Dholera Smart City: Urban Infrastructure or Rentier Growth?

Preeti Sampat
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Dholera Smart City: Urban Infrastructure or Rentier Growth?

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ABSTRACT

This study examines the ongoing creation of the Dholera Special Investment Region along the Delhi Mumbai Industrial Corridor in Gujarat. It analyses the agrarian political economy of the region in relation to the anticipated rentier gains from the conversion of land from agriculture to a “smart city.” Given the low level of interest by real estate developers in the project so far, the stagnant manufacturing investments in the country, and the continuing resistance by local residents, the study argues that the anticipated futures that moor the Dholera smart city are tenuous and rife with conditions of resistance and overthrow. It argues that the ‘rentier economy’ driving the project may not meet the development needs of a majority of local residents, dispossessing a large majority of peasants for whom the agrarian economy offers a choice of critical livelihood strategies.

The ‘land pooling’ mechanism is ill equipped to deal with issues emerging from dissent. In contrast to official articulation of industrial infrastructure development, local opinion emphasises agrarian infrastructure, specifically the overdue Narmada canal irrigation system. This contest over what is deemed necessary infrastructure for economic growth, and who will benefit from such infrastructure, points to the necessity for policies oriented towards ‘development from below.’
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ACKNOWLEDGEMENTS

This study would not have been possible without the support of Sagar Rabari, Persis Ginwala and the members of Bhal Bachao Samiti. Residents of Bavaliyari and Ambli panchayats in the Dholera area shared their apprehensions, experiences and insights regarding the implementation of the Dholera smart city. Officials of the DMIC Development Corporation, the Government of Gujarat and the GICC were generous with time and shared their views on the process of implementation.

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I. Introduction

In mid-2009, residents of 22 villages in the Bhal region of Gujarat by the Gulf of Khambhat, discovered that their villages were now to be a township. The 920 square kilometres (sq. km.) Dholera Special Investment Region (DSIR), officially affecting a population of 39,300 is the first smart city (or samrat sheher\(^1\) in local parlance) along the Delhi Mumbai Industrial Corridor (DMIC). The DMIC itself spans 1,483 km and will officially impact 180 million people across six States — Uttar Pradesh, Delhi, Haryana, Rajasthan, Gujarat and Maharashtra. The developable land in the region is 580 sq. km., as 340 sq. km., of the DSIR area falls under coastal regulation zone areas.

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\(^1\) *Samrat Sheher* literally translates as ‘emperor city’ but with a suggested inflection here, can imply ‘the emperor’s new city.’
The Gujarat Special Investment Region (SIR) Act, 2009, was enacted to institute investment regions and investment areas in the State in the wake of the DMIC, *albeit* not exclusively along the corridor. The Act brings within its purview the Gujarat Town Planning and Urban Development Act (GTPUDA), 1976, a tool for the conversion of the existing rural-agrarian land into an urban area.

Historically used for urban expansion of existing cities, the scope of the town planning law has now been widened to cover 'greenfield' or new cities instituted through public private partnerships (PPPs) between the state and global and domestic private developers. Such partnership with private bodies is conceived from the planning stages of the project.
The development plan for Dholera SIR was developed by UK-based global consultancy firm, Halcrow, for the Government of Gujarat in 2010 (Datta 2015). The plan was subsequently sanctioned and rendered operational by 2012. Global infrastructure giant AECOM was then awarded a $30 million five-year extendable contract in mid-2013 for full programme management services in Dholera.

The proposed land use in the Dholera smart city project includes residential, industrial, tourism, commercial, IT, recreation sports and entertainment zones. While Dholera does not come under the central government's flagship programme of 100 smart cities, the DMIC Development Corporation has created its own criteria for "smartness" in infrastructure and social indicators.

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2 The ambitious plans of the DSIR in its promotional video show a city that looks like a sci-fi set with towers, bridges, a “global business hub,” “multi-model transport systems,” airport, seaports, “entertainment zones,” “smart homes” with "walk to work" model and more to the accompaniment of an eerie techno drumbeat. The video ends with the smiling face of Prime Minister Modi, and then the promise: “The city of Dholera will come up, this is as true a fact that the sun will rise tomorrow...” (see Artist2win 2013).

3 Infrastructure includes the use of "instrumentation, intelligence, data analytics and information sharing" in energy, water, transportation, public safety and solid waste management. Social indicators emphasise on "education, health, inclusive development, participative governance, and community assets" (CNBC TV-18 2015).
The Dholera SIR Authority is in charge of implementing the project phase-wise over 30 years, in three development phases of 10 years each. The Authority plans initially to develop trunk infrastructure including roads, water, sewage and power supply systems in an "activation zone" of 22.54 sq. km., which is the land already under the State’s possession. A Request for Qualification cum Proposal for “infrastructure development with integrated communications technology” is under process, open to global applicants.

Under the provisions of the GTPUDA or Gujarat’s town planning law, land for the Dholera SIR is to be consolidated via a "pooling" mechanism. Fifty per cent of the land of each owner in the Dholera area is to be "deducted" at market price from the owners and the rest returned to them as "developed" plots in re-designated zones under the new plan criteria. A betterment charge will be levied on the original owners for the provision of new infrastructure facilities, deducted from the compensation award for 50 per cent of the land. Each affected family is also promised one job per family in the Dholera SIR. The Dholera SIR Authority and other officials claim that there is no forcible acquisition of land in Dholera as all pooling is done with public consultation. However, as this study shows,
dissent on the ground is widespread and villagers are mobilising against the project, and challenging it in the Gujarat High Court. While the town planning law contains provisions for the participation of local bodies and residents in the determination of compensation and award, it makes no provisions for ascertaining consent to land pooling for the project. This lacuna can be a major challenge for the project authorities.

This study examines the institution of Dholera smart city, alternatively called the Dholera Special Investment Region (DSIR) in Gujarat. I begin with an overview of the DMIC as the Dholera smart city is being developed as part of the corridor. I then discuss the existing agrarian political economy of the region and the threat of dispossession voiced by residents of the area. Next, I review the land pooling mechanism of the GTPUDA 1976 and critique some of its provisions relevant to the process of land consolidation. I then discuss the anticipated rentier gains driving the institution of the Dholera smart city; and conclude by contextualising what I call 'the rentier economy' in the broader national policy push towards urbanisation and infrastructure for economic growth.
The study was undertaken over a period of four months and involved ethnographic and archival methods. In Delhi, I conducted semi-structured interviews among bureaucrats, developers and academic experts, and undertook archival research on the DMIC, DSIR and smart city projects; in Gujarat over two trips of two weeks each I conducted semi-structured interviews among bureaucrats, developers, journalists, lawyers, activists and academic experts in Ahmedabad, Gandhinagar and Vadodara. I also undertook ethnographic research involving semi-structured interviews and participant observation in public and planning meetings in five villages of the DSIR area: Ambli, Bavaliyari, Hebatpur, Sodhi and Dholera. Additionally, I undertook participant observation in public meetings in Shela village, which is part of the influence area of the Dholera SIR, as its residents reportedly lose some land to the project, and in Kamatalav village. Though the latter is not part of the Dholera SIR area, land is acquired there for a proposed airport on the Dholera project’s outskirts (see Figures 2 and 3 below).

The household level interviews were conducted largely based on selection through random sampling along socio-economic (based on occupation and land ownership) and caste
parameters in the villages of Ambli and Bavaliyari panchayats. These villages are sensitive areas of resistance fraught with tensions over "outsider" access.

In most of these villages, bureaucrats and State representatives attempting to conduct surveys are refused entry and sent back by the locals resisting the Dholera SIR.

My access to the area was facilitated by members of the non-government organisation Khedut Samaj, the State-wide land-rights campaign Jameen Adhikar Andolan Gujarat and the Bhal Bachao Samiti comprising residents of the Dholera project area.

Figure 2: DSIR villages in Taluka Barwala

Source: http://dholerasir.com
As I began my research, I set out to examine the dynamic around urbanisation, real estate, land, resources and resistance in Dholera with a preliminary hypothesis regarding the role of real estate interests driving the institution of the new smart city. The questions I sought to examine included the growth of a ‘real estate economy;’ the consolidation of this economy in smart city projects; its driving forces; scale of operations; potential rent; sources of finance; costs; and the implications of its growth for existing and future relations to land, resources, livelihoods and development. I was interested in the
‘uneven geographical developments’ (Harvey 1982) that Dholera smart city obscured and the historical and global underpinnings of real estate growth in India over the past decade.

As I soon discovered, real estate developers are not a driving force in the institution of Dholera, unlike in many large and medium Special Economic Zones that courted controversy. While real estate does play a significant role in the imaginary of Dholera, at the moment, there is little interest or investment by private developers, as there is "nothing" on the ground. A reformulated dirigisme, counter to the tenets of liberalism, is thus instituting urbanisation infrastructure in the area, ironically to liberalise the economy for capitalist accumulation and growth. The bottom line is anticipated investment and rent — investment that is expected to arrive once basic infrastructure is in place; rent that is expected to accrue as land and eventually

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4 In his work examining the Andhra Pradesh SEZ, Cross refers to Special Economic Zones as "uniquely charged objects of conviction and anxiety" (2014: 4) that are "made into particular places for capital by planners and politicians, corporate managers and executives, farmers, workers and activists as they pursue different futures" (ibid.: 5) built on an "economy of anticipation" (ibid.: 6). My aim in invoking the anticipated nature of investments in Dholera is restricted to the tenuousness of the futures invoked by the planners promoters of the project, in this case various state agencies and private planners.
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real estate prices appreciate with the 'development' of the area into a 'smart city.'
II. The Delhi Mumbai Industrial Corridor

The Delhi Mumbai Industrial Corridor (DMIC) was initiated in 2006 with an agreement between the governments of India and Japan. Overseen by the Industries Department of the Union Ministry of Commerce and Industry, the DMIC maps a complex policy terrain schematised in the relatively recent National Manufacturing Policy (NMP) of 2011. The NMP envisages National Investment Manufacturing Zones of 250 sq. km. (about 61,700 acres) each with integrated townships, social infrastructure and connectivity. Under the DMIC, these “mega zones” comprise designated investment regions and industrial areas with SEZs and integrated industrial townships. The projects within the investment and industrial areas are to be developed through public private partnerships along the 1,483 km stretch between Delhi and Mumbai, spanning six States.

In December 2006, a memorandum of understanding was signed between the Department of Industrial Policy and Promotion of the Union Commerce and Industry Ministry and the Vice Minister, Ministry of Economy, Trade and Industry of the Government of Japan, for “mutual
cooperation” and setting up a Delhi Mumbai Industrial Corridor (DMIC; see GoI 2007). During Premier Shinzo Abe’s visit to India in August 2007, a final Project Concept prepared by the Indian company, Infrastructure Leasing & Financial Services (hired as consultant by the Commerce and Industry Ministry), was presented to both Prime Ministers. According to the DMIC website:

[The] Delhi-Mumbai Industrial Corridor is a mega infrastructure project of $90 billion with the financial & technical aids from Japan, covering an overall length of 1,483 km between the political capital and the business capital of India, i.e. Delhi and Mumbai.5

The website continues:

A band of 150 km (Influence region) has been chosen on both sides of the Freight corridor6… The vision for DMIC is to create [a] strong economic base in this band with [a] globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance foreign investments, real-estate investments and attain sustainable development. …DMIC would also include development of requisite feeder rail/ road connectivity to hinterland/ markets and select ports along the western coast.

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5 Delhi Mumbai Industrial Corridor Last accessed April 14, 2013

6 The Freight Corridor also runs almost parallel to the Delhi—Mumbai leg of the Golden Quadrilateral National Highway instituted by the BJP-led National Democratic Alliance government in 1999-2004 between the four metropolises, Delhi, Mumbai, Chennai and Kolkata.
As indicated earlier, approximately 180 million people or 14 per cent of the Indian population will be affected by the corridor’s development. The corridor incorporates nine mega industrial zones, one high speed freight line, three ports, and six air ports; a six-lane intersection-free expressway connecting
the country’s political and financial capitals and a 4,000-MW power plant. Funds for the projects are to come from the Indian government, Japanese loans, and investment by Japanese firms and through Japan depository receipts issued by the Indian companies. The website further explains:

High impact/ market driven nodes - integrated Investment Regions (IRs) and Industrial Areas (IAs)\(^7\) have been identified within the corridor to provide transparent and investment friendly facility regimes… 24 such nodes - 9 IRs and 15 IAs spanning across six States have been identified after wide consultations with the stakeholders i.e the State Governments and the concerned Central Ministries.

According to the DMIC Chief Executive Officer, Talleen Kumar, smart cities along the DMIC will have integrated communications technology as one of the components for improving life; infrastructure will operate through sensors sharing information in real time and this will make for efficiency. Smartness will include “hard” and “soft” infrastructure, including in areas like flood-control, drainage, sewage and drinking water provisions, developed with extensive back-office work in project development. Special Purpose Vehicles will be responsible for the implementation

\(^7\) IRs are to have a minimum area of over 200 sq. k.m., and IAs over 100 sq. km.
of the projects. Planned industrial cities will address the growth and employment needs of the country and turn India into a manufacturing and investment destination. They will address rural to urban migration and help pull thousands of people above poverty line (interview with the author May 13, 2015).

The DMIC does not promise extra tax concessions to developers (except for SEZs along the DMIC), but land and resource provisions by the State are par for the course. As Kumar pointed out in his interview, the contribution of land is the equity share of States in the DMIC projects, while the centre will dispense cash, along with private investors. Given the scale of operations and quantum of land sought for the DMIC projects, it is unsurprising that where operations have begun - in Maharashtra, Gujarat, Uttar Pradesh and Haryana - the implementation of investment regions and areas are running into growing resistance from peasants,' big farmers’ and citizens' groups\(^8\) over land acquisition.

\(^8\) I use the term peasants’ groups here to refer to small and marginal land-owning farmers with less than 10 and two acres of land respectively, landless agrarian workers, pastoralists, fisher folk, forest dwellers and other petty commodity producers. Peasants may be further stratified along ethnicity, religion, caste and gender lines. Big
The Mandal-Becharaji Special Investment Region (MBSIR) in Gujarat was one of the first “nodes” to begin implementation along the DMIC; and faced immediate resistance from the 44 villages whose 50,884 hectares of land were sought for it (see Indian Express 2013; Times of India 2013). When agitations intensified, the then-Chief Minister of Gujarat, Narendra Modi, likely fearing electoral repercussions in a sensitive election year, cancelled the notification for 36 villages for the Special Investment Region (Indian Express 2013).

The remaining eight villages are still resisting the acquisition of their villages for the Investment Region and opposing the institution of a Maruti Suzuki automobile plant in the region on the pasturelands of the traditional cattle-rearing Maldhari community. The Maldharis, along with other landless

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farmers here refers to farmers with more than 10 acres of land.
Citizens’ groups here refer to coalitions of individuals, concerned professionals and representatives of non-governmental organisations (NGOs) that coalesce around contentious issues. They are not NGOs in themselves, and often do not take institutional funds or salaries, but are rather concerned people working voluntarily for campaigns who raise resources through individual donations.

9 It should be noted that Maruti Suzuki has faced repeated agitations, strikes and confrontations from contract workers in Manesar and Gurgaon in Haryana, and regularly threatens to shut operations and relocate to Gujarat.
communities had been reportedly given this land in 1954 under land reforms (see Chauhan 2013; Thakkar 2013; JAAG 2014a,b). In the Dholera SIR area also, agitations have been continuing: 100 people were detained and several arrested in February 2014, when protesting land acquisition (see Chavda 2014; JAAG 2014a).\textsuperscript{10}

**Global Genealogy of Corridor Growth**

Tracing the historical global genealogy of corridor development, it was Jean Gottman who heralded the growth of the "megalopolis" from his observations of metropolitan growth corridors along the U.S. northeastern seaboard in 1957, noting "the beginning of a great revolution in the geography of land use" and "a new era in the distribution of habitat and economic activities" (1957: 200).

\textsuperscript{10} Similarly, land acquisition of around 75,000 acres for Dighi port in Maharashtra State’s Raigad district was dropped by the central government in the face of farmers’ protests and the Maharashtra government’s inability to acquire land (Shivadekar 2013). The DMIC presumably also forms the template for several other infrastructure corridors, such as the Amritsar Kolkata Industrial Corridor, the Chennai Bangalore Industrial Corridor and the larger corridor linking all the southern corridors, called the Peninsular Region Industrial Development (PRIDe) Corridor.
Gottman also pointed to the historical existence and growth of such corridors in Europe. In 1989, a group of French geographers under Roger Brunet identified Europe’s “backbone,” termed the “blue banana” by the European press (see Hospers 2003), covering urban centres like Rotterdam, Amsterdam, Duisburg, Cologne, Frankfurt, Mannheim, Basel, Zurich, Milan and Genoa, including London and Brussels.

More recently, “golden” and “yellow” bananas have also been identified in Europe. These metropolitan growth corridors have developed from historical regional economic developments, although efforts have been made by States to facilitate their connections after the emergence of economic linkages across growth regions.

In contrast, in India several large corridors are being planned between major cities in anticipation of "productive" investment. These are being facilitated with state support for land acquisition and infrastructural services. They anticipate investment through the creation of these infrastructure, including “world-class” cities (Goldman 2011) without planning the "productive linkages" that Hirschman (1981) argued were critical for wider distributive effects. The policy
rhetoric around infrastructure creation and urbanisation in India echoes Gottman in Rostowian “take off” terms (Rostow 1960), but the planned state-directed Indian corridors are running into considerable trouble over their institution.

Figure 5: A digital representation of the proposed Dholera Smart City

Source: Datta 2014
III. Agrarian Land Relations in Dholera

The 22 villages in the Dholera SIR area are a vibrant landscape of existing relations with land and resources. A thriving agrarian political economy cultivating rainfed wheat (the coveted bhaliya ghaun for which the region is known), cotton, cumin and jowar as well as rearing milch cattle complements livelihood strategies with other diverse occupations in the region, including diamond polishing. The numerically largest community in the area are Koli Patels (61.8 per cent of the population), who own a majority of marginal to medium land holdings in the area that many received ironically through redistributive land reforms. The next are the large land-holding Darbars (kshatriyas; 10.6 per cent), followed by a smattering of other communities, including those dependent on commons like Bharwads (pastorals), Scheduled Caste communities, Muslims, and barely, if any, Scheduled Tribes (SENES 2013). Many milch cattle owning villagers are members of flourishing milk cooperatives in the area.
The table below gives the total land area of the 22 villages that the DSIR is attempting to take over.

**Table 1: Land area of 22 villages under DSIR**

<table>
<thead>
<tr>
<th>SR. NO.</th>
<th>NAME OF DISTRICT</th>
<th>NAME OF TALUKA</th>
<th>NAME OF REVENUE VILLAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sr. No.</td>
</tr>
<tr>
<td>1</td>
<td>Ahmedabad</td>
<td>1. Dhandhuka</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2</td>
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<td>3</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>Barwala</td>
<td>2. Barwala</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: DSIRDA 2013*
According to official figures, dry-land farming is the source of livelihood for 79.3 per cent of the local population, while 51.5 per cent depend on livestock rearing and 24.8 per cent on farm labour; being part of one livelihood category does not exclude overlaps with another (see Table 2 below; also SENES 2013 for more details).

Table 2: Livelihood Pattern in the Dholera SIR Area

<table>
<thead>
<tr>
<th>Village</th>
<th>No. of Reported HH</th>
<th>Dry land Farming</th>
<th>Livestock Rearing</th>
<th>Fishing</th>
<th>Poultry</th>
<th>Wood Sell</th>
<th>Char - coal</th>
<th>Farm Labour</th>
<th>Land Lease</th>
<th>Agri. Employee</th>
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<tbody>
<tr>
<td>INNER-COASTAL ZONE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bavaliyari</td>
<td>408</td>
<td>299</td>
<td>355</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>96</td>
<td>10</td>
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<tr>
<td>Bhagad</td>
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<td>272</td>
<td>203</td>
<td>30</td>
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<td>0</td>
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<td>10</td>
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</tr>
<tr>
<td>Bhiritalav</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>12</td>
<td>0</td>
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</tr>
<tr>
<td>Khun</td>
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<td>194</td>
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<td>0</td>
<td>0</td>
<td>49</td>
<td>18</td>
<td>36</td>
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<tr>
<td>Mahadevpura</td>
<td>251</td>
<td>211</td>
<td>81</td>
<td>100</td>
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<td>0</td>
<td>0</td>
<td>40</td>
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<td>60</td>
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<tr>
<td>Minatpur</td>
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<td>185</td>
<td>203</td>
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<td>46</td>
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<td>0</td>
<td>0</td>
<td>50</td>
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<td>85</td>
</tr>
<tr>
<td>% of Total</td>
<td></td>
<td>65</td>
<td>58.2</td>
<td>14.8</td>
<td>0</td>
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<td>0</td>
<td>15.3</td>
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<td>TRANSITIONAL ZONE</td>
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<td>Ambali</td>
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<td>0</td>
<td>120</td>
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<td>125</td>
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Source: SENES 2013
The literacy rates in the entire DSIR area are worth considering, with 35.1 per cent of the population non-literate; 44.4 per cent with primary education; 14.6 per cent with secondary education; 3 per cent higher secondary, and 2.9 per cent with college education.

As I recount below, several residents I interviewed in Bavaliyari and Ambli villages argued that agricultural work does not require specialised skills sets of the kind that other urbanised and industrial work may. In this respect, the offer of one job per affected family will not compensate others in a family rendered without work. They expressed anxiety that losing land and commons to the Dholera SIR would render them without livelihoods and future security.

The 22 villages under the DSIR additionally fall within the Narmada river canal command area, and canal water has been awaited for over a decade. The villages were "de-commanded" in 2014 in the wake of the DSIR, but residents fought for reinstatement, and the area was subsequently "re-commanded" in 2015 amid agitations, but were subsequently “de-commanded” once again. If the water reaches the villages, the fertile soil will give them two to three yearly crops of wheat, cotton, cumin and jowar, enriching the local agrarian economy.
Given existing skills, literacy and education levels, in nearly all interviews and meetings, residents irrespective of community and socio-economic status expressed the desire for greater state support in strengthening the existing agrarian economy with the provision of water canals and other agrarian infrastructure that will create overall prosperity and development in the region. I represent below key concerns that some residents raised across community and socio-economic status.11

**Bavaliyari Panchayat**

Champa *ben* Pratap Singh of Bavaliyari is a nonliterate landless *Koli Patel* peasant who cultivates others' lands for 25-30 per cent share of produce with her husband, Pratap Singh. The couple have two school-going sons and a daughter. They have three buffaloes that suffice for their family's needs and allow for minor sale of milk. During an interview, Champa *ben* asked if nonliterate like her would be given jobs in the new smart city with her skills of cotton picking, cleaning and growing other crops (interview May 20, 2015; translated from Gujarati). The

11 This is not to obscure caste, gender and other hierarchies across communities deeply prevalent in the area. However, alliances among social forces are emerging despite entrenched social inequalities under threat of dispossession.
Scheduled Caste (SC) community in Bavaliyari has a *mandali*, a collective land holding of around 500 acres allotted by the State that is divided among the SC households in the village for cultivation. Jayanti *bhai* Solanki has a 16-acre share in the *mandali*. He also bought 10 acres of land in 1982 and owns a tractor. One of his sons studies in college while the other farms, and three of his daughters are married.

According to Manju *ben*, his wife, there should first be a clear guarantee of work for the locals, and then alone should land be taken by the State for a project. She added that the canal water from the Narmada would be of use to them and that "in the village there can be no development without farming." Even if one has to go out to a city for work temporarily, she pointed out, at least there is the security of land to return to in the village, while the city is too expensive to sustain oneself. If an industry comes to the area, she asked, "what will we do in case it closes? On the land, we can grow food and eat and sustain other livelihood activities" (interview with the author May 20, 2015; translated from Gujarati).

Dhira *bhai* Rathore is a Koli Patel from Bavaliyari who has 10 *bigha* (approximately four acres) share in the land jointly held by his family of four brothers, in which he is able to grow
DHOLERA SMART CITY: URBAN INFRASTRUCTURE OR RENTIER GROWTH?
cotton or wheat. He additionally works as a gowal or cowherd and takes care of the upkeep of others' animals. In the course of my interview he asked what he will eat if this land goes (interview May 20, 2015; translated from Gujarati).

Similarly, Darshan bhai Chonchla from Bavaliyari is a Bharwad and reveals that he has approximately six acres as share in the 400 acres of land owned by the gopalak mandali (cowherder collective). He has 20 buffaloes and seven cows and reveals that there are around 5,000 cattle in the entire village. He asked, "if a company comes to the village, where will the cattle and people go? As we are not educated," he argued, "how will we get jobs" (interview with the author May 21, 2015; translated from Gujarati)?

Pradyumna Singh Chudasama, a large land-holding Darbar, with 54 acres of land (and an additional 35 acres in his wife's name), is a retired officer from the State education department from Bavaliyari and a key organiser in the anti-DSIR movement. Chudasama collated details of the DSIR project through several applications under the Right to Information Act, 2005. In addition, it maintains documents and records of all project details, petitions, appeals, communications and relevant press cuttings for the Bhal Bachao Samiti.
Chudasama is also involved in the writ petition challenging the DSIR in the Gujarat High Court. While taking me through his meticulously maintained files, Chudasama made an important observation: he argued that agricultural work offers gainful employment to all people irrespective of their abilities and capacities. Aged as well as special physical and mental abilities people can find gainful work in agriculture, but a factory will not hire everyone and will require specific skills sets.

Several petitions have been made to the DSIR Authorities and the State government requesting the cancellation of the project. The petitions of the villagers opposing the project have not been taken into account officially (interview with the author May 20, 2015; translated from Gujarati).

Ambli Panchayat

Dalal ben and Dhiru bhai Kanani are a Koli Patel family from Sarasla village, Ambli panchayat and have about six acres of land. They are nonliterate and additionally work as agricultural labourers. They have two sons who work in the diamond polishing industry, and two daughters, one of whom is married. Dhiru bhai fears that no will give a job or listen to uneducated people in the project. Instead he argued that if the Narmada canal comes to the area they will be able to sustain
DHOLERA SMART CITY:
URBAN INFRASTRUCTURE OR RENTIER GROWTH?

themselves and improve their conditions (interview with the author May 22, 2015; translated from Gujarati).

Lalita ben Bana Jadav of Sarasla village in Ambli panchayat is also a Koli Patel and has a small plot of about three acres as her husband Bana Jadav's share among three brothers. She used to work as an agricultural labourer but injured her back two years ago. Her husband works at a hotel on the highway outside the village and they have two sons and two daughters, one of whom is married. While performing her chores in the kitchen garden outside her house, she explained that they (the villagers) do not want a city and the women of the area will fight, as the entire village is against giving the land to the project.

If the project materialises, she argued, people would die; the uneducated would not stand a chance in getting jobs in the project. She argued that it is a lie that they will prosper with land values appreciating, as the land being allotted is close to the sea and prone to flooding. With a majority of the population in the area non-literate, she expressed scepticism over the creation of locally owned tourism and other service-oriented businesses. She added that what the farmers of the area need is Narmada canal water to enhance productivity.
Salim bhai Maru is a Muslim from Dodhiya Para in Ambli panchayat and shares about 40 acres of land with four brothers. He has five cows. In his interview, he complained that the rate of compensation fixed for the 50 per cent of land sought by the DSIR is very low at Rs. 70 per bigha compared with the market price of Rs. 400 per bigha. Additionally, he raised the issue that if the other half of the land is to be developed and returned to the original owners in 15 years, what are people supposed to do for livelihood in the meanwhile? (interview with the author, May 22, 2015; translated from Gujarati)

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12 This account should not be read as implying that all is well with the agrarian economy in place and "development" is not important or necessary in the villages. Rather, as voiced above, residents argue for the need to strengthen existing agrarian infrastructure and support mechanisms in favouring it as opposed to a complete overhaul of the region. The contest then is over defining the terms of development and its beneficiaries.
Like Lalita *ben* above, several residents claim that the developed plots allotted to them are within the flood prone areas where they will not be able to live, graze cattle, or cultivate fields. Indeed, the Development Plan shows tourism and residential zones on areas reclaimed from the sea.

Additionally, adjacent to the area is the Velavadar National Park that has a blackbuck\textsuperscript{13} sanctuary. By law, the park has to be protected by a 10 km buffer zone around it, but the

\textsuperscript{13} A species of antelope indigenous to the Indian subcontinent and listed as 'near threatened' by the International Union for the Conservation of Nature in its Red List since 2003.
development plan overlooks and violates this stipulation. It focuses, instead, on providing wildlife crossings and flood mitigation as compensation measures to protect the wildlife of the area from the urban centre.

A committee with representatives of the 22 villages impacted by the project, the *Bhal Bachao Samiti*, has been formed by local residents to resist the project, with each village reportedly constituting a sub-committee. Local residents have also filed a writ petition in the High Court of Gujarat challenging the take-over of their productive agricultural land by the State. As resistance brews, contingent alliances along caste, class, community and gender differences coalesce in confrontation with interests in the State and private planners promoting the DSIR.

At the moment, there is little actual private investment on the ground in Dholera. State-level bureaucrats in charge of facilitating the development of Dholera claim that investors "will come only when there is something on the ground" (interview with Shardul Thakore of GICC; April 29, 2015). A highly placed corporate source brokering land deals in the region reveals on request of anonymity that while several
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attempts have been made with advertisements and field trips for investors from Dubai, Mumbai and elsewhere, no investor is interested in the area as there is "nothing" on the ground.

The only "stray buyers" of land around the Dholera SIR are those parking “excess” money in land to gain from future appreciation, many allegedly powerful politicians; or those who cannot afford to buy plots near Ahmedabad (interview with the author, May 25, 2015).

Representatives of two prominent real estate developers I interviewed in Ahmedabad, Bakeri Group and Parshwanath Construction, also expressed unwillingness to invest in Dholera due to lack of demand (interviews May 28, 2015).

Photo 3: Public meeting against DSIR, Village Hebatpur

Photo: Preeti Sampat
The Gujarat Infrastructure Development Board (GIDB) is the apex authority under the SIR Act 2009 and functions as the regulatory board for all SIR projects in the State. In his interview Ajay Bhadoo, the Chief Executive Officer of the GIDB claimed no knowledge of resistance in the DSIR area and further claimed that adequate public consultations had been undertaken in the region regarding the project (interview April 29, 2015). An official of the Gujarat Industrial Corridor Corporation (constituted in 2009 for the implementation of the DMIC projects in Gujarat) overseeing the DSIR, Shardul Thakore, described the project as a "nation-building exercise" and claimed that 140 public consultations had already been undertaken in the area, including every village. They claimed that people had been "educated" and any resistance had been addressed (interview April 29, 2015).

Trivedi, a Town Planning officer in Dholera at the DSIR Authority office also denied the presence of any local opposition in the DSIR villages and claimed that surveys were being successfully undertaken by a private contractor for the Town Planning Office to ascertain plot survey numbers and titles in the area (interview May 22, 2015). However, my interviews with villagers run counter to these claims. Anxiety
and opposition over loss of land and livelihoods in the region is palpable, as interviews with local residents and the public meetings I attended in the region substantiate.

Existing relations with land and resources must be discursively rendered "unproductive" through categorisations such as "barren lands" or "backward areas" to make good on promises of spectacular anticipated returns from rent and other values attached to high-end urban enclaves. Consequently, we see frequent descriptions of the region as barren in official and media accounts, including in official presentations and during interviews with bureaucrats. Indeed, claims that there is "nothing" on the ground by State officials and private developers disclose policy bias in favour of urbanisation and against the local agrarian economy. I examine below the land pooling mechanism and critique its provisions for public consultation.
n a landscape fraught with widespread resistance to land acquisition over infrastructure projects across the country, especially in the last decade, public consultation and prior informed consent for development projects have assumed significance like never before. The National Democratic Alliance (NDA) government’s failure to push through amendments to the 2013 land acquisition law exemplifies this ferment poignantly. The amendments proposed the exemption to industrial corridors from consent and social impact assessment requirements. In the aftermath of this failure, the NITI Aayog Vice Chairperson, Arvind Panagariya, has gone on record to suggest that State governments should rely on land pooling mechanisms for infrastructure development projects to avoid the “draconian” provisions of the 2013 land acquisition law (Sharma 2015).

Official insistence on the use of the mechanism of land pooling for the Dholera SIR is arguably to avoid the pejorative connotations of forcible acquisition. The mechanism of pooling however, whilst nodding to consultation, is misleading, if not outright disingenuous. Significantly, it is unclear how the
mechanism can be used to consolidate land in the face of opposition to a project.

In my interview with them, GICC officials, conceded, though after some persistent probing, that if there is indeed opposition on the ground (the town planning law does not explicitly enable the use of force), the project may have to be cancelled (interview April 29, 2015). However, with the lack of official acknowledgement of any opposition, the process has become uncertain and unclear. Representatives from the GICC and the official record maintain that 140 public consultations have been held in the region. Local residents claim, on the other hand, that only preliminary meetings introducing the project were held in the area, and attendance was officially assumed to stand in for consent.

The land pooling mechanism under the GTPUDA is premised on the principle that the development authority in charge of undertaking planned urban development temporarily brings together a group of landowners to plan a region’s development. As there is no “acquisition” or “transfer of ownership,” the case for “compensation” does not arise, except for the proportion of the land “deducted” for basic infrastructure provision.
A betterment charge, based on the cost of infrastructure proposed, is to be levied on the landowners. The rest of the land remains with the original landowners and the “benefit” of development, in terms of the increment in land value as a result of “development”, accrues to the owners, rather than the development agency. The original owners are not displaced and continue to have access to the land (see Ballaney 2008; GoG 2009 1979). Setting aside the merits or demerits of this approach to urban expansion, the incorporation of the GTPUDA into the SIR Act in Gujarat for a greenfield industrial city poses a particular set of issues that the language of pooling and benefit obscures.

First, the extent of land required for a new city implies far greater land loss than in the course of expansion of an existing city. Second, the rezoning of land according to a new city's development plan implies that the original agricultural plots can no longer be retained by owners and they have to be relocated. Third, with the development of a new city (and this is true for the expansion of existing cities as well), even if village settlements are protected with buffer zones, conditions will invariably develop where it will no longer be tenable for the old rural settlements to continue in the same form. This
would force the original inhabitants to move as they get priced out, search for livelihoods or affordable living options. Fourth, with the disruption of the agrarian economy and the rezoning and subdivision of plots, agricultural livelihoods face severe temporal and physical dislocation, and only large farmers with the holding power to wait the years for “development” of the rezoned plots and with enough surplus land may retain their hold on cultivation and allied agricultural activities. Fifth, with the growth of industry, tourism, construction and other related economic activities, a severe downward pressure is additionally exerted on agrarian livelihoods and resources. Sixth, with immediate attractive returns, the push is towards greater commodification of land, and income from rent, as opposed to existing productive agricultural activity, raising issues of food security and sovereignty.

Additionally, once land is pooled, it can be presumed that developing and returning 50 per cent land to the original owners will take a few years. Whether the anticipated investment in the project will eventually come to fruition and ensure better livelihoods and living conditions for the local residents, is a moot question. What previous owners and others dependent on the land are expected to do in the intervening
years for livelihood and food security is unclear.

Under the Gujarat town planning law, planning is to be undertaken in two phases: a Development Plan (DP) is to be prepared first for the entire area affected by the project, followed by several Town Planning Schemes (TPS) for smaller portions of the development area. A draft DP is initially prepared and kept open for public inspection for two months, inviting objections and suggestions to its terms. The DP can then be modified and republished to invite further objections and suggestions that may again be incorporated. This version of the DP is then forwarded for approval to the State government, which in turn may suggest further modifications. The final DP is then prepared.

The TPS are the micro plans for the development of smaller areas under the final DP. Each TPS similarly is expected to allow “consultation” and “participation” in its drafting and the implementation of the final DP.

Despite space for objections in the technicalities of the provisions of the DP and the TPS - such as final plot allotments - the value of land deductions or overall zoning in the project, unlike in the 2013 land acquisition law, the DP
make no room for objections by affected landowners; or for specific measures for ascertaining consent for the project. There is in fact an implicit *a priori* assumption of consent built into the land pooling mechanism that poses a significant cleavage with the official avowal of “voluntary” pooling. As such, the pooling mechanism falls far short of the principle of prior informed consent as well as decentralised and democratic decision making in development processes in keeping with the 73<sup>rd</sup> Amendment Act (Panchayati Raj) provisions.

This significant oversight is made glaring by the fact that the DSIR and presumably other such greenfield city-making projects are to be developed through public private partnerships. The 2013 land acquisition law in public private partnership projects mandates the consent of 70 per cent of original landowners before a project can be undertaken. The pooling mechanism circumvents consent-based development through a disingenuous terminology – consultation. It attempts to achieve through other means the exemption of industrial corridor SIR projects from prior informed consent and social impact assessments, the two key controversial amendments proposed in the 2013 land acquisition law that were recently defeated due to opposition.
V. Dholera and ‘the Rentier Economy’

The final Development Plan for the DSIR reveals the active role of rent in the compensation envisaged for land owners:

The land owners provided with readjusted land would need to be trained to negotiate with the industry/developers for giving land for industrial use on lease rental basis rather than outright sale basis; or industrial houses setting-up industries could be encouraged to provide certain share-holding to the land owner. It would help the land owner to ensure regular income from the land allotted to them.

The Plan adds:

The owners could also be encouraged to invest in housing and commercial uses to have an opportunity for rental incomes, for which people would need to be supported through appropriate capacity building measures (DSIRDA 2013: 150).

As I have argued elsewhere, growing differential rent from conversion of agricultural land to real estate is reconfiguring the political economy of land in urban peripheries. With

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14 The Plan also reserves a token the place for agriculture in the DSIR schema: "Facilitating agricultural training for improved productivity for farmers left with part of their agricultural land and extension of facilities for seeds and fertilisers for improved productivity" (ibid.).
appreciation of land prices as infrastructure and development projects are announced, some farmers thus "give up" land without resistance for immediate returns, as agriculture is rendered less profitable or valuable (Sampat 2015a). Investors and builders may or may not have direct stakes in potential productive linkages emerging from real estate creation (the few numbers of operational SEZs, despite concessions, are instructive). The policy emphases on industrialisation and infrastructure complement the rent-driven logic of land commodification. In the case of Dholera, the active encouragement of rentiering from the institution of smart city infrastructure can only accelerate downward pressures on the agrarian economy of the region.

Chudasama points out that in 2011 the Revenue Department sold land under its possession to the DSIR Development Authority at Rs. 20 per square meter (sq. m.), and the SIR authority is now attempting to sell this land to industry at Rs. 600 per sq. m. The difference is retained by the Development Authority, creating a significant state tier in the rentier economy being instituted by the project.\(^{15}\) Added to this tier,

\(^{15}\) The significant role of interests within the state rentiering from land consolidation and acquisition processes has led some to describe the
are other political and economic elite investing in land around Dholera in anticipation of future land-price appreciation. By several local accounts, powerful politicians have already invested in the land around Dholera, presumably adding to the impetus behind the smart city project. While rent from real estate is anticipated, much like investment in industry, rent from land is an active constituent of the region's economic transformation.

In his analysis of Indian land markets, Chakravorty (2013) argues that land prices in India have risen phenomenally and growing real estate prices reflect the rise in the price of land, given construction costs have risen stably along the consumer price index. He points out that current urban land prices range from Rs. 50,000 to 200 crore per acre, and the price of urban land has increased five-fold in 2001-11. Agricultural land prices in some rural areas may have increased by a factor of five to

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Indian state as a wholesale 'land-broker state' (see Levien 2012) or a 'speculative state' (Goldman 2011). However, as I discuss in my work elsewhere, interests within the state are often working at cross-purposes and respond to political contingencies and possibilities in complex ways (see Sampat 2015b; also Sampat Forthcoming). In this case then, while rentiering interests within the state constitute an important tier in what I call the rentier economy, the state itself is not amenable to the descriptor 'rentier state.'
10 over the past decade and that agricultural land price is higher in the urban periphery than in interior districts. Prices vary, he suggests, along productivity and income from land, how active local land markets are, and the scarcity of land supply and fragmentation.

He argues that the rising price of land is caused by expansion of money supply in the post-liberalisation period because of the following factors. Expansion of credit markets; income growth for some sections, who in turn, invest in land and property as status markers; rise in “black” money; foreign investment from Non-Resident Indians; and the scarcity of land with respect to location and intense fragmentation.

It is in the gap between the absence of investor interest and the anticipation of future investments that a rentier economy emerges as the driving force behind the Dholera smart city. While industrialisation plays a significant role in the imaginary of Dholera and the DMIC, it bears noting that manufacturing in India has stagnated at 15 per cent to 16 per cent of the gross domestic product since 1980 (GoI 2011). Indeed, in an interview to the author, a senior industry representative in Ahmedabad candidly acknowledged that land and infrastructure are not the critical issues for boosting
manufacturing, as serious industrialists are not looking for concessions from the government. He pointed out that it is real estate interests that seek subsidised land from the State. What industry requires instead is a focus on "soft infrastructure" and an easing of bureaucratic procedures and rules that allow 'ease of doing business' (interview April 23, 2015).

Even as manufacturing stagnates, the construction sector is booming. The growing share of construction in the national economy underscores the significance of this sector. In 2011-12, the shares of real estate and construction together accounted for 19 per cent of the Indian economy, growing from 14.7 per cent in 2000-01 (GoI 2013b; see Table 1 below). More remarkably, in 2009-10, the construction sector formed the second largest employer of workers in India, employing 11 per cent of the workforce after agriculture, which employed 36 per cent (Soundararajan 2013). This growth helps contextualise the recent policy push towards urbanisation and urban infrastructure in India. Land, and by extension real estate, is "like gold with yield" in so-called emerging economies (cf. Fairbairn 2014).16

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16 Fairbairn (2014) examines investments by global finance in agrarian
land for agriculture and I extend her argument here to examine investment in land for rent from price appreciation and real estate.
Urbanisation, Infrastructure and Rent
According the erstwhile Planning Commission of India:

[Around] 300 million Indians currently live in towns and cities. Within 20-25 years, another 300 million people will get added to Indian towns and cities. This urban expansion will happen at a speed quite unlike anything that India has seen before. It took nearly forty years for India’s urban population to rise by 230 million. It could take only half the time to add the next 250 million (GoI 2013a).

A recent report by Cushman & Wakefield ranks India 20th among the current top 20 real estate investment markets globally, with an investment of $3.4 billion in 2012 (ET 2013). A study by Global Construction Perspectives and Oxford Economics further predicts that India will become the world’s third largest construction market by 2025, adding 11.5 million homes a year to become a $1 trillion a year market (Sen 2013).

Although foreign investments in real estate and indeed land remain regulated, and global finance is unable to directly invest in housing, commercial and retail real estate; global finance fuels growth in the rentier economy through investments in built environments for urbanisation and infrastructure projects such as smart cities, industrial corridors, or public private
partnerships. In addition to the large number of smaller-scale, regional, State and district-level developers, fly-by-night operators, brokers and dealers out to make a quick buck, join the ranks in fuelling the rentier driven commodification of land and built space.

The policy impetus for urbanisation encompasses not just the outskirts of existing cities and new cities, but also urban infrastructure schemes in industrial corridors like the Dholera SIR. The displacement of existing productive agrarian relations in anticipation of rent from future investment is a developmental leap of the greenfield city model of growth. Despite the active role of the state in promoting the project, this leap cannot be understood without the underlying drive for the absorption and expansion of surplus value (or profit). In capitalist reasoning, this is ‘accumulation’ that state actors promoting the project hope to capture. Investment in infrastructure and urbanisation to improve connectivity is critical for the movement of capital and the absorption and expansion of excess surplus value. Transport and other infrastructural and urban connectivity facilitates the 'annihilation of space by time,' and enables faster movements of goods, services, information and money flows (Harvey 1982; 2001).
Investments in infrastructure and the urban areas along the DMIC are expected to serve global and domestic capitalist circuits and create an urban geography of growth. The diversification of several large global and domestic business houses and finance capital into housing, infrastructure and retail construction points to the significance and scale of this “fix” for capital, irrespective of the realisation of the promise of industrialisation. The institution of the DSIR under the guise of urbanisation is a cover for rent-driven growth serving the political and economic elite able to profit from rentier investments.

The ‘creative destruction’ of existing infrastructure and relationships with land and resources that this rentierism unleashes, however, is officially unacknowledged or obscured. The opposition to this destruction is officially silenced. If official assertions of the massive movement of 300 million people from rural to urban areas over the next two decades bear out, the implications for dispossession and uprooting of rural populations, agrarian livelihoods and cultures, and large-scale land-use change with consequent conflict and stresses on the environment and food security are serious. In turn, the consolidation and acquisition of land for urbanisation and
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infrastructure projects is fiercely resisted and is creating recurrent conditions of impasse for the model of economic growth underpinning them.

Anticipated rent from appreciating land values and real estate plays a critical role in the official legitimacy for the Dholera smart city. Despite the terminology of pooling and consultation, consent remains an unacknowledged element in the institution of the Dholera SIR. The imagined futures that moor this greenfield city plan are tenuous and rife with possibilities of resistance and overthrow.

These futures can then be attempted only with resort to force and violence by the state that must also account for electoral contingencies. This rentier-driven paradigm of growth is increasingly conflated with development in policy discourse; the resistance to the institution of the Dholera smart city, in turn marks the possibilities of (re)articulating the terms of development 'from below.'
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