



The Bangalore Metro: for ...?

Since 1998 Bangalore has been implementing a series of mega infrastructure projects purportedly to improve the economic attractiveness as well as living conditions in the city. A key question here is whose interests do these projects serve?

In the past Bangalore's attempts at urban renewal through large infrastructure projects have had an adverse affect on poor groups. The city's first large infrastructure project, the Sirsi Circle flyover from Town Hall to Mysore Road, built during 1999-2002, is a case in point. The flyover crossed over the main city market area, the SKR Market, which is a major hub of trade, transportation and finance in the city. The SKR Market is one of the oldest areas in the city and people come here from throughout the country to buy and sell products such as readymade garments, fruits and vegetables, groceries, and stationery. It provides livelihood and employment opportunities to more than 5 lakhs of people ranging from new migrants just entering the city in search of a job to large whole sale / retail traders who have been there for more than 100 years. The flyover was built with the aim of reducing traffic congestion in the crowded inner city market area but what impact did it really have? Both during and after the construction of the flyover, many hawkers and coolies were evicted due to shrinkage of space for vending. Fewer consumers visit and shop at the market now because the flyover goes past the Market and does not make any provision for consumers to stop at the market or park while shopping. There has also been no improvement in traffic congestion in the area.

At the same time as construction of the flyover, wholesale markets, like the fruit, grocery, onion and potato markets, began to be shifted from the area with the same aim of decongesting the area. The old SKR market building was demolished and a new market complex was also constructed. After completion of the complex, the Bangalore Municipal Corporation (BMP) didn't allow hawkers to vend their wares either inside or outside the complex. This forced many hawkers and coolies to change their occupation. Some became construction workers or housemaids, some went back to their native place and some became sex workers. Overall, hawkers complained that their incomes had fallen by 80% as a result of the construction of the flyover and market complex and the shifting out of wholesale markets, reforms that were supposed to "renew" the congested inner city core.

The Bangalore Metro Rail Project has been projected as one that will benefit everybody by its reduction in congestion, pollution and increased mobility. But does this project really benefit everybody? Given the huge investment and impact of this project and the resistance it faces, CASUMM decided to explore whose interests it serves, the manner in which the State is implementing the project and how affected groups have mobilized in response.

Background to Bangalore Metro Project

The Bangalore Metro Rail Project was proposed in 2002 and a special purpose vehicle, the Bangalore Metro Rail Transit Limited (BMRTL) was formed to implement the Metro Rail Project. In 2002, after a meeting with SM Krishna, then Chief Minister, Delhi Metro Rail Corporation (DMRC) was appointed to prepare a Detailed Project Report (DPR). In May 2003, the DPR was submitted by DMRC and RITES to Government of Karnataka (GOK). In 2003 GOK commissioned iDECK to do a Due Diligence on the DPR (DDPR) due to the financial and social importance of the project. In 2005, the BMRTL became the

Bangalore Metro Rail Corporation Limited (BMRCL). The final project approval was obtained in 2005. Project construction began in July 2007.

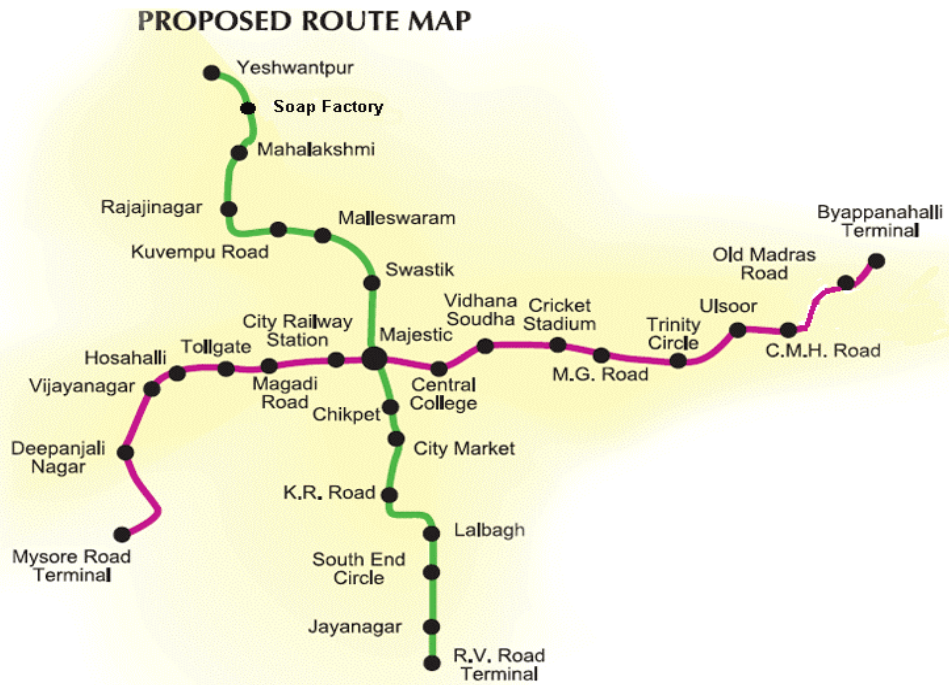


Figure 1: Metro map showing routes that the metro will take

The project will create considerable direct displacement as a result of land acquisition (current tally is 1500 families including 300 slum dwellers). Indirect displacement will also take place due to commercialization and gentrification of the area. The BMRCL is acquiring a total of 228.614 acres for the Metro Rail Project (see Table No 1).

Table No. 1. Land acquired for Bangalore Metro Rail Project

Details	Land in acres (No. of properties)
Private property	26.13 (568)
State govt land	32.2
Defense, HAL, BHEL, BSNL, NPCIL, Railways and Central Silk Board	136.35 (54)
NGEF	33.91
TOTAL	228.614

Source: Rehabilitation Package Metro Project Aug 2007

This paper consists of two broad sections. The first section describes the Metro Rail Project’s impacts on employment, livelihoods, and the local economy. The second section explores the process and timeline of project implementation and responses from affected groups in the 2 case study areas. Both sections draw on intensive field research done in 2 roads along which the Metro runs. Field work comprised

interviews¹, mapping of the area², participant observation in meetings and protests, and a sample survey³.

Since 2002 many groups including traders, politicians and residents have opposed the Metro on several grounds including its technical and financial feasibility (particularly with respect to alignment), whether it is needed, and issues of displacement without adequate compensation. Affected groups argue that they have not been given sufficient information on the project nor have the reasons for their opposition been given serious consideration. In all, very few public consultations have been held and when they have been organized, they have mainly included land owners despite the fact that 60-65 % of (commercial and residential) occupancy in the city is based on tenancy.

Two areas along the Metro's route were identified for studying the impact of the Metro Project: the Chinmaya Mission Hospital (CMH) Road in Indiranagar and the Mahakavi Kuvempu (MKK) Road in Rajajinagar. There are several reasons for this selection. CMH Road is one of the busiest shopping roads in Bangalore and home to more than 800 shops. MKK Road is also mainly commercial with about 760 shops. The Bangalore Metro Rail Corporation Limited (BMRCL) is going to acquire 48 properties on CMH Road and 1 lakh sq ft on MKK Road. Because both these vibrant localities will be seriously affected by the project, they are among the most active sites of resistance to the Metro Project. While resistance to the project from different parts of Bangalore started in 2005 after final project approval, in CMH Road and MKK Road it continues to this day. There is also considerable political backing for this resistance in these two areas.

Section I: Metro Project Impact on employment, livelihoods and local economy

This section analyzes the manner in which the Project affects groups living and working in two areas of the city- CMH Road and MKK Road. The focus is on issues of livelihood and employment and the impact on local economy.

Among the areas where groups affected by the Metro Project protested include those from two wards, Rajajinagar and Indiranagar. Both wards were planned predominantly as residential areas by the City Improvement Trust Board in 1960s and 70s which later became the Bangalore Development Authority in 1976. The planned layouts are situated around the old village in both wards. Commercial activities, mostly consisting of small retail businesses, are located on two sides of a transport corridor. Each of the plots has commercial activities consisting predominantly of retail businesses of varying size on the ground floor. The type of businesses found in the areas include cloth business, medical stores, stationeries, shoes, banks, bedding, toys, hotels, pan beeda, cool drinks, wine, tiles and ceramics, furniture, hardware and painting shops. The upper floor typically houses residential units for rent. The Metro is planned along CMH Road and MKK Road, each of which is a main commercial node in their

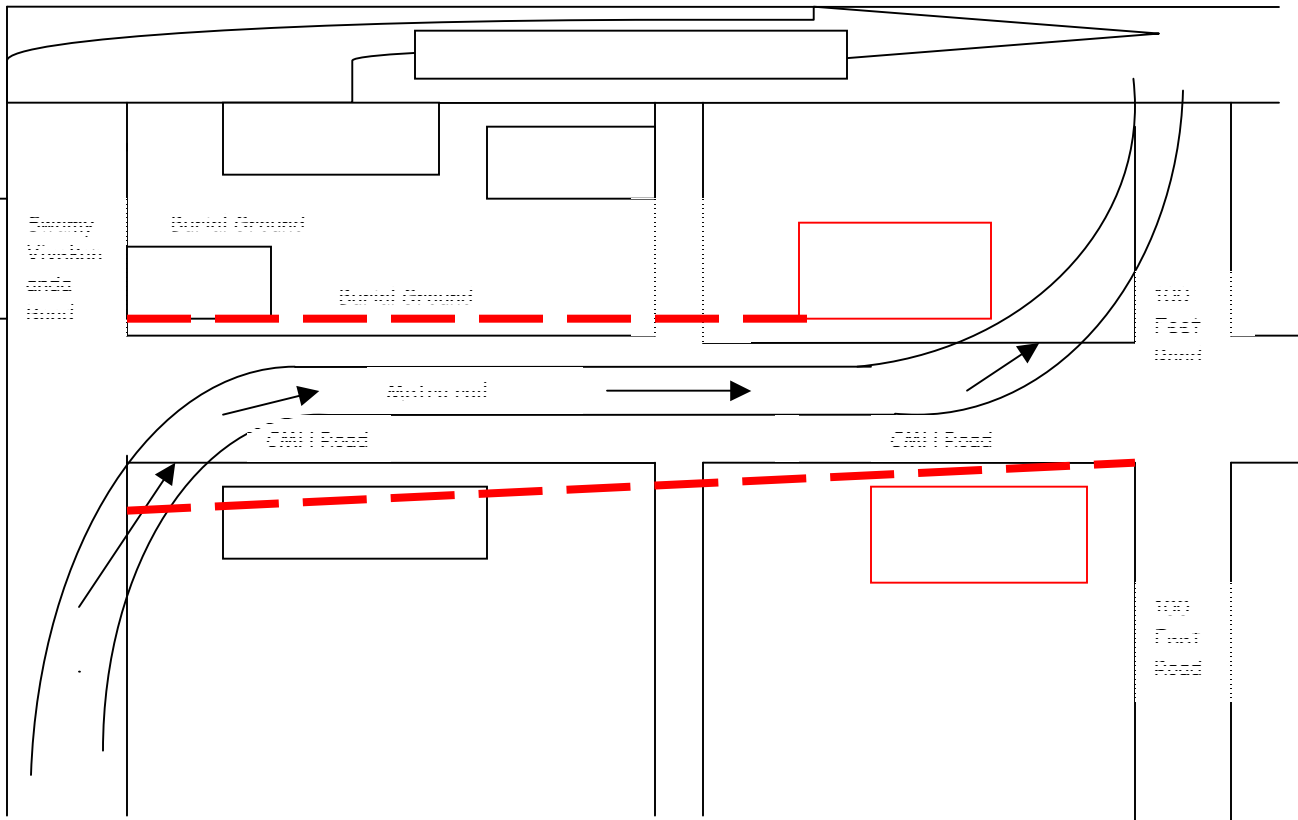
¹ 40 in-depth interviews of traders, residents, employees, elected representatives and BMRCL officials were conducted between June and November 2007.

² Detailed mapping was done to record the name, nature and location of each shop on the stretches of CMH and MKK roads along which the Metro runs.

³ In August of 2007 a sample survey was done of the shops on CMH Road to understand the type of business, ownership structure, number of employees, age of the establishment, turnover and investment, and contributions to the local economy and the city/state exchequer. CMH Road was broadly differentiated into three sections- Top, Middle and Lakshmiपुरam-based on the type of business, the amount of investment, the size of the establishment and the nature of the trading links. The sample was stratified by these three sections. A total of 91 responses were received.

wards (see figure 2 and 3). In order to implement the Metro Project, it is proposed to evict both retail businesses and residences on either side of the road.

Figure 2: Rough Map of CMH Road



CMH Road:

Lakshmipuram, the bottom section, is an old settlement and the oldest section of CMH Road. It comprised agricultural lands which began to be developed into residential areas in the early 70s. The trigger for this development was when BDA (since 1976), NGEF (around 1965) and Karnataka Housing Board (KHB) (mid 1970s) acquired the land in the middle and upper sections of CMH road and the surrounding area. In 1985 Shantisagar restaurant started in the middle section. At this time the BMP laid a tar road. Soon some commercial establishments were set up in Lakshmipuram and these gradually spread to the middle and upper sections of CMH road. In Lakshmipuram both property sizes and businesses are small. Many of the earliest businesses which started were small provision stores, automobile and electrical stores which catered to the growing construction activity in the surrounding area. In the early 1990s Lakshmipuram was the centre of business activity for the areas of NGEF, Mahadevpura, Kaggadasapura, KR Puram, Ramamurthyagar and others. During this time hardware and paint stores, sanitary and plumbing, automobile seat cover stores started. In the last several years recent entrants to Lakshmipuram have been computer and jewelry stores. Most of the shops source their goods from KR Market although a few products are sourced directly from suppliers.

The shops in the middle section are newer and are mostly small service providers catering to a range of middle income groups. About half are higher end service providers (like advertising and opticals) and about half are lower end service providers like provision store, medical shops and bus and taxi travel agent. The goods they supply are local brands sourced mainly from local markets like Chickpet, KR Market and surrounding areas. A large majority of these shops (68%) employ less than 5 people.

The top section of CMH road is most commercialized with the shops being generally high end in terms of investment, turnover, type of goods, type of clients, and investment on interiors. Several of the shops belong to retail/service chains such as Megha Sagar, KFC, Adyar Ananda Bhavan, Sangeetha and Identiti. Some of them are global brands, such as Allen Solly. These shops directly buy from agencies or factories. Large parcels of land on the right hand side (RHS) of the top section were owned by NGEF (employee quarters). Individual employees sold their lands starting from about 20 years ago. Since 2000, many buildings were demolished and multi-storey (upto 6 floors) buildings have been constructed on the right hand side. All are commercial, generally catering to middle classes. The shops in the left hand side (LHS) top section are smaller, older and mostly selling daily use and essential items like medical, tailoring, small footwear, provision stores etc.



L to R: Footpath vendor at location of CMH Road metro station; small tailoring shop in top section of CMH Road which will be displaced

From 1995 onwards, commercial development in the rest of Indiranagar, including the middle and upper sections of CMH Road, picked up. Construction of the Indiranagar Koramangala Ring Road began in 1997 and was completed in 2000. This gave a further boost to commercial development on CMH Road and in the rest of Indiranagar. CMH Road and its cross-streets have 32 banks and some financial companies, most of which have located there since 2000 in response to the rising demand.

MKK Road

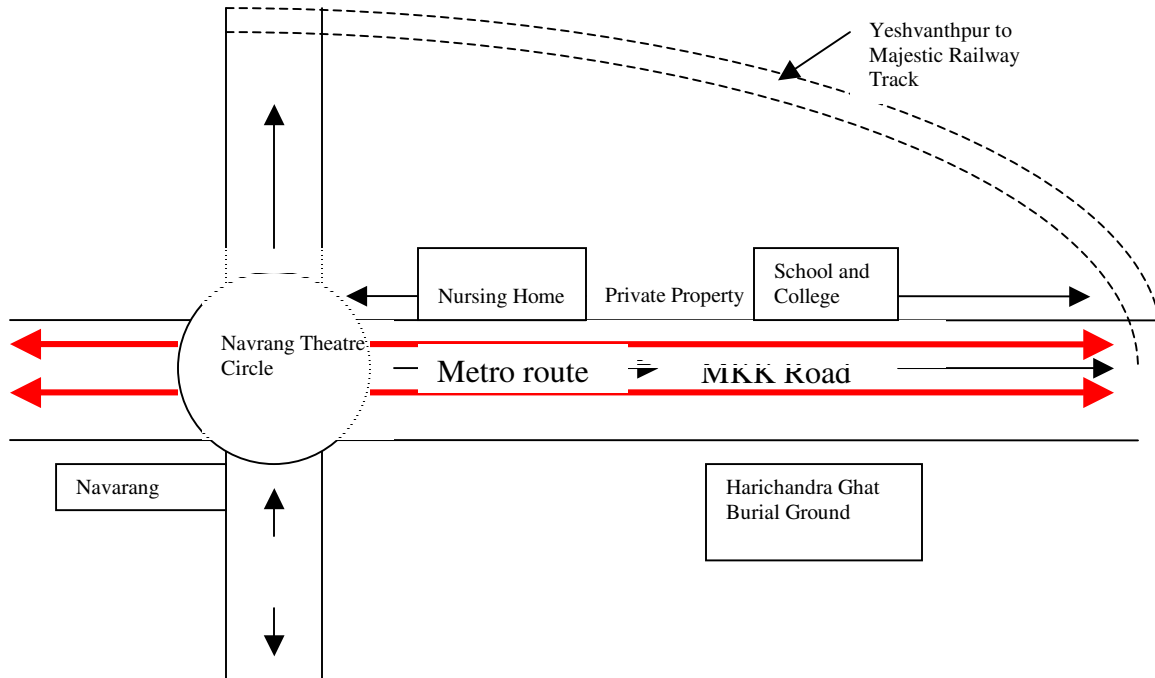
MKK road was developed by the City Improvement Trust Board (CITB) in the sixties. It is located next to several old village settlements and lower income areas. The shops on MKK road are, for the most part, similar to those of Lakshmipuram in CMH road being small shops and small businesses. There is also a large graveyard, a nursing home, schools and a college located on MKK road. This is the oldest

and only shopping centre in the surrounding area. The traders here cater to middle and lower income groups from the villages, slums and lower income areas, nursing home, schools and college. Most traders source their goods from KR Market and Chikpet areas. Some goods are sourced from other states, such as cloth from Mumbai, dress materials from Pune, and chappals from Kanpur.



L to R: Footpath Petty Shop vendor at location of MKK Road metro station; small Petty shop in of CMH Road which will be displaced

Figure 3: Rough Map of MKK Road



MKK Road started as a hub for readymade garments and textiles, electronics, electricals, automobiles, and cycle shops. Over time, there was incremental growth and expansion of existing commercial activities- tailor shops converted into textile and readymade garments shops, photo studios became photo labs. After the construction of Chord Road in early 1990's, a few new businesses emerged like furniture shops, and offices of construction engineers, architects, advocates, and real estate agents. In the last 3 years, cyber cafes, and computer training centres have emerged. MKK road has developed at a slower pace than CMH road. It does not cater to high end shoppers unlike the top section of CMH road. Also, traders rely on a regular established clientele unlike CMH road which gets a higher floating population due to those who are just passing through.

Property acquisition and Displacement

The report of the PSS Thomas Land Committee (April 2007) constituted by the Urban Development Department stated that land acquisition for the Bangalore Metro Project must take place by “mutual agreement” between BMRCL and land losers. But what does this mean in practice?

Threats to continuing their businesses spring from three aspects in the case of CMH and MKK roads. The first relates to direct acquisition of land. The second relates to closing of the road during construction due to narrowness of existing roads for a period of not less than 2 years. CMH road is only 40- 60 ft wide. Although BMRCL has stated that a total of 48 properties will be acquired on CMH Road, taking into consideration the space requirements for the metro, traders argue that 100 ft is necessary. This could mean the need for acquiring more plots housing retail units and residences on either side of the road. Currently BMRCL has not shared any information on how they will divert traffic and minimize disruption to businesses in the area during construction. The third threat relates to the high probability



that CMH Road will be widened after the Metro has been constructed (see section on Transfer of Development Rights and the Metro).

Box No. 1 Electronics Shop run and staffed by women

Near the corner of 100 ft road and CMH road she started a TV shop in 1988. This is a rented place. In 1988 there were not many businesses- only Kartik Mithai, Kumar Store, and few shops and residents. She shifted from TV business to Xerox, scanning, DTP work in 1992, because during that time there was no Xerox shop in this area so she thought of starting a Xerox shop. my building is going completely. They are acquiring 300 sq ft of the Ganesh medical shop building to the right of mine. On my left side is a baby shop which is also being acquired. That shop is the third baby shop in Bangalore. The BMRCL people are not talking to the tenants they are talking only with the owners.

My business picked up since last five years. In my shop they are 10 female employees working and in the baby shop there are 7 employees working. In CMH road mostly commercial buildings are there with few residential and IT companies. In this road there are many banks many of which have come up since two years. In 1987-88 there were not many businesses in this area. Since 2000 her business has picked up mainly because there are many schools and colleges near by. This place is also near to Airport Road and M G Road and Koramangala ring road. Ulsoor Road is very narrow and is one-way so the surrounding people all use CMH road. More population is living in this area compared to Jayanagar.

I am buying goods from Majestic once or twice in a month. I am staying near Krishna Temple in my own house located in a BDA developed layout in Indiranagar 1st stage. I am also one of the members of the CMH Road traders association. In the first list of properties to be acquired, my shop was not mentioned but in 2005-2006 my owner got a notice from KIADB. I am not aware of how this change occurred. I am not getting any information through BMRCL; only through the newspapers. The owner has got the notice but I do not know how much compensation owner is going to get.

Now I am paying Rs.10, 000 as rent. The market rate for land sale is Rs.8000-10000 per sq ft. At present, some buildings in the area are going for Rs 2-3 lakhs rent. I have lots of clients. If i shifts to another place I will lose them. I do not have any support. I am alone, my husband has passed away. My employees are coming from different parts of Bangalore. How can i move from this place?

The association is interacting with metro officials. Every now and then association members are meeting the metro officials. They are asking for a change of alignment. Why cannot the metro go via Old Madras Road?

Traders on CMH Road have been protesting the alignment of the Metro on CMH Road arguing that Old Madras Road would be a better option for several reasons. Old Madras Road has several state and central government properties so less land acquisition is required. There will be cost reductions due to shortening of the route by 1 km. It is also a much wider road than CMH Road, being 80-100 ft wide. Old Madras Road is also an extremely busy transport corridor that runs through the IT belt of the city, connects peripheral and central city areas, and links inter-state traffic between Andhra Pradesh and Tamil Nadu. In response to the CMH Road traders' protests, the state government constituted a committee chaired by retired Justice Shiv Shankar Bhatt to assess whether the Metro should run along CMH Road or Old Madras Road.

In November 2005, the Shiv Shankar Bhatt Committee recommended that the Metro alignment should be on CMH Road despite the numerous demerits of choosing this route (see Table No. 2). Their recommendations were made keeping in mind two main issues: maximizing metro ridership, and minimizing negative effects caused by acquiring a portion of the Ramakrishna Ashram and 3 graveyards which might prove controversial. What comes out clearly from this report is that commercial viability of the Metro and cultural and religious sentiments of people associated with the 3 graveyards and Ramakrishna Mission were given priority over the shelter and livelihood needs of residents and traders on CMH Road.

Table No. 2 Merits and demerits of CMH Road and Old Madras Road Alignment as stated by the Justice Shiv Shankar Bhat Committee

If the alignment is to be via CMH Road:

Merits	De-merits
It will be closer to the main catchments area for the Metro. It will thus be more convenient to the potential metro riders	Traffic congestion on this road can become much worse after the metro is in operation. Even with road widening, the road will not have two lanes on either side. Parking space also will be a major problem
This location has the potential to attract a large rider ship. RITES Traffic survey claims that this alignment will attract 15% more passengers/revenues.	Though the metro rail will be elevated, as train move fast, a tunnel effect may be created along this narrow road, causing vibration to those working and living on both sides
	More properties will be demolished or taken over in this option than in the alternative alignment, many are small traders whose livelihoods will be destroyed. Compensation and acquisition cost will be higher than in the other option
	There are two sharp curves in this alignment, necessitating trains to slow down. This route will also be a bit longer. There will be some loss of time for passengers as a result.
	This alignment will incur an extra cost of Rs.60 crores because of the curves and additional length of the route.

Source: Justice Shiva Shankar Bhat Committee Report Regarding Metro Alignment along CMH Road versus Old Madras Road 20th April 2006

If the alignment is to be via Adarsha Theatre and Old Madras Road:

Merits	Demerits
Widening of this road will permit two lanes on either side and hence the traffic now may be faster and smoother.	The rider ship in this option could be lower in volume as one side of the road across the defense land and railway line will not generate any traffic for the metro
The scope of parking vehicles at the station will be much larger and more convenient for the riders.	There could be some sensitivity as graveyards and mosque, a temple, etc. including Ramakrishna Mission land will be adversely affected by the road widening/metro rail. If people become emotional about this matter. It can create negative upheavals.
Fewer properties are affected by the road widening station etc, in this option. Many of them are public properties, and hence easier to acquire.	Though only a few private properties will be acquired, some of them belong to small traders, in fact the difference of the number of traders between those affected by this alignment or CMH road alignment is not much.
Relocation and livelihood problems of those affected by acquisition will be much smaller in this option as lower private persons are affected	Defense lands may be difficult to acquire

Source: Justice Shiva Shankar Bhat Committee Report Regarding Metro Alignment along CMH Road versus Old Madras Road 20th April 2006

Employment and livelihood losses

Each business on CMH and MKK Roads employs on an average 8 persons. While smaller shops like provision stores employ between 2-3 persons, the many restaurants and hotels in the area provide employment to as many as 50 persons, and other establishments employ between 5-10 people. The employment generated by the relatively short stretch of CMH road on which the Metro will run is considerable being about $800 \times 8 = 6400$ employees and their families. This many people will be affected by the Metro in some degree or other: some will lose their jobs due to acquisition of the property while others might be laid off during construction when business will be reduced. While those who are skilled will find it easier to get another job, all the employees in garments and hotel industry, provision, pan/beeda and hardware stores are unskilled. They will find it hard to find new jobs. Even if they do, their salary will probably be less than they are getting presently.

Employment losses need to also take into account impact on dependents. The families of many employees depend on these shops for their livelihood with the number of dependents cited for each shop ranging from 8 to 200.

Box No. 2: Photo printing studio on MKK Road

I am working in a Photo Printing Studio since 23 years. I come from Kamakshipalya, 6 km from Rajajinagar. I have two children- a boy studying in 6th std and a girl in 1st std in a private school. I have six dependents- my two children, wife, mother and two sisters. I live in a rented house and pay Rs.2300 per month. I spend Rs 3000 per month for food expenses, Rs1300 on school fees, and Rs.500 on medical expenses. I earn Rs.7500 per month. My income is equal to my expenditure and I cannot save. I am the only earning member in the family.

Since 23 years I am working as photo printer in the same shop. Apart from photo printing I do not have other skills. If the metro comes I will lose my job and cannot find other jobs in the same location. The Metro destroys the livelihood of thousands of employees like me who are working in shops since several years.

Rehabilitation provided

On both CMH and MKK roads, about 85% of traders are tenants. Many of these shops are not liable to pay sales tax (ST) or value added tax (VAT) being textiles, provision stores, petty shops, stationery shops etc. Additionally, VAT was introduced in Karnataka only in April 2005 and some gestation period is required before all retailers understand the procedures and norms related to its compliance and make the transition to implementing it. Also, in the kind of small retail trade that exists in sections of CMH road (Lakshmipuram) and MKK road, customers are not willing to pay VAT and ST as it increases the price of the product. They would rather go elsewhere and make their purchases. This makes it hard for small traders to pay VAT and ST. The rehabilitation package developed by the PSS Thomas Committee and aided by a private real estate consultant, Trammel Crow Meghraj, does not take these factors into consideration. In the rehabilitation package, property owners get more compensation compared to tenants and those tenants who have small shops and do not pay VAT and ST, or pay less VAT, get less compensation.

Tenant compensation

Commercial tenants are eligible for 3 types of compensation and residential tenants for 2 types of compensation (see Table No. 3).

Table No. 3 Type of Allowance for Commercial and Residential tenants

Type of Allowance	Commercial tenants	Residential tenants
Shifting allowance- transportation of belongings of affected persons based on area lost	Up to 150 sq ft- Rs 10000 151 sq ft to 300 sq ft- Rs 15000 Above 301 sq ft- Rs 20000	Up to 1000 sq ft- Rs 10000 1001 sq ft to 1500 sq ft- Rs 12500 Above 1501 sq ft- Rs 15000
Business loss allowance- compensation for business loss of 10 months at the lowest slab	Those paying VAT/ST upto and including Rs 5000: Rs 50000 Those paying VAT/ST btw Rs 5001- 15000: Rs 75000 Those paying above Rs 15000- Rs 100000 Those w/o VAT/ST documentation: Rs 25000	
Business premises re-establishment allowance- payment for 12 months to re-establish business	Rs 240 per sq ft of area lost	



Inconvenience Allowance- one time payment	Rs 30000 per family or Rs 15000 for single person tenant
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Source: Rehabilitation Package BMRCL Aug 17 2007

These allowances amount to very little compensation. Most of these traders have been trading in these areas for a long time. The key issue according to them is not the amount of compensation but one of loss of prime location and time required to rebuild their business if forced to shift.

Box No. 3 Textile business trader/tenant, MKK Road

My shop is 27 years old. Initially my father started a tailoring shop. After 10 years my father started selling fabric. Both my father and I are tailors. I have 10 tailors working under me now. In the beginning, MKK road had a small population. My father was the first person to occupy a shop in the building. After the construction of West of Chord road, my business picked up. I have customers from many different locations within and outside the state.

According to me 80% of traders are tenants. 10-50% owners of the building are also trading. This area has different types of businesses. I buy goods locally and from outstation. In some places he pays by cheque and sometimes by cash depending upon the understanding I have with my suppliers. During festivals I get more business. My whole family is involved in the textile and tailoring business. I took a loan of Rs.20 lakhs to establish the shop. Every month I pay Rs.25,000 as loan repayment. In this road there are more small time business, such as panipuri, stationers, hawkers etc. Many shops are very small and they sell non-branded goods. In this road more than 50% shop keepers do not pay tax. Every day garments traders are getting Rs.3-4000 profit. There are 156 properties in the 1 lakh sq ft KIADB is going to acquire for the metro...

...The BMRCL is not transparent. One property in the area was sold and registered for Rs.10,000 per sq ft in the sub-registrar's office. We have this registered document. Now we can say the market value of property is Rs.10,000 per sq ft. And in some places it is Rs.15- 25,000 per sq ft. But BMRCL is paying only Rs.4500 per sq ft and on top of that they are deducting 10% for moderation and 15% discount. And also they are charging demolishing charges. So the owners are getting very low compensation. We are ready to vacate the property but they have to promise us to give a good location for the same deposit and rent money. They are giving 6 month rent per sq ft Rs.10.

The metro is planned in a bad way- no public consultation was called by BMRCL. Actually the traders/owners/tenants called a public consultation along with the MLA and we all opposed the alignment and suggested an underground route. We didn't speak about the compensation but BMRCL people are propagating that we are protesting for the sake of more compensation.

Owners are eligible for several different types of allowances (shifting, inconvenience transitional and rental income) in addition to compensation for the value of the land. The Rehabilitation Package of the project states that owners are eligible for compensation of their land as per the KIADB Act (which is based on guidance value) or BMRCL's "consent award" based on Fair Market Rate (FMR). The BMRCL hired Trammel Crow Meghraj as private consultants to determine FMR⁴ for properties in different areas. The consultant also recommended that the FMR so obtained be reduced by 10% moderation and 15% discount. This means that property owners will be compensated at 25% less than the FMR of their property.

The decision to reduce FMR by 25% was a unilateral one taken by the consultants and is not open to questioning by those to be compensated. Given that the Bangalore Metro Project is a public project, and that valuation is being undertaken in an environment of "variance in valuation" and "considerable bullishness regarding real estate prices", the consultants have recommended that the FMR be moderated by 10% (ibid p. 3). But are real estate prices in the area so inflated that they need to be moderated by 10% or is this a ploy to reduce the amount of compensation BMRCL will pay? Further, the notification for acquisition was issued in January 2006 whereas the land valuation was carried out in December 2006. The consultants argue that real estate prices rise by about 20% annually and hence they recommend that Dec 2006 valuations be discounted by 15% to reach Jan 2006 levels. It is important to

⁴ The FMR was based on averaging two sets of figures: first, figures based on sale or local market 'asking rate' enquiries, and second, the consultant's own knowledge of real estate market in Bangalore using "prevailing lease rental rates, standardized construction costs and real estate capital values in the market" (Report of the Land Committee 2007 p. 2).

note, however, that owners lost rights over their property in January 2006 itself and there is no guarantee about when BMRCL will actually pay them their compensation.

Property owners and traders have protested against the BMRCL compensation saying it is not based on market values as the BMRCL claims (see Table No. 4).

Table No. 4 Comparing guidance values, market values and BMRCL FMR in CMH Road and MKK Road

Location	Guidance value (Rs/sft)	Market value (Rs/sft)	Net FMR (after 25% deduction) (Rs/sft)
CMH road:			
Top Section	3000	10000-12000	3232 -3989
Middle section	3000	10000-12000	2599 -2791
Bottom section	1800	6000-8000	2599 -2791
MKK road:			
Top section	2100	10000-12000	3670 -4496
Middle section	2100	8000-10000	3518- 3549
Bottom section	2100	6000 -10000	3518- 3549

Source: Rehabilitation Package 2007 and interviews with local real estate agents

A property owner from MKK Road proposes alternatives to the current rehabilitation package of BMRCL: he says that instead of giving FMR compensation, why the BMRCL cannot give him land in a similar business location (see Box No 1). He also argues that the Metro should go along roads that have heavy traffic congestion, like Hosur, Banerghatta and Airport roads, and not small business areas with less traffic congestion like MKK road.

Box No. 4 Property owner in MKK Road

My property is located near the bridge connecting MKK road and Malleshwaram. Mine is a corner property. BMRCL has valued his property at Rs.1900/sq ft. Twenty years back he purchased this property by my hard earned money. I was supplying materials to Kirloskar factory. I have has constructed ground plus two floors- total 10200 sq ft of built up area. I have rented out the front portion and is living in the back portion. I am getting Rs50,000 as rent Now the BMRCL is acquiring more than 6000 sq ft of his property. Near my property the market rate for residential property is Rs.7000 sq ft and for commercial property is Rs.12,000 per sq ft but BMRCL has announced Rs1900 compensation for my property. His property is located in a prime place.

In the 1980s when Devaiah Park and bridge was built, 100 sft of my property was acquired but I did not take compensation for it because the park is used by elderly people and the public. Now I am opposing the Metro because 156 properties are being acquired and now in Bangalore property rates are very high and I cannot buy anywhere in Bangalore with BMRCL compensation. Instead why can't BMRCL acquire property in an area like this and give to people? So many times I have submitted a letter to all the BMRCL and also told them if you acquire my property I will commit suicide in front of your office but I have not received any response.

Finally I wrote requesting BMRCL people to give me the government land near my property instead of compensating money. But they did not accept my request. I also requested BMRCL and KIADB not to acquire the maximum property- if at least half of my property is left then I can make use of the additional FAR. But now the property remaining with me after acquisition is very little and I cannot use it for any purpose. I am planning to file a case against the metro project after getting final notification from KIADB. I am not opposing development just this kind of development.

From MKK road to Majestic it is very near if three people go by auto the fare will come around Rs.20 but metro fare is very high, a minimum of Rs.7.50. Really the Metro is needed in an IT area not in small business areas.

Breakage and disruption of trading networks

Both CMH and MKK roads are extremely vibrant small business economies. The roads cater to a range of consumers ranging from daily provision stores to high end electronic goods. The traders on these roads show similar diversification in the size of establishment, investments made, and employment provided. Traders on these roads have played a major role over the years in developing the area and



generating employment opportunities. About 85% of traders are tenants. While conventional wisdom suggests that tenants have less of a stake in the area they live/work compared to owners, traders on CMH and MKK roads prove otherwise. The entry of the Metro will completely destroy the dense network of trade linkages (see Figure No. 4), and employment and livelihood opportunities these areas support. This forms the main reason for trader's opposition to the Metro Rail alignment on these 2 roads.

Traders in these 2 areas have, over time, built up a complex network of (wholesale and retail) suppliers, transporters, financiers, consumers, coolies and headloaders inside Bangalore and extending to cities in other states. The entry of the Metro will destroy not only the livelihoods of CMH and MKK road traders and their dependents but also the livelihoods of those involved in associated trading, finance and transporter networks. See Figure No.5 compares this inter-linked network to a tree with the traders forming the tree trunk; cutting the trunk of the tree (i.e. the traders) will affect the healthy growth of all the other branches (i.e. the associated trading, finance and transporter networks). The BMRCL is not considering the impact of the Metro Project on these networks.

Local trading Vs big chains

The Metro in Bangalore is envisioned as a "mutation corridor" which will play a significant role in influencing the direction of future growth. The BMRCL has plans to encourage commercialization of the stations and the surrounding area, and the entire Metro corridor by proposing an increase of floor area ratio (FAR) from 1.75-to 4. The recent BDA Master Plan also promotes commercialization by stating that commercial establishments can be set up on main roads wider than 60 ft without any permission from the local authority. Already big developers are showing interest in purchasing and renting land along the Metro corridor to set up big chain stores. Big Bazaar, for instance, is renting huge spaces in some main bus stands in the city, capitalizing on the convergence of consumers provided by a transportation node and a commercial centre⁵. Land prices will almost certainly rise along the Metro corridor making it profitable for property owners to sell. The traders in CMH and MKK roads, most of whom are tenants, will find it difficult to survive.

Transfer of Development Rights and the Metro

Transfer of Development Rights (TDR) was introduced by BBMP in 2005 in Bangalore as an alternative method of land acquisition for road widening. The concerned authority issues a development certificate to the owners (FAR equivalent to amount of property being acquired) which they can sell to anybody but in specified locations. TDR mainly targets inner city, congested, commercial areas. A desired outcome of TDR is the "renewal" of congested inner city cores via the elimination of existing dense networks and systems of tenure thus paving the way for the entry of large companies and developers and more high-end development⁶.

While TDR avoids litigation and the payment of compensation money by government to private property owners, it only takes into account the owner despite the fact that more than 60% occupancy is based on tenancy. Government facilitates the implementation of TDR because large developers, who would otherwise find it difficult to enter and trade in the inner city commercial core, put pressure on government.

⁵ The eastern end of the Metro's east-west corridor (from Byappanahalli to Mysore Road) ends in Byappanahalli station opposite which is the biggest Big Bazaar in Bangalore.

⁶ TDR is linked to the National Urban Renewal Mission (NURM). Under its Urban Infrastructure and Governance component, NURM promotes urban renewal as a means to decongest inner city areas and upgrade their infrastructure.



In 2005 BBMP identified 85 roads for widening to between 9-12 metres using the TDR model based on the Mumbai approach. Depending on size of shop and proximity to the road, some shops will be completely taken over and some will be partially acquired. Traders of shops that are being partially acquired often cannot use the remaining portion because it is too little. What is assumed will happen through TDR is that large developers will buy these shop owner's TDRs and remaining portions and assemble large parcels of land for redevelopment (interview senior bureaucrat, BBMP). These developers will then change the existing landuse. This will have a ripple effect on the entire economy of the area. For e.g. Avenue Road, a narrow commercial corridor in the inner city, connects different trading pockets like Chickpet, Balepet, Cottonpet, and Mamulpet, which specialize in trading different products. If the road is widened, a major portion of the shops on Avenue Road may go to developers. This is likely to block access to the next building, complex and street forcing them, in turn, to sell their land to developers.

BBMP has started implementing road widening through TDR scheme on some roads, mainly targeting government properties. But it has encountered several problems in implementing TDR which has stalled the scheme. First, many traders in inner city areas are tenants and because they would not get any compensation from TDR, they protested its implementation. Second, many property owners were not interested in accepting development certificates because of the difficulty in selling them, and the lack of clarity regarding where certificate holders could purchase land and at what rates. Third, most of the shops in inner city areas are small and owners were not willing to give up all their land to government. Moreover, Bangalore property rates are so high that the money obtained from selling development certificates is insufficient to buy a piece of land anywhere in the city.

In early 2007, BMRCL approached the state government to implement TDR in the metro corridor to reduce the time and money spent in acquiring land. The state government did not accept, in large part due to the difficulties faced by BBMP in trying to implement TDR.

For the Metro, BMRCL needs roads to be 70 ft wide but many of those along the route are less than this. While BMRCL has been given the go ahead to set up 20 ft pillars along the Metro route, this will take up considerable road space greatly reducing that available for private vehicles. So the responsibility now falls on BBMP to widen the roads and reduce congestion. BBMP has once again taken up its TDR scheme to widen the Metro corridor as well as other roads. Thus, the Bangalore Metro Project works with the BBMP's TDR scheme to facilitate commercialization in different areas. This will probably mean a rupture of existing local economies and trading networks and the entry of large developers and companies (like Big Bazaar, Reliance) in inner city areas.

Section II: Project implementation and the responses of affected groups

Responses of affected groups in different parts of the city to project implementation have been varied. We focus here in particular on the timeline of key events of Metro Project implementation and the manner in which traders and residents of Indiranagar CMH road and Rajajinagar MKK road responded. This section reveals the strategies and negotiations employed by traders and residents to strengthen their bargaining position vis-à-vis government.



The main demand of affected traders in both areas is to change the alignment of the metro route. Affected traders tried to influence the implementation process using a variety of strategies. These included lobbying with different levels of politicians and bureaucrats, holding protests and dharnas, drawing attention of the public through media, and organizing consultation meetings along with NGOs. They lobbied at the national and regional level, at the level of prime minister and chief minister respectively.

Confrontational and non-confrontational responses of traders

As can be inferred from the timeline below, the traders and residents used both confrontational and non-confrontational strategies. Public spectacle was used mainly to attract attention and to get representatives from the state government to the negotiating table. Several protests, rallies and bundhs were held in both areas. The traders were willing to forgo the day's profits by downing their shutters- in CMH Road as many as 4 times and twice on MKK Road. The courts were another avenue used to protest the Metro Project. 8 cases have been filed against BMRCL so far. One case has resulted in a stay on land acquisition of the particular property; all others are pending. The BMRCL has not responded in any way to these cases.

Traders did not have much direct interaction with the media but relied on eminent personalities like MF Saldanha, Premila Nesargi, Narendra Babu and Dr Ravindra to bring in the media and politicize the issue. While the BMRCL has not shown any interest in directly giving information on the Project to the public, they have focused on getting good press coverage from major local newspapers. The present MD of BMRCL made a detailed presentation on the present status and future plans of the Bangalore Metro to *Deccan Herald* and *Prajavani* newspapers. This was covered in full page articles with colour pictures over two days.

Non-confrontational strategies took mainly 2 forms. First, both areas formed area associations to collectively respond to the Metro Project. CMH Road had an association earlier which was not an active one. After the traders discovered that the Metro was aligned on CMH Road, they re-formed the association in early 2005 and started to strategize and negotiate through the association. Earlier only 300 traders were members but now almost all traders belong to the association. They use it primarily as a show of strength and to more effectively negotiate with government officials and politicians. MKK Road did not have an association earlier. They formed one in 2005 using a similar approach to the CMH Road Traders Association. Both these associations frequently interact with each other and exchange information and strategies. They often join together to meet and negotiate with key representatives from



government. Between them they have also managed to build an effective political alliance with MKK Road Association using their connections with Narendra Babu and CMH Road Traders Association using their connections with Premila Nesargi.

Second, many letters of objection have been filed against BMRCL, KIADB, and GOK both individually and collectively through the associations.

Circuits of negotiation and alliances built

Four main circuits of negotiation were seen to be employed by associations and individual traders and residents. First, negotiations with MLA-level politicians from the constituency area. Second, negotiations with state level politicians like the Chief Minister and senior party members. Third, negotiations with national level politicians and institutions like the Prime Minister, senior ministers, the Public Investment Board and the Cabinet committee of economic Affairs (CCEA). Lastly, negotiations with the BMRCL locally.

The traders in both areas particularly focused on negotiating with state and national level political leaders who could influence state policy and access information and decision making within an SPV like the BMRCL. The Ex-Prime Minister, Mr Devegowda's opposition, in particular, created an opportunity for the traders to express their grievance publicly. They made use of the opportunities and political milieu created by Mr Devegowda after he protested publicly.

Of note is that political alliances did not go strictly by electoral constituencies. Premila Nesargi is supporting CMH Road traders because they came to her for legal advice and she lives in the area. Moreover, Indiranagar is a BJP constituency and she would like to consolidate the party's presence in the area. Narendra Babu is supporting Rajajinagar traders because while the area is a BJP constituency, he hopes to strengthen the Congress Party. He was a Councilor from the area and still maintains close ties with local groups. In March 2007, MKK Road traders association with the help of CMH Road traders association, organized a cross party meeting which was attended by Premila Nesargi and Narendra Babu. Subsequently, Narendra Babu raised this issue in the State Assembly.

Box No. 5 An active member of CMH Road Trader’s Association

The traders had formed an association in 2001; again in 2003 it was renewed and started functioning. After metro was announced more traders came forward to join the association. The association is working very strongly for metro issues. We came to know in 2003 about the metro on CMH Road. Immediately we filed an application to change the alignment. The BMRCL MD replied that the project was still premature and they will see when the project starts. During the same year the association met many government officials and ministers. They called a public meeting and invited Ex-MLA and Chief Secretary of Karnataka Mr. Alexander, and retired IAS officer Dr Ravindra. Both raised objections saying this project is going to be a problem.

I represented CMH road traders association in the Public Investment Board (PIB) meeting in Delhi in 2005 and submitted a memorandum to them. PIB members said that wherever objections were raised by people, BMRCL should call local eminent citizens and affected people for a public consultation. BMRCL called a public consultation meeting in Indiranagar Club. But they purposefully avoided including displaced people in the public consultation. They also did not call Premila Nesargi and Mr Alexander for it. In that meeting, a total of 500 people participated. All the people objected to the metro alignment. Dr. Ravindra also stated that BMRCL should consider these objections.

One of the traders who is doing business since 30 years has had his property acquired for road widening by BMP. Till date he could not get compensation. How will BMRCL ensure compensation in time? After the PIB meeting the traders met the ex-Chief Minister Dharam Singh and submitted a memorandum to him. He assured the traders that he will look into their objections.

In April 2006, the traders called a one-day bundh demanding a change in alignment. After that we met ex-CM Kumarasamy and gave a memorandum and he promised to visit CMH road. He also appointed the Justice Shiva Shankar Bhatt Committee to look into alignment issues. The Committee came to CMH Road early in the morning around 6 a.m. when all the people was sleeping. They came with BMRCL. They did not call or consult us so how can they report properly without consulting the affected people?

The CMH road people are very emotional and sentiment because this road has been developed by the traders. Again the traders met the CM and the PM. The PM said that it is a state issue and the centre cannot get involved in it. In 2005 August the traders met Mr Devegowda who was at that time objecting to the metro rail.

In 2007 the traders filed a case against the BMRCL on land acquisition. But the BMRCL says that they are not aware of the court case. In July and August 2007, BMRCL called a CMH road owners consultation. The CMH Road traders met BMRCL MD, Nagendra (Executive Director) and Chauhan (Chief PRO) and requested them to not proceed further unless all the case were properly heard and proper justice given to the affected people.

While traders drew on the support of a wide range of actors in the city, these alliances were for specific times and purposes. They used public meetings called by different groups as platforms for expressing their grievances and to set the foundation for lobbying with bureaucrats, such as in the meeting organized by CIVIC on 15th June 2007.

The following timeline indicates the implementation of the Project and the responses from traders and residents.

Timeline of key events in the implementation of the Metro Project

Year	Government actions for Metro Project	Responses from the public
1994	Formation of BMRTL	
Sep 2002	MD DMRC presents proposal for Bangalore Metro to CM. CM then orders DMRC to do DPR and submit within 3 months	
April 2003		CIVIC and Institution of Engineers call public meeting on Metro and ask MD BMRCL for public consultation on the project



May 2003	DMRC submits DPR for Metro to GOK	
Dec 2003	DDPR submitted	
Feb 2004	BMRTL becomes SPV for Bangalore Metro Project	
	GOK appoints DMRC as consultants for Bangalore Metro Project	
March 2005	GOK Approved the Bangalore Metro	
June 2005		Deve Gowda, Ex-PM, protests against Metro Project citing lack of environmental and financial feasibility. Sends letter to PM in this regard and asks for monorail instead. -PIB asks BMRCL for clarifications on finance (tax exemptions and cost breakup), and legal coverage (GOK Tramway Act Vs GOI Railways Act
July 2005		GOI seeks clarifications from BMRCL on Deve Gowda's letter Traders and residents in Indiranagar and Rajajinagar consult with MLAs, councilors and advocates
Aug 2005	PIB clears Bangalore Metro Project.	Through Anant Kumar, MP Bangalore North, CMH Road traders participate in PIB meeting and submit memorandum requesting change in alignment. They also meet PM, Railway Minister and CCEA regarding the same. CMH Road traders have public meeting in Indiranagar Club and close their shops for 1 day in protest.
Sep 2005		Rajajinagar traders call public meeting to oppose Metro alignment. They conduct signature campaign opposing Metro alignment on MKK Road.
		J. Alexander, Ex-MLA and retired Chief Secretary, files an objection with BMRCL regarding Metro alignment on CMH Road
Nov 2005	Shiv Shankar Bhatt Committee constituted to evaluate the merits and demerits of Metro alignment on CMH Road Vs Old Madras Road	
Dec 2005		Jayanagar residents call a public meeting for re-alignment in Jayanagar
	BMRCL does Bhoomi Pooja on CMH Road to start utility shifting work.	-Traders protest and stop Bhoomi Pooja. CMH Road traders, residents; property owners and employees close shops from 10am to 6 pm. -Environmental Group and Cubbon Park Regular Users protest against the alignment of the Metro through Cubbon Park
Jan 2006	Preliminary notice issued by KIADB for land acquisition everywhere PSS Thomas Committee formed to develop rehabilitation package for Metro Project	CMH and MKK road Property owners, traders filed a written objection to the Office of the Convener of the Expert committee and deputy secretary to the GOK Department of UD through advocate
Feb 2006		-Traders from CMH Road and MKK Road meet CM requesting alignment changes in Indiranagar and Rajajinagar. CM promises to visit CMH and MKK Roads] -CMH Road traders protest in front of BMRCL

Mar 2006	<p>BMRCL again starts utility shifting work on CMH Road. BMRCL MD publicly states MKK Road buildings are illegal</p>	<p>Traders protest and close shops for half a day. Work stops again April 2006 MKK Road traders organize a rally where they burn the effigy of BMRCL MD</p> <p>CM orders BMRCL to stop measurement of land on CMH and MKK Roads</p>
	<p>GOK signs agreement with GOI to each have 50% equity in the Project</p>	<p>Cross party political meeting organized by MKK Road traders to share information and strategize future plan of action</p>
	<p>Shiva Shankar Bhatt Committee submits Report recommending retaining CMH Road over Old Madras Road for alignment of Bangalore Metro Union Cabinet approves Bangalore Metro Project</p>	<p>5 CMH Road owners file a case against land acquisition. CMH Road traders file a case against the Shiv Shankar Bhatt Committee recommendations</p>
May 2006	<p>CM visits CMH and MKK Roads</p>	
Jun 2006	<p>CMH Road traders down their shutters for 1 day in protest</p>	<p>CMH Road traders down their shutters for 1 day in protest</p>
	<p>BMRCL holds consultations with property owners from affected areas across June 29-July 2. Because only owners were called for consultations</p>	<p>CMH Road traders (tenants and owners) objected in writing</p>
Aug 2006	<p>GOK hires DMRC as Chief Consultant to Bangalore Metro Project</p>	
Sep 2006	<p>Additional Preliminary notice issued by KIADB for land acquisition</p>	<p>CMH Road traders protested</p>
Nov 2006	<p>GOK constitutes Committee to review and recommend the valuation of structures/buildings to be displaced by the Metro</p>	<p>CMH Road traders down their shutters for 1 day in protest</p>
Jan 2007	<p>Final notice issued by KIADB for land acquisition everywhere</p>	<p>CMH road property owners filed a written objection</p>
Jan 2007	<p>BMRCL appoints PSS Thomas Committee to decide on rehabilitation package for those affected by Metro Project</p>	
Mar 2007		<p>Bangalore Citizens Forum calls a public meeting during which Chiranjeev Singh, Ex- Addl Chief Secretary, and UR Ananthamurthy oppose the Bangalore Metro Project</p>
May 2007	<p>BMRCL contractor Navauga and KNR starts construction for Metro on MG Road</p>	<p>CMH Road traders stage protest, close shops for 1 day and start 15 days dharna</p>
Jun 2007	<p>PSS Thomas Committee submits rehabilitation package. BMRCL posts this on 14 June website and major newspapers (Report submitted April 2007)</p>	<p>CIVIC holds public meeting on Metro. Requests BMRCL to participate and part sponsor meeting. Presentations by BMRCL, Environmental Monitoring Committee, ESG, and CASUMM. Serious opposition to Metro voiced by many participants. The meeting Participant Passed a resolution against the Metro Project</p>
		<p>Sep 2007 High Court stays land acquisition on 1 property on CMH Road</p>
Dec	<p>BMRCL re-starts utility shifting on CMH Road.</p>	<p>Traders protest and stop the work.</p>

2007	CMH Road traders organize a protest
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Nature of State’s response

The BMRCL has not responded to any of the negotiations, protests or cases of the traders. Not even one public consultation with traders (tenants) has been organized by the BMRCL. This is despite the fact that there have been many protests and even threats from traders on MKK Road to commit suicide if their request for alignment change was not considered. The BMRCL has made clear that they do not consider tenants and employees (non-property owners) to be stakeholders who are affected by the project. This is seen in the BMRCL not inviting tenants and employees to the public consultations held in June-July 2007 and the far from adequate compensation package given them.

The State government has made some small overtures in response to traders’ resistance. These include appointing the Justice Shiv Shankar Bhatt Committee to study the merits and demerits of CMH Road alignment Vs Old Madras Road alignment, temporarily staying the land measuring and survey work on CMH Road, and the CM visiting the 2 areas. This has not had any impact on the implementation and outcome of the Project.

Conclusion

The study has revealed that the Bangalore Metro Project is fraught with conflict. There has been considerable resistance over the years from different groups. Despite this, the project has gone ahead without considering the needs and concerns of people affected. Of particular concern are issues of livelihood, employment, and local economic linkages. The livelihood of a large number of people is at stake - owners/tenants, employees and their dependents. The livelihood impact of the Metro Project is not confined to the 48 properties to be acquired but extends to those who will be affected by the considerable disruption that will result during and after construction. The dense, complex web of linkages of the local economy will be ruptured and these effects will be felt from market areas like SKR Market and Chikpet in Bangalore to retail and wholesale centres across the country.

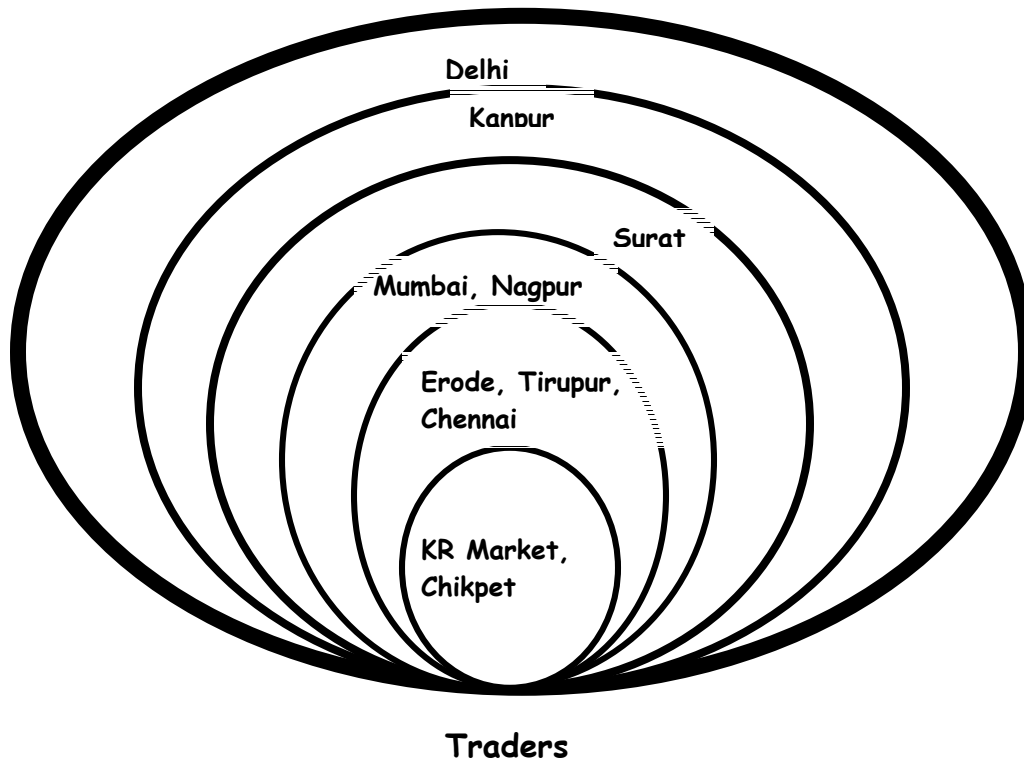
Roads like CMH and MKK roads are not merely transportation corridors; they cater to a wide range of markets (low income to high income) and goods (daily provisions to electronics). They also have a rich street life (fruit and vegetable vendors, footpath vendors selling clothes, books and electronic goods, popcorn and pani puri sellers) encouraged by the shop keepers. The entry of the Metro will destroy all this. Land prices will rise bringing large developers into this market. The nature of business and the trading culture will also change. In all probability, new shops will locate mostly catering to higher end consumers who buy in larger quantities. There will be less space for vendors and small shops and less support for them to sell their goods.

The changes the Metro Project will bring- displacement, commercialization, disruption of livelihoods and small local economies- are not unique to this case or the city of Bangalore. They are fairly typical of the large infrastructure projects being implemented across the country in the last few years. In Bangalore alone, lakhs of acres are being acquired in the name of infrastructure development for Special Economic Zones (SEZs), townships (5 currently proposed by BMRDA), an inner core elevated ring road, the airport expressway, the Bangalore Mysore Infrastructure Corridor (BMIC) expressway, a peripheral ring road etc. Additionally, the ways in which large infrastructure projects, like the Bangalore Metro, are being implemented, are also similar- no public consultations, no transparency or disclosure of

information, and an arrogance of attitude that doesn't consider public voice or objections as worthy of response.

Large infrastructure projects are only one facet of a larger reform agenda, comprising multiple reform programmes in different spheres which reinforce each other. In the case of the Bangalore Metro Project, 3 other schemes work together to reinforce individual project impacts. One is road development projects such as BBMP's road widening scheme using TDR, BMTC's Bus rapid transit project, other NURM, and state government road projects. Second is the promotion of entry of large retailers into central city retail areas by state government and BBMP and the displacement of small shops and vendors, often under NURM's urban renewal component. Third is facilitation of commercialization of transportation corridors by government, in particular the recent BDA Master Plan's provision allowing commercialization without permission on roads of 60 ft width and more. Taken together, these projects constitute a determined effort to displace small and marginal groups from prime locations in cities.

Figure No. 4 Trading Networks



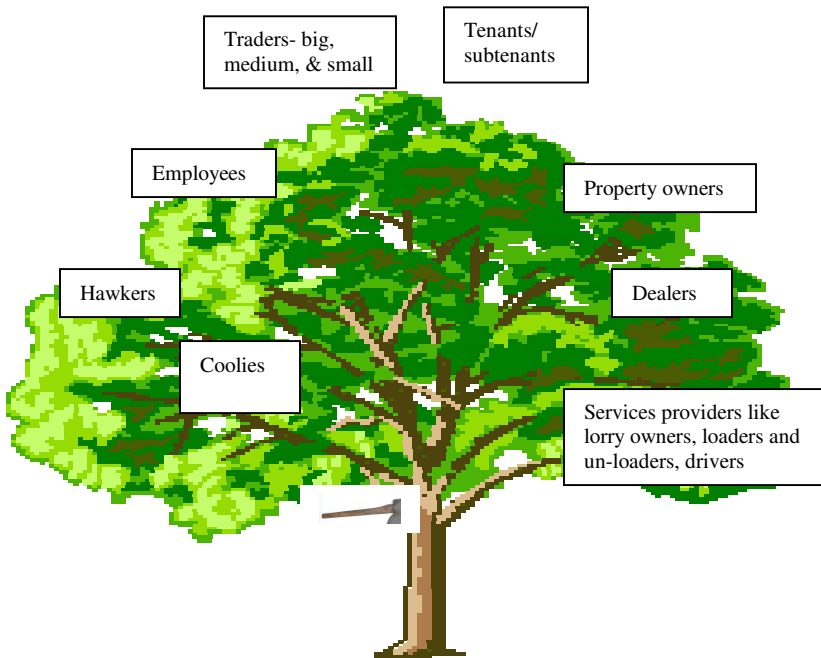


Figure No. 5 Ripple effects if main branch of tree (i.e. traders) is cut

For more information contact CASUMM at casumm@gmail.com

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