environmentally sustainable manner. The mode chosen is also different. Plan does not use development zones that the previous plan did, but rather delineates eight economic cluster zones, and four growth nodes that will fuel development on the outskirts of Bangalore in a planned manner, restrict further migration to the core city, and also maintain the environmental characteristics of the surrounding regions. It also zoned land into either of possible urbanisation, industrial, agricultural or conservation zone and delineated the zonal regulations, ensuring also that there will be no urban encroachment into ecologically sensitive zones.

The 2031 Plan also suggests a land allocation strategy supporting mixed use and having adequate infrastructure to ensure compact development. It also suggests the designation of certain lands on urban fringes as transition zones, for urbanization in case of stress post 2031, so that any encroachment on such land can also be more easily accommodated and assimilated. In order to tackle the growing housing deficit, it suggests the supply of government land in the nodes and clusters for development in partnership with the private sector, and a change in the functioning of the Karnataka Housing Board in order to make it a facilitator and joint partner with the private sector. The same 'innovative' housing solutions have been suggested along with the similar changes in rent control, and a 'pragmatic policy' of formalizing or regularizing unauthorized development.

Revenue layout is the most demonstrable case of how unauthorised developments were permitted to serve the interest of politician-realtor nexus.

Revenue layout development in Bangalore

The Bangalore Metropolitan Area falls into three types of layouts: BDA layouts that are called planned layouts, private layouts that are built by private players respecting the zoning norms and organically grown revenue layouts. BDA layouts are completely planned with access to main roads and arteries of adequate width, transportation hubs, sites that are set apart for schools, hospitals, parks and greenery. BDA layouts had been acquired through the legal principle of eminent do-

main of the state. Property owners in BDA layouts benefit from what is known as 'pre serviced utility connections' (water, electricity, power and sewer lines) which are arranged by the BDA, in accordance with the land planning and development norms. There are 62 BDA layouts, each of about two hectares and around 200,000 sites made so far in Bangalore (Venkataraman 2013). However, due to the monopoly that BDA assumed in providing housing sites since 1980s, the 'legal' housing provided by the BDA also became non affordable to various sections of the society.

Outside the prism of property laws and planning regulations, there exists a world of illegality in land use and housing that negotiates with the planned and legal spaces of the city. Development of revenue layout is a direct offshoot of the inadequacy of the government to provide housing and the usurping of the private players to take on this role through the natural growth of the market. 'The term "revenue layouts" is used generically to represent quasi-legal layouts that are formed on agricultural land without proper approvals from the concerned planning authorities under the relevant laws' (ALF Report 2003: 96). Revenue layouts have been systematically and organically forming a part of cities like Bangalore since the 1970s by sub dividing agricultural land in the periphery without regard to zoning regulations, layout norms and building codes.

With the increasing pressure to accommodate migrants who came to the city with the IT boom, a middle way was found to convert agricultural land in the periphery to residential layouts by exploiting a loophole in the Karnataka Land Revenue Act. There are three distinct types of revenue layouts formed in Bangalore. The first is one in which for certain specific purposes, land use conversion is permitted by paying the Deputy Commissioner (locally known as 'DC Converted'), who is the officer in charge, a 'conversion charge' and obtaining a No Objection certificate from BDA. Revenue layouts formed through this manner apply their land use under Gramthana and plantation category which is in the exempt list. The second type of Revenue layout is one which is DC converted pending approval from BDA. These layouts are technically illegal since they do not have the approval of BDA. Instead they have the approval of the local body concerned. They are therefore not given Khata (title deed) as well as access to public amenities like power, water, sewer and electricity. In Bangalore's case, it is found that there are revenue layouts that manage to have access to basic amenities by informally paying the administration. The social profile of residents of these revenue layouts range from high end classes (housing enclaves), middle classes (housing co-operatives and residential associations) to low end classes (farmers). BDA has the right to demolish all these settlements within the framework of law. The third type is one which is neither DC converted nor BDA approved but is approved by the local body.

All the three types of revenue layouts can be distinguished from planned layouts through the absence of grid development, presence of encroachment of buildings into roads and absence of piped water network. Today 90% of settlements in Bangalore's periphery form revenue layout (Ranganathan 2011:168).

The process of acquiring property in a revenue layout cannot

be understood without the framework of crony capitalism. A prospective buyer in the 'revenue layouts' has to navigate through a networked web of various actors in the informal space, which includes brokers, landowners, very often the 'land mafia' and very significantly the lower level government officials that has significant discretionary capacity to acquire a parcel of agricultural land, and consequently move in but without preinstalled utility connections (Benjamin, 2004, 2008).

Now that some of the principal distinctions have been established, it will be possible to appreciate how varying degrees of informality within the binaries of BDA layouts and the Revenue layouts play out with the help of political agents on the ground, and how governmental agencies through different actions may blur the original distinction between the BDA layouts and the revenue layouts, both of which should be read as authorised layouts and unauthorised layouts respectively. Therefore it is important to appreciate in the context of land development in the informal layouts that, with the passage of time, certain residential layouts acquire a relatively greater legitimacy over others, all of which are determined by a very haphazard interaction of political agents, government officials, land mafia and their connections with political agents and subsequent patronage, in addition to a host of other factors.

There could therefore be many indirect indicators for a gradual and in some ways incremental improvement of legitimacy for such land and hence it is important to acknowledge the role of the various informal processes that might play a crucial role in such improvement or transformation of land that had illegal land use to start off with, but increasingly has enjoyed greater legitimacy. The typical ways and methods through which such illegal land use incrementally enjoys greater legitimacy are through interactions with public authorities. This blurs the distinction between formally approved BDA layouts and the informally and illegally acquired revenue layouts. – For instance, the acceptance of taxes on property remitted by the informal residents to the local government responsible for such tax collection, implies sanctions from a local urban development authority. In another example, any investment towards roads and infrastructure by a local politician that seeks to win favour, popularity and votes from inhabitants of a local constituency offers the tacit protection of different kinds of political actors. These practices result in operational claims to informal land by residents of land with improper land use or ownership titles.

Towards regularization

By the early 1980s, the problem of encroachments on lands belonging to Municipalities, BDA, Improvement Boards and other local bodies had assumed serious proportions. This was due to the lack of deterrents in the existing legislations. An amendment to the 1964 Act in 1984 therefore provided for the offence to be punishable with imprisonment for a term which could extend to three years and with a fine which could extend to five thousand rupees. Further, it is also proposed that any person who had occupied land belonging to any of the said bodies without authority and who fails to vacate such

land shall on conviction be punished with imprisonment for a term which may extend to three years and with fine which may extend to five thousand rupees, and with a further fine which may extend to Rs. 50 per acre of land or part thereof for every day on which the occupation continues after the date of first conviction.

The problem however did not disappear mainly because the legal deterrent was insufficient to induce corrective behaviour. This led to the clauses in the plan document to regularise unauthorised occupation of Government land subject to certain conditions and restrictions and on payment of regularisation charges. The Karnataka Land Revenue Act, 1954 was amended in 1991 to provide for making unauthorised occupation of Government land punishable and regularisation of unauthorised occupation of Government land prior to 1989. The extent of regularisation was a maximum of two hectares, regularisation charges was deemed to be 500 times the assessment of land and there were special provisions for certain sections of communities.

Another attempt to combat encroachment was introduction of Transfer of Development Rights (TDR). By amending the Karnataka Town and Country Planning Act in 2004 additional built up floor area ratio up to 100 per cent was allowed. The purpose of awarding Transfer of Development Rights to the owner of property was when urban planning with a public purpose like building of civic amenities, parks or playgrounds required land acquisition. However, the scheme was not successful since the area issued for TDR was 15.75 sq km as against actual utilisation of 5.29 sq km.

The regularisation of unauthorised structures was an important strategy of combating urban expansion. This came about with a provision for regularisation combined with penalty payment. The penalty was not more than the amount calculated from market value of property of that area. There was charged a levy for granting permission for development of Land or building from the owner of such land or building, for supply of water, formation of ring road, slum improvement and mass rapid transport system at such rate not exceeding one tenth of the market value of land or building. The building was to be forfeited in case of contravention of rules or non-payment of penalties.

Master plan and regularisation: Inconsistencies

The Karnataka Town and Country Planning (Regularisation of Unauthorised Development of Constructions) Rules 2014, popularly known as AkramaSakrama (literal translation in local language means 'regularising irregularities') is the amendment to various acts including Karnataka Town and Country Act. The scheme was conceived in 2006. It was framed to bring 'decorum' to the process of urbanisation while aiming at addressing issues such as demarking land use as commercial, residential and mixed. The laws enclosed prescribing building setbacks, addressing agricultural land being constructed upon in violation of town planning rules, buildings having been constructed that are not in line with

building regulations and punishment for encroachments.

The scheme applied to all layouts and buildings that had come up on private property before October 19, 2013. The government called for illegal property owners to file for regularisation from March 2015, to be extended to a period of one year till March 2016. No building or layout on encroached government or semi-government land was eligible for regularisation. Houses constructed within eighteen kilometre radius of BBMP were to be regularised.

Funds mobilised through *AkramaSakrama* were to be used for the development of infrastructure and the creation of parks and open spaces in the state. The government claimed that it will be in a better position to provide amenities like better roads, street lights, garbage pickup and water connections as the regularisation of 2.5 lakh properties stood to bring in up to 5000 crores to the Karnataka government through betterment charges, stamp duty and registration charges.

There are a number of consequences to the enactment of this Act. In the short term, properties that currently attract a lower price due to their status as 'illegal constructions' will increase in value up to 20-30% after regularisation. Such a spike in supply of real estate may temporarily lower buying prices. However, in the long run, by paying the prescribed fee to regularise illegal constructions, professional builders could pass on the burden of these penalty fees to the ultimate buyers. Therefore, property prices may increase at purchase. Further, a large number of properties that are currently seen as 'unsalable' due to lower prices due to their 'B' Khata registrations will become attractive in the real estate market, resulting in increasing supply and lowering prices. But in the long run, this will gravely affect the real estate market in the city. Perception of real estate in Bangalore will be that of lower-quality construction since it will be a known fact that buildings in violation of legal requirements are permitted to exist (Kumar 2014).

On 20 March 2015, the High Court stayed the scheme based on Public Interest Litigation by civil society groups. The contention put forth in the litigation was two-fold. The High Court was requested to look into the interests served while implementing the scheme. The issue raised was that though property developers and the bureaucrats concerned have been able to construct and permit illegal buildings, the buyers alone had to pay for regularisation. This may not deter illegal development of land per se. The second issue was the hurried manner in which the law was passed though there was a lot of opposition. The government's contention was that nearly 10000-15000 crore rupees would be generated from the scheme across the state of Karnataka that could be used for urban development. After three governments and seven years of debates, the scheme was introduced through the ordinance route. A second petition filed by a Bangalore based Citizen Action Forum demanded that the scheme should have provisions to respect the neighbourhood sentiments and interests. The Forum also asked the HC to enforce penalties and payments against the violators of building regulations. They have pointed out that the scheme renders irrelevant the master plans and comprehensive development plans.

Gains of crony capitalists through regularization of revenue layouts

The development of revenue layout was fostered by the interplay of various interests of the stakeholders. The main stakeholders involved in the Bangalore urban development scenario were politicians, bureaucrats, realtors and residents. The revenue layouts that organically developed were to satisfy housing needs of the people who could not afford both the planned and private layouts. The residents supported the revenue layout since they were looking for housing property and access to public amenities in a city that they migrated to for employment. In order to do this, they bought property built in by realtors often through credit offered by banks. Thus the formation of revenue layouts was demand driven through a market that was allowed to grow with State complicity. The realtors benefitted from the unmet demand by investment and their interest was primarily financial. The layout formation was indirectly aided by bureaucrats and the political class through two different ways- often they turned a blind eye to the illegality though they had the power to demolish the construction through BDA, thereby giving implicit sanction for layout formation. In the second type of response, certain kinds of layout were given permits in the local bodies.

Once the revenue sites were generated, for the politicians across three different political parties over the period of seven years from 2007 to 2014, the main impetus was to regularise revenue layout through *AkramaSakrama* law. This was because they had initiated the private layout formation through planning and laws in the 1990s when housing was shifted from being an exclusive monopoly of the state to provision through private players. They now stood to gain public support and exert state authority to bring the layouts under the purview of law. The political class presented the issue in public interest by stating that they were regularising what was illegal through a onetime payment thereby enabling residents to have title deeds. Furthermore, the interest stated was revenue generation to the state that could be utilised for public service provision. The bureaucratic class also showed rent seeking behaviour after regularisation of housing, by exploiting the loop hole in the Karnataka land reform Act to regularise residential property in the green belt through onetime payment. The class of realtors supported the regularisation drive since the penalty of irregularity was completely borne out by the residents. It was this objection that was repeatedly raised in the judicial proceedings in the Karnataka High Court. Thus the resident class opposed the way in which regularisation was carried out.

The period of revenue layout formation and regularisation exhibits a collusion of the political realtor class in encouraging the development of a parallel illegal market for housing to cover the inadequacy in supply of the state provision for the same commodity. Once the revenue layout was well established, then the drive to regularise them and bring them under the law penalised only the buyers of property and not the authorities who sanctioned it or the realtors who constructed these properties. By presenting the case of regulari-

sation as the State helping the residents receive title deeds, the attempt was to exert authority, gain public favour and generate revenue.

Stakeholder mapping (table 2) reveals that the three politi-

cal parties in the last seven years in power namely the JDU, Congress and BJP were in favour of the scheme along with property developers. Those that mainly contested the claims of the law were civil society groups comprising residents of the layouts and urban planners.

Tab. 2. Stakeholder’s Interest Map

Phase	Revenue Layout formation		Revenue Layout regularisation	
Stakeholder	Type of involvement	Interest displayed	Type of involvement	Interest displayed
Politician	(Active) permit through local bodies; passive collusion by realtor nexus	Gaining Public support politically, financial gains from realtors	(Active) legislation for regularisation to re-establish state authority	Revenue generation, political support from residents
Bureaucrat	(Passive) collusion by rent seeking from illegal property	Financial gains from realtors	(Active) promotion of regularisation by onetime payment	Exertion of authority, revenue generation
Realtor	(Active) provision of housing	Revenue generation from selling property without legal hassles	(Active) support since no penalty on the builders	Opportunity of non penalty for illegal activity
Resident	(Active) purchase of property	Access to affordable housing, amenities	(Opposition) since penalty entirely borne by them, demand for accountability of political and bureaucratic class	Concern about shouldering entire financial liability, corruption

Source: Developed by Authors

Conclusion

Bangalore had unique ways of coping with its urban sprawl. The initial idea of planned development with master and structural plans saw the growing unauthorised development through revenue layouts with the consent of the planning authorities, though outside the law. In the first phase, the property providers were the real estate builders who took the initiative to provide buildings together with the necessary infrastructure in the place of BDA. As the second phase of unauthorised development was largely a result of ineptitude of regulation to deal with urban growth, the politician realtor nexus took charge of the next change in regulation through regularisation. Successive governments have justified it on two counts- that it would legalise the unauthorised revenue layouts and it would generate revenue to finance further infrastructure provision. However, the residents and property buyers have opposed the move with the intervention of the judiciary. Their contention is that the penalty imposed on regularisation only concerns the buyers, leaving out the politicians, bureaucrats and realtors who consented and effected the development of the property. Thus, the dominant political force of politician-realtor nexus can be a better explanatory variable of the Bangalore growth story, comparable with the creative class factor in European cities during their expansion.

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