Bhoomi: 'E-Governance',
Or,
An Anti-Politics Machine Necessary to Globalize Bangalore?

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The institute (funded in part by the via the use of public funds via access to valuable land in Electronic City in South Bangalore) that funded part of this research has requested anonymity as probably they find it too embarrassing and counter to their initial assumptions. We are happy that they do have most of our report including the controversial parts in their official website as part of their project for the Dept of Science and Technology (GoI) on E-Govt. and ICT4D[1]. Our main problem with the report as they have brought it out, is that its overall introduction and conclusion is at serious divergence with what our case showed the ground realities to be. Anyone doing a detailed read of the report, rather than skimming through it, with a read of the conclusion and introduction will miss these criticism out – leading us to believe that the official report is seen as a bureaucratic requirement rather than intended to 'inform policy' or advance academic knowledge. But that is a contradiction that the institute, the Dept of Science and Technology of the GOI and the GoK need to address. We also understand from an exchange of emails between the principal researcher and researchers interested on issues of ICT4D, that the institute was pressured to release their overall report including our study on the Bhoomi. While we regret the tensions to the principal researchers due to this exchange (which we had little part in) we do recognize that the public has a right to know the results of a research of serious social consequences especially if part of the funds for that research have come from public sources.

We would also like to thank Mr. Rajiv Chawla for several forms of assistances. This was for an initial meeting in June 2003, soon after the World Bank's ABCDE conference, and also to facilitate meetings with his officers at the various taluk offices around Bangalore. We also thank are the technical staff in the various Bhoomi kiosks who were extremely friendly despite their workload, and cheerfully demonstrated various technical aspects and the new features to remove previous 'bugs' in the system.

The usual disclaimer of mistakes and corrections remain**.**

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[1] There are some significant missing sections. Annex 4 of this report lists these out. These could be oversight, or perhaps as we discovered much after we had written this report, that the overall project was sponsored by India's biggest IT company Infosys, which our reports points to as one of the main players in Bangalore's land market, but also with a specific interest in agro business and e-gov.

Summary

Does the digitization of land titles need to be framed within larger issues of Governance and move beyond narrow techno-administrative narratives? In doing so, what are the ranges of political economies that such interventions encounter and how do these relate to various forms of contests. What are readings of land titles digitization and its re-production in a variety of contexts of the 'South' and especially under conditions of globalization to contest with assumptions promoted by writers like Hernando De-Soto? This paper looks at the 'Bhoomi program' and its consequence of digitizing land records in districts surrounding Bangalore. The Bhoomi program on the digitization of twenty million land records is considered a 'best practice' model of 'e-governance' to be replicated in other parts of India and elsewhere in poor countries. The main findings, at two levels, contrast conventional wisdom. First the digitization of land records led to increased corruption, much more bribes and substantially increased time taken for land transactions. At another level, it facilitated very large players in the land markets to capture vast quantities of land at a time when Bangalore experiences a boom in the land market. These consequences have come about via the centralization of both land records and management away from the village panchayat to the district level. The study comes out of detailed ethnographic research methods to detail out the process.

This research concludes at two levels. First, when e-governance projects intervene in land issues, the political economy of land markets rather than techno-managerial features of the project can shape outcomes. By raising fundamental issues in understanding the societal aspects of e-governance, it highlights the need to replace politically neutered concepts like 'transparency', 'efficiency', 'governance', and 'best practice' conceptually more rigorous terms that reflect the uneven terrain of power and control that governance embodies. Both conclusions suggest that researching 'E-governance' needs to move beyond narrow technocratic concerns and be located in grounded ways set in larger political economies of corporate led globalization in cities of poor countries. We have also subsequently made a short 14 min film on the issue. Copies of the report and presentation will be available on request.

Landing the Global Corporates in Southern Metros

What happens to cities and city regions in poorer countries when they begin to attract global corporate investments? More specifically, what are the political consequences of actions by their political and administrative elite claim justified as a way for cities to be global players? This essay focuses on land settings in its economy, politics, and institutional aspects to understand this fundamental process of city building experiencing significant presence of globally connected big business[2]. These works, in focusing on the 'other end of globalization' compliments studies of the way the global corporate economy has located in cities of richer countries, their financial flows, and influence on city regions transforming under influence of the new information based economies[3]. In particular, we attempt to understand the way the new geographies as part of a 'world system' locates in cities of the South[4]. For sure, financial centers like Sao Paolo and Bombay are important. However, so are other production nodes, like that of Bangalore, to give a glimpse of both the mobility and fixity of corporate power.

This paper is based on a research project that inserted into several longer terms studies on land, poverty, politics, and economy in globalising Bangalore. Some of these were focused city wide, and others focused particularly on those parts of the city where the IT and ITES located. In the early part of 2003, after we had realized the land and spatial impacts of the new policy changes brought about during the IT.COM summit of 1998-1999, a glimpse into the Bhoomi (a program promoted by the government of the south Indian state of Karnataka to digitize 20 million land records) via the World Bank's ABCDE suggested that perhaps the tenure changes attempted as part of the program may be linked to the way the city was being promoted as a global centre.

A more formal opportunity came to study the Bhoomi in 2004. By this time, we had undertaken additional research on Bangalore's peripheral areas, on the new institutions, on the actions and strategies of financial institutions. All of these highlighted the critical importance of land issues. Thus, for the Bhoomi, we chose to look at this program in varying proximities to Bangalore, including those parts which were experiencing the IT and ITES and investments by big business. The study of changes in land and its governance as influenced by broader economic and political change is nothing new. What is useful is to use this filter to view some of the more contemporary forces at play broadly capsulated by the term globalization. Here, we refer to a particular form of globalization – that driven by big business set in large spaces of office and residential complexes. Most important, this is a global stage set in locality. Immediately apparent is the landscape of BPO and IT and ITES offices in their shining armor

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[2] We do not intend to develop an extensive literature review on cities in poor countries experiencing the new economies and globalization, and within in the position or actions of the elite. However, it is useful to point out the variety of conceptual frameworks and illustrative works associated with these. Some are centered around poverty in terms of divided cities, legality and illegality, the issues of citizenship, the evolution of exclusive gated communities (Holston J. *Cities and Citizenship*, Duke University Press 1999;Fernandes E, Varley A, *Illegal Cities: law and Urban Change in Developing Countries'* Zed Books 1998; Marcuse P,van Kempen *'Globalising Cities: A new spatial order'* Blackwell 2000). There are accounts of the human experience of globalization, where the setting of global economy is placed within notions of identity (Ghannam F.*'Re-making the modern: Space, Relocation, and the Politics of Identity in a Global Cairo'* University of California Press 2002). Finally, the global connection is centered around the new technologies implicated in the quality and distribution of high end infrastructure (Graham S, Marvin S *'Splintering Urbanism: Networked Infrastructures, technological nobilities, and the urban connection'* Routledge 2003). Our emphasis here focuses on land issues as a core element to understand economy, politics, and the contested nature of space.
[3] Sassen, S., 2000 *Cities in a World Economy* Pine Forge & 1991 *'The Global City: New York, London, Tokyo'* Princeton University Press;
[4] Sassen S. 1999, *'Whose cities is it? Globalization and the Formation of new claims'* in *Cities and Citizenship* Op.cit.

of glass, steel and granite, and the multitudes of vans transporting ID tagged young men and women till dawn.

What lies underneath however, is land. This is not just land that was of 'raw agricultural land of lower economic productivity', but rather land of contest in both agricultural, and urban use. Located on the periphery of the city, it was till quite recently agricultural land, and in many locations, highly productive agriculture. However, the contest comes from its location in a transformative process into locations for clustering small manufacturing firms, and small trade and commerce[5]. Underpinning this transformative process are complex and diverse regimes of land tenure. Some of these are customary – as seen in the diversity of five governance regions in Karnataka that underpin small town economies and their rural practices. Other tenure regimes, as seen in Bangalore, are shaped by contemporary forms of claiming and as 'bundles of rights' emerge from more recent political economies[6].

The significant Political, Economic and Social Consequences of the Bhoomi program

We conclude that the Bhoomi programs illustrates a serious failure in not just it's stated objectives but also wider societal ones. A program of 'E-Governance' falling under the popular rubric of ICT4D, rather than an assumption of emancipatory social change, promotes displacement of existing economies and political systems that cater to poorer groups in society.

Our immediate findings counter the official and well-publicized claims made to justify this program and its extension to other parts of India and even South Asia. As Tables 1 and 2 later in this report show, the *Bhoomi* program has made life much more expensive for the farmer, especially the smaller farmers: Corruption has increased with bribe levels increasing many times over. The time to access records for land transactions have also increased manifold.

But there are other even more serious threats. Life has been made much more unstable and now smaller land occupiers (both land owners and those on leases) now face the threat from very powerful agents and land developers. We shall show here how a program of computerizing land titles into narrower property regimes for the BPOs, Multiplexes, Malls, and IT corridors to emerge. Also attracted here are large commercial interests in Agro Business like the ITC, and their investors in powerful private banks like the ICICI, and secondary players like IT companies seeking to diversity into new markets. These in turn are already having huge environmental impacts due to the new pesticide and highly water intensive agricultural practices that it promotes[7]. Another important point is that not only does the 'digitally mastered' titles allow larger interest to consolidate land when their competing claims are deemed illegal

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[5] Benjamin 1991 *Jobs, land and urban development: The economic of success of small manufacturers in East Delhi, India*. Lincoln Institute of Land Policy, Cambridge, Massachusetts

[6] Benjamin S., 2004 *Urban land transformation for pro-poor economies* in Geoforum (Pergamon Press) Volume 35, Issue 2, March (Edited by S. Oldfield). Pages 177-187 on *'Differentiation in South Africa and Indian Cities'*

[7] See, Devinder Sharma, "The collapse of green revolution: The harmful combination of chemical outputs with water-guzzling crops has played havoc with agriculture," *Deccan Herald*, 31 July, 2004 http:// www.deccanherald.com/deccanherald/july312004/top.asp. Also see P Sainath's investigation on these issues in AP mentioned in FN 48 later in this text.

or dis-empowered, but also that since land parcels so available are very valuable, form an important asset for the companies financial underpinnings. Many of these land value enhancing infrastructure investment are publicly funded and argued on grounds of public purpose often requiring public acquisition of land under eminent domain. Thus what is being created is huge private value at public costs – allowing big business to compete globally not on their intrinsic efficiency but rather public subsidy!

Bangalore is a highly divided city. This has not happened out of magic or it's 'natural' course in developing its globally connected IT. Rather it is such programs as Bhoomi in terms of their serious social and economic impacts that have sidelined local groups involved in significant economic activities. Not only that, the latter's political and administrative circuits are replaced[8]. What becomes important is considering the politics of this drama as it is presently unfolds, and specifically in the way this politics roots the locality of land.

De-politicizing Economic Development

Modernizing land markets is seen by organizations like the World Bank as an important pre-requisite to get markets to work, and thus for economic development. What is a real stunner, is if this is made possible by a 'neutral' techno-managerial initiative, by the use of 'e-governance', and in particular, is effective to get out of the way, local corrupt bureaucrats and politicians. It is not surprising that the Bhoomi should capture the popular imagination of large international funding organizations burdened with the responsibility of developing the world. When the World Bank decided to host it's major conference on economic development, the ABCDE in Bangalore (for a first time outside the US – Europe locales), it was then only expected that a special slot be reserved for the Bhoomi program[9]. The senior administrative officer and principal architect of the Bhoomi project, had not only everone's attention, but un-folded a slick power point that was easily the most impressive presentations of the meet – and certainly more exciting than the excel sheets and in one case even the good old transparency. The officer highlighted the difficult circumstances confronting the Bhoomi. One was the large numbers of land records – 20 million, and what he termed as these being written in messy ways with extensive overwriting by 'corrupt' local village officials that only exploited the small illiterate farmer. The slick power point un-folded images of torn and well used "RTCs" (or land titles) where the scratched out portions showed up layers upon layers of writing. These were then followed by images of computerized sheets, and people with happy expressions lining in front of a touch screen computer to magically get a printed form. The presenter directly addressed the criticism that the inputs of conflicting and poor land records being inputted into an electronic form, as an issue that would sort itself out over subsequent rounds, and the software was built to allow this to happen at a cheap price. Care was also taken to explain how the lower level official behind the grilled window could not manipulate the process due to the installation of a complex of electronic procedures. The next problem pointed out in the older system was the multiple and non-standard forms of recording. The state of Karnataka was constituted soon after the independence of India by forming regions from other regions. Thus, this was governed under five customary regimes, and within these, recorded up to 1500 forms of tenures. Not only did the Bhoomi take off with the introduction

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[8] Benjamin S., 2000 "Governance, Economic Settings, And Poverty In Bangalore, India" Environment and Urbanization Vol12 No1 April; Benjamin S.,, Bengani), `The Civic politics of industrial districts in Delhi' Chapter 12 in Holmstrom M. & Cardenne P. (Ed's.) Decentralized Production in India: Industrial Districts, Flexible Specialization, and Employment' Sage New Delhi1998
[9] Later, as part of a World Bank road show, the Bhoomi was showcased as a 'best practice' in Shanghai.

of computers, the strong backing of the then Chief Minister but also as an indicator of success, forms of recording have been homogenized and reduced to 256[10].

Thus, underlying the success of the Bhoomi was both to remove corrupting local politics and also a powerful modernization agenda. These are apparent in the two statements:

> *"…One would appreciate that system like Bhoomi actually snatches power from panchayat (elected village councils) members. ..[11]"*

This statement, by a senior administrative officer and principal architect of the Bhoomi reflects the essence of the approach towards modernization and economic development: Move out the politics – especially the 'messy local politics'.
This last issue of confronting the existing system of land management had a direct and brutal approach reflected in the statement of the chief technical office at the Bangalore branch of the National Informatics Center:

> *".. (U)nless the 'old system (of land management and recording) was killed' the new program would never succeed[12]."*

The two statements reflect a strong nationalistic fervor – where the aim is to set in motion a countrywide homogenization of land records, or data systems linked to various aspects of financial and personal details opening these to centralized management and surveillance.
The support to the Bhoomi program has been across party lines and arguable of significant importance to the BJP then at the centre. It's minister for Information Technology allocated huge funds said to be Rs. 32,000 crores for E-Governance, of which a substantial amount would be focused on digitizing land records[13]. This is now complimented by the World Bank, which has opened up a line of credit to the tune of another Rs 25,000 crores[14]. The Bhoomi project was showcased by the state government's Chief Minister SM Krishna who perhaps saw it as an positive indicator of rural development. This was especially when he was charged as being pro-urban, pro-IT, and in particular, pro-Bangalore. Support for Bhoomi also came and still do, from the corporate private sector and their international collaborators, who view the seemingly un-limited rural and agro market with great opportunity. For this to happen, there is necessity for the clarity in ownership, and set within predictable and relatively more homogenous and consistent tenure recording systems. Such pre-conditions would help attract

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[10] Presentation by Shri. Chawla, at the World Bank's 15th annual 'ABCDE' conference, Bangalore, May 2003.

[11] Comments by Rajiv Chawla made on a report prepared by the author on the Bhoomi program for the IIIT-B -- one of the six case studies prepared on 'E-governance' as part of the ICT4D at the Indian Institute of Information Technology, Bangalore (IIIT-B) ending 2004. Subsequently to that research, additional fieldwork in Bangalore and other places in Karnataka has been initiated which has contributed to this updated text.

[12] Presentation by Shri. B V Sarma (Director, NIC (National Informatics Center)), IAS officers Club, Bangalore, March 2004

[13] "Bhoomi" had been selected as the role model for land revenue digitization programme for the whole country by the Union information technology ministry Pramod Mahajan. The IT minister had convened a meeting of the revenue and IT secretaries from all the states and Union territories and had said that Centre would provide Rs.1 crore to one district in each state to replicate the Bhoomi project. Mr. Mahajan had also written to Mr. Krishna, seeking his cooperation in getting the expertise from the Karnataka Bhoomi team for other states. Mr. Mahajan had set a time limit of 12 months for the roll-out of the project in other parts of the country." The Rs.1 crore was for states accepting the core of the program without changes, and undertaken by consultants trained on the Karnataka model. K.P. Sethunath, "Bhoomi To change Karnataka's Urban Landscape," *Financial Express,* 19 December, 2002, http://www.financialexpress.com/print.php?content_id=24102

[14] This is slated for the National e-Governance Action Plan (NEGAP), which aims to inter-link all the states and Union Territories through an information technology (IT) network. The scheme would cover 10 main areas, including land records, property registration, transport and revenue collection amongst others. *".. e-governance is an essential element in addressing the inter-related economic and social challenges in the country,"* Robert Schware, lead specialist, World Bank as told Business Standard. See web link: http://www.business-standard.com/common/storypage.php?storyflag=y&leftnm=lmnu2&leftindx=2&lselect=1&chklogin=N&autono=180910

investments and to make data on cropping patterns and type of lands commercially available[15]. The argument was that this would bring benefit to the government too via the sale of records to improve the prospects of program sustainability.[16]

Elections two years later brought a vivid change in government. Although the Congress I still managed to remain in power in the state, it was now constituted by a coalition of the Congress I and the Janata Dal (S), and a new Chief Minister. The new politics sees itself committed to 'balanced development', being concerned with the issue of declining rural prosperity, and increased divides. However, political change was (and still continues to be) marked by allegations of extreme corruption located in large part in Bangalore's peripheral land markets. Implicated were what is termed as the 'tainted ministers', and a former chief secretary of the state. Land was alleged to be cornered by large developers, allocated with high subsidies to mega projects, and committee to look into excess land notified set up.

Another scam, persistent and unfolding with increasing complexity implicated in Bangalore's development relates to the land allocated to IT honchos at the cost to small and marginal farmers. This issue has had many aspects. First, the efforts of major IT companies to invest in land publicly serviced by high-grade infrastructure. By the late nineties, these companies have been able to pressure not only the Government of Karnataka, but also other state governments in the country to provide land and infrastructure with great subsidy. In those states too, acquisition was made easier by the newer laws and institutions. Such allocations are increasingly supported by National level policy 'reforms' whose committees include the corporate elite, and their lawyers, and ex-bureaucrats on their payrolls. Karnataka, among other south Indian states is at the forefront of the shaping of IT and Bio-Tech policy led by its industry elite. The second factor implicated in land allocations to the new industrialists of IT and Bio Tech, are partnerships with high level politicians and administrators and their sons, sons in law, and nephews[17]. Such partnerships have been formed both in a direct way as promoters, or then via the some of the largest real estate firms. Thus, implicated in the rising glory of the IT –Bio Tech combine, are the political fortunes of the next generation of high-level politicians.

Finally, a third factor making for a stable relationship towards surplus extraction is the role of financial institutions. Globally connected, these had access to relatively cheap international capital, but also from the new reform initiative of US AID and the World Bank. This was in their ability to institute "special purpose vehicles (SPVs). The SPVs in partnership with promoters and developers, could access massive 200-300 acre required for IT townships, campuses and other developments. The new phase of reforms (as termed by US AID) now allows them to capture the rapidly growing retail market via Malls and multiplexes while Hawkers and smaller home based markets are deemed illegal as land use violations. The important point here is the pricing of land set both within an institutional politics, and new legalities. The new acquisition laws have moved out the intensive competition posed by smaller developers (now categorized as un-licensed and illegal, if not as the land mafia!).

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[15] There are news reports that ITC's 'e-choupals' and n-Logue have begun to market these records, and of interest shown by a tractor and a fertilizer company to advertise their products on the back of the RTCs (Deccan Herald, *op.cit.* FN 06).

[16] According to the most recent data, from a news report based on an interview with Shri Chawla, the return on the project has been about Rs. 12 crores/annum against an expenditure of Rs. 8 crores. The cumulative revenue from the project since 2000 has been Rs. 35 crores. See reference in Footnote 1.

[17] Annex 3 in this essay provides a news magazine that reports on some of these connections.

Thus, land can either be notified by a Public Private partnership to access land at very low agricultural prices or then as this essay later shows to purchase out any local claimants in what is now a very changed local power relationship.

The new institutional and legal regimes also bring international capital to be invested in city peripheries with amazingly high returns as explained in the conclusion of this paper. Such interconnections of actors, financial circuits are directly implicated in the new institutionalism, procedures, and legal amendments that were brought in the new policy reforms initiated in the late nineties. Thus, implicated in the land scam are the high-level committees of the government to allocate what were officially declared as government land to mega projects and as a way to invite global investors. Several of the 'land scams' – the cornering of government land frequented debates in the legislature even till the time that the final drafts of this report were being written. In-equity in development and the spread of the Maoist movement into the state from neighboring Andhra Pradesh (with reverberations from the Himalayan kingdom of Nepal) presently capture the popular imagination. As this essay is written, the state government confronts a violent Maoist ultra left movement – the PWG / Naxalites in some of its most prosperous of districts[18]. The analysis presented by these extremist groups, is not just all radical worldviews but are rooted in showing how land reform has facilitated the rich and large farmers to capture even more land at the cost of the small and marginalized. Thus, it is such ground realities and talks of un-even development in the state have seized the political moment at the highest level of the Chief minister and most senior administrators[19].

The end of 2004 and the first few months of 2005 brought another mantel of success of the previous government crashing down. This was again on land issues. The Bangalore Development Authority (BDA), since 1998, had been showcased by the Chief Minister SM Krishna government as the way to make Bangalore a Singapore. The BDA, touted as a financial success, was said to be a contribution to the 'deserving citizenry' while striking fear in the hearts of the 'land mafia'. Supporting this phoenix like rise of an organization that in the mid nineties was almost shut down, were the large developers and their federations who lauded the BDA commissioner and his mentor in the Chief Minister (CM) for their efforts to modernize Bangalore – a view shared by most of the business press nationally and internationally. Such popularity peaked and between 2003 and 2004, almost month after month, saw full page newspaper advertisements and press reports of the BDA's and the CM's crowing success by way of extensive land being notified in preparation for new housing in the thousands. This paralleled immediate and extensive demolitions of the 'un-authorized.' Such events were video taped and woven into the PR films of the BDA's Commissioner overseeing a bulldozer into yet another wall -- set to Hollywood inspired movie tracks. This campaign, publicized as reclaiming public land from the land mafia, found extensive support in new governance forms like the Bangalore Agenda Task Force (BATF) – responsible for much of the 'urban reforms' with the World Bank in audience. Significantly, while opening up Bangalore's terrain for globalization, the reforms instituted by the BATF with active support

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[18] See for instance, news reports in the Hindu: The first link includes a mention of the in-equity in land distribution while the second is a general compendium of the recent events.
http://www.hindu.com/2005/02/12/stories/2005021209450400.htm
http://www.hindu.com/2005/02/12/22hdline.htm

[19] The issue of in-equity and un-even development was of immediate concern soon after election, and especially with the Deputy Chief Minister from the Janata (S). Under his leadership, the State government with support of the UNDP is presently working on bringing out its second Human Development Report (KHDR-II). The author assisted in preparing the background paper on urban poverty and in-equality. The main issue was to highlight emerging and stalk in-equities both regionally as well as between urban and rural poverty.

of the Chief Minister sought to limit the powers of the elected councils – both of Bangalore city, but also of the seven smaller municipal bodies in the metro area. Some senior administrators, heading the state governments main agency responsible for routing international funds, went so far as to threaten to supercede elected councils if they did not accept ADB conditionalities on loans taken on their behalf by the state government.

With the change in government and by late 2004 and early 2005, this had all changed. The tough BDA commissioner, known as 'demolition man' had been transferred to incongruent postings, and later to join as personal secretary to SM Krishna, himself moved to a political dead-end career as Governor of Maharashtra. The turnaround was first reflected in a few relatively innocuous judgments by the Karnataka courts. Perhaps these reflected the new political realities, but they struck at the BDA on grounds of wrongful demolitions. This opened up a floodgate on the BDA's main showcase project, the Arkavati layout. This project got more and more mired in complex litigation over faulty land records, that the BDA was threatening to demolish houses built by the poor, and that while the lands of the poor were notified, the land of the wealthy went un-touched or were de-notified. Such a barrage of litigation, and the need for records that do not correspond to ground situation has drawn the project to a standstill. This situation has spun in turn counter claims from those who had deposited funds with the BDA – demanding their money back.

The intention behind this preface with the larger context including some recent events still un-folding, is to highlight the important role that land in its political economy plays to underpin the gloss of modern technology slated in terms like "ICT4D", 'better management', or of 'good governance'. It is also to suggest a dynamic of complex social and political relationships set in fluid legalities and not necessarily frozen in absolute law. This issue of fluidity forces us to confront analytical categories that provide a sense of positivist pristine value. These are not only faulty conceptually, but also dilute the politics of the moment, and miss out the serious conflicts that shape a terrain.

Considering the Bhoomi program is a particularly useful from various perspectives. It relates to the way land is claimed, and thus, is directly linked to the process of international capital moving into a locality of significant contest. Second, it resonates with a view of modernization using 'IT for society' and an implicit view of 'technology as an emancipator'. Set within this approach in turn, is to remove un-wanted 'politics' connected to land, and 'getting the market to do it's job' as a way to bring 'efficiency and equity'. The Bhoomi program is also useful since it comes at a historical time in India's and Karnataka, and specifically Bangalore global IT image. The wider connections of the Bhoomi though seemingly quiet, link up to the efforts of the World Bank (and other large donors) in India not just get the prices right, but also governance. This research on Bhoomi is one of the several research projects that center on the theme of globalization and its rooted connections in Indian metros[20]. Thus, the reader will see in this report, a variety of larger links and referrals. Not all can and will be explored, and many will remain as footnotes. Our intension is to look at

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[20] These include a focus on:
   a) The new institutional structures involving financial institutions in collaborations with land developers. The relative distribution of surpluses and its repatriation into the global finance;
   b) At the new policy reforms, a focus on the emergence of 'civil society' within Bangalore;
   c) A historical account of the local and city wider political economy of Bangalore peri-urban areas currently the location of IT and high end economies;
   d) The situation of poor groups, their economies and connections to land and contested locations in increasingly divided cities;

globalization in a rooted way, and in this particular essay, we look at the Bhoomi program. Globalization has spun a powerful gloss of potency to a variety of interests. Hence, an advantage of looking at the details is a useful way to avoid falling into the hype.

The significance and context of Bhoomi

The Bhoomi program, to computerize land titles in the state of Karnataka, has been underway since February 2001. After its launch in five taluks (districts) as a 'pilot' program, the Government of Karnataka (GoK) extended it in two phases to cover all 177 taluks in the state to ensure mainstreaming within broader land management. The program has generated a computerized database of 20 million land records belonging to 6.7 million farmers, besides gathering the entire history of cropping pattern of the last 12 seasons.[21] In no other province in a poor country are land cadastrals being digitized on such a scale.[22] Framing the program demanded technical expertise, and implementing it required very committed managerial expertise. Not surprisingly, Bhoomi has won several awards, and was presented as an example of 'best practice' by the World Bank – leading to the program being showcased nationally and internationally.

The Bhoomi places in a digital format, the RTC and also records the characteristics of the land, the types of soil, and the crops grown. With eleven columns, spread among nine categories of information, the RTC is vital for a landowner to access bank loans, to buy seeds and fertilizer, for issuance of documents like the Small Farmer Certificates, and also for evidence in the court – although the Bhoomi records have only presumptive value. The RTC also records when land is subdivided or amalgamated, and such 'mutations'[23] as part of land ownership/tenancy and inheritance. An improvement on the cards is the 'Bhoomi Plus' – where the survey or physical dimension records will also be microfiched and placed online. The computerization is based on a LAN system interconnecting a kiosk and a back office within the taluk office. There is a proposal to connect all taluk offices to centralize the data at a server in the central treasury. Over time, the original software has been improved by providing various features to reduce corruption, including:

    a) First in - First Out (FIFO)[24];

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[21] *Deccan Herald*, "Bhoomi project: Karnataka mulling value addition," 26 July, 2004. The report quotes Rajiv Chawla, Special Secretary, Revenue department, GoK, the "chief architect" of the project, at a seminar on Information and Communication Technology, Kolkata, 24 July 2004.

[22] Several websites provide descriptions of the Bhoomi program, including those of the World Bank. There are is also a very useful study on land management in Karnataka and other provinces/countries. See http://www.landcoalition.org and, in particular, "Comparative Study of Land Administration Systems – Karnataka Case Study," at http://www.landcoalition.org/pdf/ wbtcikar.pdf. "Bhoomi – a case study," written by Rajiv Chawla, *along with Price Waterhouse Coopers (PWC), WIPRO and ICICI Infotech*, provides a detailed description of the program. The official view of the Bhoomi is reinforced by the assessment of the program using the 'report card' methodology by Albert Lobo and Suresh Balakrishnan of the Public Affairs Centre (PAC) Bangalore: *"Report card on services of Bhoomi Kiosks: An assessment of benefits by users of the computerized land records systems in Karnataka,",* November 2002. This is available online at http://www1.worldbank.org/publicsector/bnpp/ Bhoomi.pdf. There are also several web-based documents on Karnataka's land management system that include information on Bhoomi. In addition, the website of the Revenue department is informative and well-maintained.

[23] Mutation refers to the transfer of overall rights (all rights connected to a plot of land) from one to another.

[24] This is an administrative innovation where applications are placed in a 'Q' that must be sequentially cleared, beginning with the first application. The "Q" number is supposed to move up the application clearance to a higher officer in case it does not happen within a time limit to reduce the possibility of bribes. However, our findings suggest that this does not reduce bribery. While the exact reason for the bypassing of this check is

        b) Biometrics; And,

        c) Double screen for users to view typed in matter, including touch screens.

Bhoomi is also distinctive in that is relates to a part of government that is in many ways is the most public – land issues that affect people in a most fundamental sense.[25] As mentioned earlier in the introduction to this text, the Bhoomi is representative of the view among mainstream development economists that traditional land management practices impede economic development and poverty alleviation.[26] The assumption is that traditional practices remain as vestiges of under-development, characterized by the lack of transparency, and stooped in corrupt 'patronage politics' which 'exploit' the poor. When programs like e-governance fail, blame is laid on the doorstep of politics – separating managerial expertise from that of 'political will'.[27]

Thus, reorganizing traditional practices to promote efficient land markets is seen as a means of improving the trade and investment climate. It is also seen to deliver the benefits of globalization by drawing capital to spur rural markets and agro-business, including those based on new biotechnologies, to raise productivity and reduce poverty. Thus, it is not surprising that systemizing land cadastrals via its computerization forms a core initiative for a 'reforming' economy and is actively promoted by organizations like the World Bank. In more specific terms, the rationale for the program rests on two inter-related developmental objectives – to promote efficiency and transparency. In the language of mainstream development economists, Bhoomi's promotion of 'efficiency' is meant to: a) reduce the time to access land records and the procedures of title related administration; and b) streamline land administration by homogenizing the multiple forms of recording that historically existed in

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unclear, it certainly relates to the Bhoomi sequence being just a smaller component of a much larger process which, with the shift in power structures, is 'agent' driven on a 'turnkey' basis.

[25] There are other reasons why studying Bhoomi is important. For instance, it has involved the re-working of an entire administrative system; second, it is a challenging task, both conceptually and technically, where computerization interfaces forms of public management that were, and still are in large part, local. Third, there are questions of political economy and governance as this is the third attempt to computerize land cadastrals during a regime that was seen as a 'reformer'.

[26] See the following World Bank website for an extensive discussion: http://econ.worldbank.org/files/ 35626_chapter4.pdf Also see Hernando De Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (Black Swan, 2001). The World Bank has been accused of subverting its own poverty efforts by promoting parallel agencies, and bypassing panchayats. See: 1) web link at: http://www.sunnetwork.org/news/regional/karnataka/karnataka.asp?id=10529 ; 2) David Satterthwaite 2001 Op.cit. , *"Reducing urban poverty: Constraints on the effectiveness of aid agencies and development banks and some suggestions for change,"* *Environment & Urbanization,* Vol. 13, 1(2001): 137-157. Satterthwaite makes a pointed remark in: "The international agencies may seek to draw on "the voices of the poor" (as in the 2001 World Development Report) but do not put in place mechanisms by which the poor's own organizations and institutions have any power or influence within their decision making process." (p.141). For an excellent political analysis, see Nadia Taher, 'In the shadow of politics: US AID-government of Egypt relations and urban housing intervention," in the same volume, pp. 61-76.

[27] *'..Only some 15 percent can be fully seen as success. There are equal numbers of very sad statistics about the number of failed implementations in the US and Europe….'.* Schware told delegates at a seminar on e-government. In India half of the ongoing 200 e-governance projects were bound to fail, he said. *"..By failure I mean the inability to deliver government services that provide benefit to citizens or business. Failure is when there is a lack of political will and leadership."* See 'Most Third World e-govt projects fail: World Bank," Bangalore, India November 8, 2004, at: http://www.smh.com.au/news/Breaking/Most-Third-World-egovt-projects-fail-World-Bank/2004/11/08/1099781282280.html?oneclick=true Also see the following article on the issue, that emphasizes a techo-administrative rational for project 'failure': http://www.blonnet.com/2003/11/15/ stories/2003111500050800.htm

Karnataka.[28] In terms of 'transparency', a major argument relates to the exploitation of small farmers by the corruption promoted by large farmers and middlemen. This is linked to the management of land at the village level where the argument is that local officials use ambiguous records and 'manual' systems of recording to benefit the local elite.[29] Such a view is also evident in the comments of the principal designer of the Bhoomi, highlighting how the Bhoomi snatched power away from elected bodies referenced earlier.[30].

Another reason, perhaps less explicit is that senior bureaucrats found themselves disconnected from land related management that was dominated by local level officials.[31] This might explain important aspects of the program: to close village level offices and centralize functions to the taluk level, and make illegal the continuation of old Record of Rights, Crops and Tenancy (RTC) formats in transactions after 2001. This is also reflected in the statement of the senior technical officer of the National Informatics centre to 'kill the old system..' referenced earlier.

The Bhoomi program is the third attempt at computerizing land records in Karnataka. Conceived as a countrywide program by the Government of India (GoI) in 1991, Karnataka was among the first states to initiate action.[32] The support it had is reflected in the national funding for the program despite the main opposition party, the Congress, being in power at the state level as referenced earlier. The project cost about Rs. 20 crores, which was financed by the Ministry of Rural Development of the GOI, with a nearly contribution by the Revenue department, GoK.   In the state, Bhoomi had the active support of the then Chief Minister who inaugurated the first kiosk in Maddur, his constituency. This support was critical in pushing the program through the administrative system.[33] The technically challenging program of

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[28] Karnataka was formed in 1956 by merging the princely state of Mysore with areas from other states and provinces: parts of Coorg, the princely state of Hyderabad, and the Bombay and Madras Presidencies. The link for 'land coalition' in Footnote 2, discusses the five governance regimes, various aspects of land management, and the functions of the Revenue department. It is the diversity of land recording systems within these practices that has been sought to be removed and restricted by deeming them to be illegal under various acts including the land tenancy act, and procedures of the revenue department via Government orders. Despite these, the High court and also Supreme court continue to see the use of these rights and privileges as being relevant to consider.

[29] The website of the Revenue department has illustrations of customary forms of recording land rights and samples of 'over writing' on these records as examples of the problems with the traditional system. We return to this issue later in the report.

[30] It is significant that the World Bank in recent press announcements were concerned that the decentralization of development powers to the Panchayats would impede their fund allocations. Later after two weeks, when this issue got prominence in the national press, they denied this to be the case claiming it was a mis-report. See web link on 'sunnetwork' mentioned in fn 4 and also:
http://www.hindu.com/2004/12/21/stories/2004122103190500.htm Perhaps what is intended in both the World Bank's view, and also in the statement of the Project Designer, is a support of administration devolution but not substantive political decentralization. This is despite the rhetoric about the need for decentralization, and shockingly, the 73rd Constitutional Amendment passed by the Indian Parliament. International donors however large, need to respect if deciding to fund, and more specifically, senior bureaucrats have a specific mandate to follow. While this is hardly the location to comment on this issue in a detailed way on the grassroots impact of the World Bank funded projects that have tended to create parallel bodies and bypass elected ones, one can hardly not help notice the strong similarity in these views and what we have shown as the ground impacts of the Bhoomi program in this report.

[31] See the report by Chawla et al, *op.cit*.
[32] Prior to Bhoomi, the NIC had experimented with 'pilots' in several districts in Karnataka since the mid-1990s.

'marrying' software to complex, and often local systems, of land management, was driven by the dynamic leadership of senior bureaucrats in the Revenue department with the technical assistance of the NIC, which in turn has funding support from the World Bank.[34] It is unclear, however, if any detailed studies were undertaken on the diverse land management practices within the five main governance systems, and the economic, social and political consequences of homogenizing forms of reporting, before launching Bhoomi.[35] Irrespective, the Revenue department organized training sessions to launch the program across the state. The trainees included the sons of the previous Revenue Inspectors (RIs) and Village Accountants (VAs). There was an elaborate system of control at various levels of the bureaucracy to ensure compliance, and the use of technically qualified consultants to act as 'change agents' and to operate the software developed by the NIC at the taluk-level kiosks located within the office of the Thasildar. In the next section, we take a look at the claims about made about the success about the program, to find serious problems with each of these. However, it is the broader issue of what such programs mean in the context of globalising Bangalore is what is of specific interest. Like Ferguson, it is the latter that seems more important where success or failure set in narrow project terms is relatively less important.

Field level insights and the societal context of Bhoomi[36]

We undertook fieldwork in six of the eight taluks in the Bangalore rural district, and within these, intensive interviews conducted in seven villages. Annex 2 provides more details of the research sites. We selected two broad categories of taluks, to compare and contrast those that are economically 'depressed' with those that are 'development hot spots'.[37] Table 1 lists the various types of taluks. Of the six taluks, one in the northwest is rural in character and economically depressed. Three others, located in the east and southeast, are peri-urban in nature and 'hot spots'. The village level studies are drawn from these four taluks. Since our initial findings raised certain issues with the program, contradicting what is popularly and officially termed a 'success'; we then decided to visit two additional taluks. Here too, field studies merely reinforced our findings. These additional two taluks are mainly rural. One of these is known for better quality land and high value horticulture. The other taluk is similar to the ones in the northwest – depressed, except for one part where a multi-national corporation

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[33] Chawla et al, *op.cit.* To illustrate the political backing for the program, an NIC official said that the then Chief Minister personally telephoned District Commissioners who were seen as not providing sufficient administrative backing.

[34] Given the complexity of land issues, making the program operational required much trail and error, and constant support and realization by skilled middle level staff overseeing the interface between technical and revenue administration. The Bhoomi program has been re-worked several times to remove 'bugs' and other operational problems and to reduce corruption – an issue we discuss later in this report.

[35] The few accounts of the process suggest that the initial stages of program implementation were hurried, without necessarily understanding the ground realities. See A S Shrinidhi and Sharadhchandra Lele*, "Forest Tenure Regimes in the Karnataka Western Ghats: A Compendium,"* Working paper 90, Institute for Social and Economic Change (ISEC), 2001.

[36] Two of our team members, Manjunatha and Rajan, who work in the taluks around Bangalore and are familiar with the villages there. A practicing lawyer, Rajan assisted with the legal and administrative analysis of local practices. Manjunatha, living in Bangalore's peri-urban areas, researches land markets and is also conversant with local histories. Both were instrumental in tracing changes historically – both before and after the Bhoomi program.

[37] The terms 'depressed' and 'hot-spots' are used merely to contrast the broad categories of taluks. Obviously, a richer account of the political economies within these categories will be more nuanced. We choose this contrast to outline broad issues. Later, Table 2 shows how many processes are common to both categories.

has set up an auto-manufacturing plant. *The additional fieldwork reinforced however, the need to view the Bhoomi project not just as one to improve land management, but also to then ask, what did all this facilitate? And, What role did this program play in Bangalore attracting global investments?*

Our fieldwork compared 'rural' taluks with those facing intensive growth as Bangalore's periphery develops. Such a comparison allowed the investigation of a range of development pressures, and the realities of the poor and the marginal. In addition to the kiosks, the team visited the villages to meet various actors including small farmers, the landless, and members of the village panchayat. The emphasis in the fieldwork was to sense the local history and society, the nature and type of land and its distribution, the characteristics of social groups, and to understand pre- and post-Bhoomi processes. This approach allowed us understand the Bhoomi program not just within a specific technical frame but also with respect to its stated objectives and a larger developmental context. It seemed useful to listen to the reflections of people who witnessed larger forces of change, of which the Bhoomi was one particular, though important landmark.

Efficiency and Transparency: The most vocal complaint had to do with the delays that have resulted after the launch of Bhoomi. Before Bhoomi, obtaining a copy of an RTC, or a mutation, took 2-3 days. These documents were made available at the village level via the VA and, as one small farmer put it, the work could be 'fast and efficient' in an emergency.[38] After Bhoomi, all categories of landowners feel that any significant change like a mutation takes 3-4 months. This becomes all the more problematic due to the dependence of the farmers on agents. Often, if farmers visit the taluk office (and lose their day's work), they may find that either the computer is down or that there is a power cut.

Another common complaint is of complications arising due to wrongly spelled names or the incorrect entry of survey numbers or measurement into the computer. Rectification involves a process similar to a '*khata* change'[39] and requires multiple visits to the taluk and extra bribes to be 'followed up'. Thus, more than just one visit is often required after an application is submitted, reinforcing the role of agents undertaking the job for a price.[40] A more serious issue raised by smaller farmers was that the centralization and computerization of records had allowed their survey numbers to be used by large and middle level farmers to access government schemes and benefits like 'small farmer' subsidies, seeds, fertilizers and pesticides, and plants.[41] This also relates to manipulating the land market process in favor of the powerful – a point we will return to. Most respondents, especially small and medium farmers, mentioned that bribes had increased substantially after the launch of Bhoomi. This

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[38] Although there is a stipulated one-month notice period, a common practice was to pay a small bribe and 'backdate' applications since an application process undertaken at the village meant public knowledge of a land situation that, in real terms, reduced risk. This 'flexibility' was particularly useful in an emergency – a police case or when required by the court. What is important is that such 'flexibility' relates to the overall power structure. For instance, Table 1 explains how, despite rules about how much time is to be taken for a transaction, there are delays at the cost of the most applicants.

[39] Words in italics refer to nomenclature used locally and are explained in Annexure 1.

[40] Delays in application and the role of agents and bribery are also pointed out in several news articles. One report is of farmers in Bijapur who had to come to the kiosk for several days in a row. See, 1) Keya Acharya, "The case of Bhoomi," *Deccan Herald*, 17 October, 2003. 2) http://www.hindu.com/2004/10/07/stories/2004100716460300.htm "*Lokayukta unearths loan scam in minorities' corporation*'; 3) Deccan Herald, 21 Sept. 2004 'Hard times for citizens at service centres'.
[41] Acharya (*ibid.*) also mentions this in her report on Bhoomi in Bijapur in North Karnataka.

was despite the implementation of 'preventive' measures such as FIFO. Many of the more experienced respondents linked the increased corruption and time taken to the closure of village level offices and centralization of all functions to the taluk level. Their view was that while bribes had to be paid even in the pre-Bhoomi situation, it was limited to the VA and the RI. Some even justified this payment and argued that it was the VA and RI who helped them understand complex land procedures. More important, the location of the revenue office at the village level before the Bhoomi program meant that 'pressure' could be applied on the officials to act. With the shifting of the office to the taluk level, however, this is not possible as the process involves four administrative layers, or 'tables' as they termed it: the VA, the RI, the Siresdhar, and the Thasildar/Computer centre. Also, in the pre-Bhoomi situation, bribes were locally negotiated and affordable, and these were usually differentiated by large and small farmers and linked to complex obligatory relationships in the village. In the post-Bhoomi period, as we discuss later, the process is dominated by a network and system of various 'agents' who have set a 'market rate', and systematized bribing to make it all pervasive, especially in taluks experiencing rapid development.

Table 1 shows the variations in bribe amounts and time taken and sets them within a larger process. The bribery or 'agent' rates in the less intensively developing areas are on a transaction basis whereas they are on an acre basis in areas facing intensive development. However, many officials at the lower level including the 'recipients' of bribes, angrily mentioned how higher level officials 'pressurize' them and how much of the 'higher level' bribery was facilitated and brushed under the carpet. In an interesting contrast, respondents mentioned that in some development 'hot spots', the local land market is so extensively captured by the elite that they had instituted pressure to ensure 'zero' bribery. In another case, the interests behind a land mutation process were so powerful that the entire process took under an hour – despite the specified time limits for 'public display and information'.[42] The reader can well imagine that such information is highly sensitive. Most respondents requested anonymity. It is for this reason that we have provided the broad categories of being more/less intensively developed taluks instead of identifying them. The intention is not to make a specific co-relation between the types of bribes, land quality, the type of development activity and senior administrative or political actors. It is merely to show that corruption has increased and efficiency lost for the most members of the public, reflecting the power relationships that land markets closely embody. Overall, one ex-panchayat president feels that poorer people are discouraged from applying for copies of their titles due to the increased bribes, uncertainty, and time taken.

Promoting agro and rural markets: The team did not explore the issue of how Bhoomi records help agro-business although the press reference in Footnote 1 shows a growing interest in this. We did find in our investigations, how large developers displaced SC/ST as part of small farmers and leaseholders. This was evident in a comparison we did where we looked at earlier land holdings and their associated ethnic and caste groups, and post Bhoomi as land markets changed with large developers. This controversial issue is linked to a large literature on the threats posed by agro-business to small and marginal farmers, and to natural eco systems.[43] There are also problems with data quality wherein, what is recorded, as land

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[42] Local officials did not see the FIFO procedures as a hindrance in this – and casual about how they could get around these.

[43] See, Devinder Sharma, July, 2004, Also see the links to Sainath's investigations in FN 48 later in this paper.

use in the RTC may not correspond to the ground situation.[44] If so, it is unclear how the interest of private companies in the Bhoomi program will be sustained.

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[44] There are two points here. First, this refers not only to mistakes but also un-recorded forms of tenure that have local sanctity. If a pre-existing tenure form conflicts with the one recorded later in the Bhoomi RTC, the issue can lead to a significant contest as the latter only has presumptive value in court. Second, this can be a serious constraint in planning and implementing any scheme. For a detailed analysis of local discrepancies, see Rao et al "Peoples Database on Land Tenure, Land-Use, and Land Cover," Study report by the Ecology Economics Unit, ISEC, Bangalore, and *Nagarika Seva Trust*, Guruvayanakere, 1998. The issue of poor quality of land data is mentioned in the land coalition web link in Footnote 2.

Table 1: Whose "Transparency and Efficiency"?

Taluks / Villages / Respondents	Pre- Bhoomi		Post Bhoomi		<u>Other details</u>
	RTC (copy/correction)	Mutation	RTC (copy/correction)	Mutation or *khata* change	
Locations: 3 Villages in a relatively less intensively urbanizing taluk. **Respondents:** Local politicians: 3 (current and former Village Presidents) Taluk and village level officials: 4 (RI: 1, VAs: 3) Small farmers: 10 Brokers: 2	Rs.5 to Rs.100 Immediate	Rs.1000 2-4 days	Rs.15 + 35 plus expenses of Rs.100 for agent to visit the taluk office Time taken is 2-3 months	Rs.3000 in addition to transport expenses for several visits. While there is an official one-month rule, in reality this normally extends to 3-4 months.	**Bribes are on a transaction basis**
Locations: 2 villages in an urbanized taluk in the city's peri-urban area **Respondents** Taluk and village officials: 5 Politicians: 5 Small and medium farmers: 10 Brokers	Rs.3 to Rs.50 Immediate	Rs.500 to Rs.5000 2-4 days	Rs 15 (individual) and Rs. 100 processed via an agent. Correction for individual is not possible due to the need to visit the office for 10 days. Application via an agent is Rs.300.	Rs.3000 to Rs.5000 If there is a problem, the amount can go upto Rs. 15,000 to Rs.20,000	**Bribes on an acre basis** Investors from Andhra Pradesh, and large developers and layouts catering to NRIs and IT firms, dominate the land market.
Location: 2 villages in an urbanized and in some parts, very rapidly urbanizing taluk in the city's peri-urban area.	Time limit = 1 or 2 days Cost Rs.5 to Rs.50 Fewer corrections were required in the manual system. In those cases, a correction could be made immediately if needed. Previously, the medium	Rs.500 to Rs. 5000 depending on the size of land and the complexity of *khata* involved. Following are categories of land sanctions:	The fees depend on the type of work and the reality of visiting the taluk office. Copy of RTC: Rs.15 (fee) and a bus ticket of Rs.40. There is the additional problem of erratic electricity and frequent breakdowns at	The bribe ranges between Rs. 1000 and Rs.3000. Here, the lower amount is for those seen as 'small farmers' with no significant problems. But having land with no 'problem' is rare, as most small farmers are situated on	**Bribes on an acre basis**

Respondents Local politician: 1 (former Gram Panchayat member) Local (and former) officials: 4 (RI: 1, VAs: 2, Siresdhar: 1) Small and medium farmers: 6 Brokers: 3	farmers used to give grain or vegetables instead of a 'charge' for RTC issue. Normally Rs.3 was collected, Rs.2 for the Court fee, and Rs.1 for the stamp. The remaining amount depended on relationship but the maximum was Rs.100. 60% of the applicants used fall in the Rs.3 category since they were small farmers seeking government benefits. The remaining 40% were people who take an RTC to get bank loans, tractors or power looms (to tap 5 hp power, 15 hp for power looms). Brick factories and poultry farms need a RTC as a certificate to get subsidies associated with these schemes. The subsidies are based on whether the farmer is small/medium/large, which the secretary could manipulate.	Government sanctions the person *gomala* land or lifts the *pada*. These require more documentation, and increase the bribe amount. This also includes the documentation needed to obtain a sale deed and *pouthi khata* (inherited land). It also relates to the issuance of 'death certificates' or other complexities like those for a mortgage release, give and exchange deed, will deed, and court order.	the kiosk, which means that, often, a day is not enough to finish one's work. Respondents also mentioned problems with the computer system. Interestingly, some mentioned that, if a single person comes with one request, there is no bribe. But if an agent applies, then the bribe money comes in, as he is likely to have more than one application. However, most poor farmers cannot afford to lose a day's employment and are forced to employ an agent on their behalf. The total cost for a issue of RTC amounts to Rs.300 if undertaken by the farmers themselves. It is an additional Rs.100 if via an agent.	land with some legal issue to it. For instance, many may not have *Form 79-AB* that states their 'agriculturist status'. This is however an issue as there are many 'duplicate' certificates. Others are in a situation where some part of their land is 'officially' un-cultivable or *kharab*. However, such *kharab* land is often brought into productive use over time, whereas the official records still show these as being un-cultivable. Some of these recording changes, like that of road side land being now made cultivable, involve fewer procedures and the bribe amount is about Rs. 3000. In other cases, like the accounting for common 'threshing' land in joint family holdings, the bribe can rise up to Rs. 20,000. There are also other relatively minor types of mistakes, like a mismatch in measurement, or a mismatch in the names of a joint family in the records. Earlier, such problems were taken care of by the VA over-writing the RTC. Since the process was undertaken locally, people could find out if it was intended as a fraud.	

				The time taken for such changes is between one to three months.	
Location: Kiosk in city. An outlying area of the southern part of the city that was occupied mostly by small farmers and the poor. In 1995, the real estate market changed rapidly to attract higher income groups. **Respondents:** Local officials (serving and former) from various departments Small farmers: 2 Brokers (group discussion) Kiosk consultant	Rs.10 to Rs.15 for RTC correction	Mutation cost Rs.3000 to Rs.10,000, reflecting the rate after the 1995 – 2000 real estate boom.	Rs.1000 to Rs.5000 The charges, including bribes, reflect the current real estate market. 3 months processing time	Rs. 20,000 to Rs.100,000 and takes 1 to 3 months	**On a square foot basis.** Since city property rates are very high, transactions are conducted on a square foot basis. One respondent mentioned that, in addition to bribes, one needs administrative and political pressure to get the system to move. In his own case, despite being 'educated', and being in the government with contacts, the lack of 'co-ordination' between the RI and the VA, on the sharing of the Rs. 6000 bribe, meant that he was not able to get his work done.
Location: A taluk known for high value horticulture. Four sub areas in two broad categories: **Area 1, 2:** High value agriculture **Area 3, 4** -- high-value real estate	Time limit = 1 or 2 days Cost was between Rs.5 and Rs.50. Fewer corrections were required in the manual system, and if required, this was immediately corrected. Overwriting in the old system did not necessarily represent tampering.	The charges for mutation ranged between Rs. 500 and Rs.1000, depending on economic status of the applicant. The time taken was usually a maximum of one week. For influential groups, this could be done in one or two days.	Copy of an RTC without any correction is Rs.15. However, most small and medium farmers, who typically require some correction, have to pay between Rs.500 and Rs.600. These applicants are a very small group, since the large and well-connected groups have already captured the land market.	There are two types of *khata* rates. For locals, the bribe ranges between Rs. 1000 and Rs.2000. For 'outsiders', it ranges between Rs.6000 and Rs.7000.	**On an acre basis** Landowners of the Reddy community have invested in Area 2. In Areas 3 and 4, the IT/NRI area, a *khata* change for even a small 30'x40' plot can require a bribe of Rs.6000. This taluk is supposed to have kiosks decentralized to the 'Hobli /circle'

market as land is being developed for industries and for apartments for NRIs and employees of IT firms. Land acquisition by the KIADB has also increased prices. **Respondents** Politician/farmer: 1 Local (including former) officials: 2 (RI: 1, Sireshdar: 1) Small farmers: 7 Advocate: 1 Consultants: 2 Brokers: 2		During the 1990s, the real estate market changed in all the areas: Areas 1 and 2 moved into high-value horticulture, and Areas 3 and 4 into IT and high-value industries. Mutation used to then cost between Rs.5000 and Rs.10,000			(group of villages) level and operated by private parties. This kiosk was not functional at the time of the field visit. On the 26 July 2004, a local organization protested for a 'Hobli' level kiosk. As this protest did not result in any action, another protest was planned for the end of August 2004 including locking the taluk level Bhoomi office.
Location: A western taluk with heterogeneous land markets. **Area 1**was like any other 'depressed' part of a taluk in western Bangalore. But, after 1995, land values spiraled with the announcement of a mega-development project. Other three areas (Areas 2, 3 and 4)	Rs.50 to Rs.100 for an RTC change; immediately undertaken. Rs.5 to Rs.10 for a copy of an RTC.	Expenses incurred for a mutation ranged between Rs.500 and Rs.1000	There are relatively few applications for an RTC copy. This is because the land market is re-structured in favor of larger players. Also, between 30 to 40% of the total land holdings were acquired by KIADB. Of the remainder, lands of the smaller farmers of the SC/ST community were appropriated by the larger Vokalligas, most of whom have between 50 to 100 acres. In Area 1, since the landowners are from the	The bribes for mutation, as in the case of the RTC, depend on the 'entry' point in the administrative system. If the applicant is a local farmer who approaches via the VA or RI, the bribe amount is Rs.10,000. If the applicant is an 'ordinary' person but approaching via relatively higher administrative circuits such as the AC/Thasildar, the bribe can vary between Rs. 50,000 and Rs.100,000. The routing of the bribe in the case of the higher-level administrative circuit is not 'visible' as it is clubbed with	In Area 1, buyers and landowners are MLAs and MPs. The agents are few, but exclusive and well-connected. There is a key role also played by senior administrative officers. Bribes are on a transaction basis. Most applicants ignore the mandatory waiting period. Applications are pre-dated and, in special cases, can be processed in less than an hour. Other corporate players investing in mega projects get land allocated

of this taluk still remain relatively 'depressed'. **Respondents**: Local politician: 1 (Party president) Local officials: 2 (RI: 1, VA: 1) Small farmers: 2 Advocate: 1			political and administrative elite, there are no bribes. Due to the 'pressure' generated from the top, the processing time is also less than the stipulated period. In Areas 2, 3 and 4, the rates are the same as in the preceding category. A copy of an RTC costs Rs. 15, plus Rs.100 for agent expenses. For corrections in RTC, the amount is between Rs. 500 and Rs. 1000. Time taken in these areas is usually between 3 and 6 months, but depends on political influence. If the applicant goes through a councilor, or a panchayat head, a correction will happen within 3 months. Without connections, it can take up to two years.	the 'lawyers'' fee. The lawyer's fees are also charged on an acre basis, which includes the bribe into the system.	by the state using institutions like the KIADB. The bribery system that exists is internalized with that process. In areas 2,3,4 where base survey maps are not available with the Taluk level office of the Revenue department, a request for mutation change is sent to the Survey department, which maintains records at the hobli, taluk and district level. The applicant has to follow up the papers in the Survey department – sometimes involving several visits to three levels. Bribes at the Survey department are relatively higher than the Revenue department and depend on the type of correction. If it involves correction of measurement, survey number or change of name, relatively higher bribes have to be paid.

The Societal Context of Bhoomi

The above three points, transparency, efficiency, and the promotion of agro-business, underlie the functional perspective closely linked to the World Bank's *World Development Report* and De Soto referenced in Footnote 4. But to understand Bhoomi, as a 'best practice' within reductionist logic, is to be boxed into a techno-managerial approach that emphasizes monetary value over more political arguments. Such an approach misses out the structural issues of power and the way possession and dispossession happens.[45] Thus, in viewing the Bhoomi as an 'e-governance' initiative, there is a need to address the politics behind 'governance', rather than just the 'e'. The following text will outline some of the conceptual terrain and the key issues as they pertain to Bhoomi. The managerial view of land is contested by many scholars who point to the value of analytical categories in helping to get beyond a functional and positivist understanding to look at the politics related to the control of land, and how this related to larger developmental projects[46]. Analyzing the political economy of land is important to raise questions about Bhoomi that move beyond the managerial-functional approach inherent in some assessments of the programs that look at 'success and failure' in narrow terms.[47] In doing so, this report critiques Bhoomi from a larger developmental

[45] This is evident in the evaluation of Bhoomi by the PAC report (referenced in Footnote 2) and in the review of the program on the Microsoft website. The PAC report concludes that Bhoomi resulted in increased transparency, and in a reduction of bribes and time taken. These features are then translated into monetary terms to suggest significant social benefits from the release of capital for productive purposes. If we chose a similar line of argument, our findings, in contrast to those of the PAC, would result in a startlingly high estimate of social costs. Such reasoning comes from the logic of positivist modernization, where development is seamlessly ascribed a monetary value. This also relates to a view that land issues, in the 'Third World context' are inherently 'corrupt' – an inherently racial view of cultural determinism. Within this view, programs such as Bhoomi will face 'obviously' operational problems, and are hence 'remarkable attempts' despite their 'shortcomings'. Both views distract from the more serious social and political aspects.

[46] For a historical perspective, see K A Nilakanta Sastri and R Champakalakshmi, *A History of South India* (Oxford University Press, 1999) especially Chapter 2; Dharma Kumar, *Colonialism, Property and the State* (Oxford University Press, 2001), especially Chapters 5 and 6. For a discussion on more contemporary issues, see the essays in Abramson A, Theodossopoulos D. (eds.)., *Land, Law and Environment: Mythical Land, Legal Boundaries* (Pluto Press, 2000), especially Chapters 2 and 4; Sousa Boaventura Santos, *Towards a New Common Sense: Law, Science and Politics in The Paradigmatic Transition* (Routledge, 1995), especially Chapter 3; A Durand-Lasserve and L Royston (eds.), *Holding their Ground: Secure Land Tenure for the Urban Poor in Developing Countries* (Earthscan, 2002); Geoffrey Payne "The World Bank on Security and Stability: The Listening Bank?," in IDS's insights ID21 at: http://www.id21.org/id21-info/ GuestEds/ PayneAug04.html; Solomon Benjamin, 'Urban land transformation for pro-poor economies', *Geo Forum* 35 (2004):177-187; Karst K., Schwartz M., Schwartz A., "The Evolution of Law in the Barrios of Caracas," Latin American Studies Vol. 20, Latin American Centre, University of California 1973.

[47] Here we need to consider how 'success' and 'failure' are defined. One of the sharpest discussions of this is in James Ferguson's *The Anti-politics Machine: 'Development, De-politicization, and Bureaucratic Power in Lesotho* (University of Minnesota Press, 1994). In the spirit of Ferguson's argument, one can speculate as a basis for further research that, as an effort to curb local autonomy – both bureaucratic and political, the Bhoomi project, despite the 'short comings' pointed out in this report, is a success from the vantage of the higher-level bureaucratic and political machinery. For the former, the issue may be to 'clear' local territory of competing claims that get in the way of mega development projects, funded by global capital, where land acquisition is typically a stumbling block. For the political machinery, growing increasingly weary of coalition politics, such a program, centralizing how claims on land are defined, could be argued to ensure political compliance. For both the administrative and political machineries, such re-structuring, of which the Bhoomi is a relatively small part, the generation of 'benefits' would have a greater 'trickle' up than previously. This view of the use of land and its revenue is not new. In his book, Irfan Habib, *Essays in Indian History: Towards a Marxist Perspective* (Tulika, 1995), explains how the East India Company drew economic and political power by changing the system of land revenue collection via the Permanent Settlement in 1793: *"....the source of the conqueror' profits, however lay not in commerce, but in land revenue. Maximization of land revenue was necessary for the maximization of profits. This was paralleled by their increased political control of the Zamindars who were*

perspective and questions some of its programmatic claims.[48] There is also evidence that a market led view of modernization of agricultural systems to promote agro-business has not led to poverty alleviation, but, on the contrary, reinforced poverty by increasing debt▪ While the issue of agro-business is useful and important, we focus on a different theme of Bangalore's global connection and the implication of 'landing' these economies. ▪

Considering that land is unlike other commodities or resources, it is important to understand a larger political dynamic: the types of players, the manner in which land is consolidated and alienated, the use of political and bureaucratic connections, and the history or 'timeline' when particular interventions are made. It is critical to understand how the use and exchange value of land is historically defined and shaped by 'law in process'. By this we mean that land is bound by an ever-changing bundle of competing claims on it (rather than 'rights'). Many of these claims are built from the ground up by social conventions. Thus, the 'grayness' that surrounds titles and various tenure forms have little to do with 'bad records'. For instance, the 'over writing' that the Revenue department shows as illustrations of 'corruption in the pre-Bhoomi situation' must be interrogated from its societal context. Such 'over-writing' could well represent 'flexibility and responsiveness' when poorer farmers are able to pressure the VA to modify mistakes in records – that today is done via computers. In many ways, these processes reflect the 'power relationships' that configure the interests of one group versus another.

It is important to consider a variety of legal – institutional structures at play that shape local reality: the Indian Constitution and it's overarching legal–institutional structures, Government Orders and their bindings on line agencies and local administration, interventions by a panchayats, and also, customary institutions that still influence the functioning of the Gram Panchayats (GPs) and their politics.[50] Just as the claims over land are

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cast in the role of little more than 'hereditary revenue farmers' with fixed leases, while the company cornered the bulk of the surpluses" (p: 300). Habib goes on to show how, in later years, the colonial building of railways facilitated the extraction process.

[48] This report for instance, contrasts the one by the PAC in many ways. First, there are the findings and overall assessment. The second is in the method. Rather than a generalized questionnaire based 'market survey', the approach followed here is more 'process' oriented, using open-ended interviews to unravel the political economies within which the Bhoomi program falls into and also shapes in turn. Third, our assumption about land issues are pitched within a larger developmental framework, as suggested in the literature in Footnotes 10 and 11, and hence takes a broader perspective.

[49] One is the series of articles by P. Sainath investigating policy 'reforms' promoted by the Chandrababu Naidu government. See: http://www.indiatogether.org/2004/sep/psa-insurance.htm; http://www.indiatogether.org/2004/jul/psa-seeds1.htm; http://www.indiatogether.org/2004/aug/psa-womenfarm.htm; and http://www.indiatogether.org/2004/jul/psa-maxrisk.htm. For a recent study of this issue, see Krishna et al "Falling into Poverty in the Villages of Andhra Pradesh: Why Poverty Avoidance Policies are Needed," *Economic and Political Weekly*, XXXIX, 29(2004):3249-3256. The study shows that escaping poverty was influenced not by getting jobs in the private industrial sector (high end non-farm employment), but by access to irrigation and diversification into non-traditional crops, and into small businesses in the informal sector. Also significant was that, "broad based approaches covering the entire state do not enable scarce resources to be utilized in the most effective way….What matters is smaller scale and more localized schemes based in localized identification of causes and remedies.…" (p.3253). This author (Benjamin 2004 op.cit) has also shown the link between diverse tenure forms and small firm based economy to generate substantive jobs and a relatively pro-poor growth. If so, then a program like Bhoomi, that homogenizes land tenure forms, can weaken opportunities for diversification and may not necessarily meet its objective of addressing the issue of poverty.

[50] See, Kripa Anantpur, "Interfaces in Local Governance: A Study in Karnataka," Working Paper 187, Madras Institute of Development Studies, 2004, at http://www.ids.ac.uk/gdr/cfs/drc-pubs/

built from the ground up linked to the settlement of people, it is also shaped by an intensive institutional politics where local groups find their claims dissolved and victims of a new politics. For instance, despite being settled for decades and cultivating land, many farmers can find their land notified for acquisition with only a few among them, with relatively more stable claims, having a possibility of compensation. If so, it is the politics of law making and institutional action that shape claims over land.[51]

The preceding paragraphs emphasize the need for a nuanced analysis. Table 1 shows how to look beyond the mechanics of computerization, to focus on larger societal issues. It suggests that a key issue is how the Bhoomi program and the centralization of land recording to the taluk level, fits into the political economies for peri-urban and rural land. The village-level fieldwork in contrasting taluks showed up various land types, local level political economies, and ways in which local villagers and 'outside players' attempt to establish claims on land and seek a particular use from it. What was important was that land officially categorized as degraded was occupied and in use by poorer groups. This mismatch between reporting what is on the ground and what is now centralized dilutes the ability of the poor to influence the system in their favor.[52] Here it is important to note that when the power of one group to shape the system in its favor is lost or eroded, another group gains. Power does not disappear, but is re-organized and reinforced in a complex dynamic.

It is in this context that we focus specifically on the land processes within which Bhoomi fits. Essentially, our main finding is that specialized agents come into play to influence the land market in various ways. This power play of interests can centre on staking use of inherited land, and to seek regularization of *begar hukum* land.[53] Some of these agents 'target' small farmers owning dry land, by gaining access to survey numbers, or locate those families where

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MIDSworking%20paper187.pdf. Footnote 24 discusses the issue of flexibility that are likely to be influenced by customary governance forms. Much of the literature mentioned in Footnote 13, center round the complex forces that shape claims to land, rather than portray a 'cut and dry' managerial perspective. See *"Land tenure, land holding, tree rights of Kodagu'* by Uthappa Vijay, published by the Kodagu model forest trust 2004. This publication provides a detailed analysis of the relationship between the various acts in Karnataka including the Karnataka land revenue act of 1964 and several judgments of the Kar. High court, and also Supreme Court of India on the issue of tenures and conflicts between the RTC and customary forms of recording. Pages 30-40,54-60 are of particular relevance.

[51] In a recent conference arranged by the Confederation of Indian Industry (CII), the presenter on land laws that impact real estate development in peripheral areas suggested that developers and financial institutions deal with complex claims on the ground by lobbying the state government to acquire land on their behalf with instruments such as the KIDBI Act, using the Karnataka Industrial Area Development Board (Presentation by Umakanth in 'Suminfra 2004: Summit on Sustainable PPPs in Infrastructure," CII – Government of Karnataka Conference, Bangalore, 2-3 September, 2004). Table 1 mentions the impact of this in two of the taluks discussed. Of interest here is the non-neutrality of law and its use in the interest of a particular group of people against other claimants. An extensive discussion of this issue can be found in Chapter 3 of Sousa, *op.cit.*.

[52] In many villages, the investigating team was struck by the polarization of dry versus wetland and, in particular, by the fact that almost all the small, marginal and even middle end farmers have their land designated as *pada* land. We also came across various types of 'marginal' land that were critical for the poorer groups, and various types of inherited lands across income groups.

[53] '*Begar hukum*' literally translated is 'without order of the above'. It refers to land usually cultivated by the poor that is either located at the fringes of other land, or is land belonging to the Forest department or common village land. With time, they regularize the land in their favor by increasing the 'productivity' of the land and by consolidating their claims to it. Even so, they would find it difficult to officially sell such land.

there are property conflicts.[54] Properties with complications arising from Bangalore's Master Planning regulations, such as the green belt, fall into yet another process. Table 2 lists *just five of the 14* agent-based land processing that we know of. Each of these processes happens via various circuits of official and social decision-making and actions. **The point is that Bhoomi is but a small aspect of a larger process that is shaped by an intensive power dynamic, driven by high-level administrative and political players in some locations. It is naïve to assume that computers and well-designed software, or the rigorous training of support staff driven by a well-meaning project champion can address such structural political issues.**

The views of several respondents in framing the 14 processes, and our analysis of the bribes and time taken in Tables 1 and 2 show that, since the late 1990s, large players have dominated the peripheral land markets, especially in the taluks to the south and the east. Such players are able to draw on their links to the judicial and administrative elite, often in the form of 'partnerships', to consolidate land belonging to small and marginal farmers and to regularize titles in their favor. In light of these structural issues, not only does the question of bribes or time taken fade into relative insignificance, but management efforts such as FIFO are hardly effective, and the Bhoomi kiosk, and its back office, hardly presents a hurdle. Likewise, given the 'turn-key' nature of processing carried out by skilled lawyers with administrative and political backing, a 'technical fix', or hardware and software updates, is unlikely to resolve the issue. On the contrary, our respondents mentioned that the relative ease with which information is now centrally available via the Bhoomi program only facilitates the process. To the extent that information is available centrally, there is loss of information locally, and with it is rendered ineffective the claiming process by small and

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[54] While agents play a critical role, they are not just 'bribe fixers'. Instead, given the complexity of land issues, they locate properties under family disputes and scattered family members, mediate between family members and their claims, consolidate documents and provide such information to lawyers hired by the development agency for this purpose, and, depending on the 'circuit' or deal, tie in various bureaucratic and political quarters. Since the Bhoomi process is a small part of this larger process, agents are normally hired on a 'turn-key' basis and not for just one part of the job. Although this is more expensive, for the type of land players now dominating the market, it is a relatively minor cost in the larger schema of things. The increased bribes however, have an 'up-market' effect, forcing poorer groups out of the game which in turn, makes it even easier for the larger players. The political and social relationship of poorer and marginal farmers at the panchayat level is diluted by strict party control, and in some cases, where panchayat members are themselves 'agents'.

marginal farmers.[55] The selection of the five of 14 land development processes that field investigations revealed is to provide a mix of those dominated by small players and others showing the extensive influence of larger ones.

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[55] One can argue that upgrading the Bhoomi to 'Bhoomi Plus', to include the spatial/survey information in a digital form, is likely to exacerbate existing problems. This is because, given the massive exercise, and the additional computer infrastructure required, spatial records that get fed in are likely to be the ones that miss out the 'lesser' and more fragile tenancy based tenures which marginal farmers find themselves in. If so, these are likely to be either amalgamated with larger holdings or categorized as *sarakari* land.

Table 2: Bhoomi within a larger process of land transformation

Type of land/ process	Who owns such land?	How is it transacted?	Who are the interface agents?	How do they interface with Bhoomi?
Land under *pada*	Small farmers with dry land. A majority of SC/ST small farmers have *pada* imposed on their land but do not have the money (fines, backlog of taxes, bribes) to 'lift' it. These lands affect between 60% and 70% of the population.	Usually developers / real estate agent pre-finance the farmers title to pay the fines and lift the *pada*, but then appropriate it in their own name or in the name of their clients.	Two types of agents are involved – real estate agents selling land for farmhouses and to small developers.	Agents come to Bhoomi kiosk for: (a) Information on *pada* land; and (b) Contacts with caseworkers to organize for 'lifting' the *pada*. *Computerization of records in such cases is thus useful to get information.*
Land with complications: such as (A) Boundary problem (B) Non partitioned land (C) Property held by joint family	Small farmers. These lands are usually joint family holdings that have been subdivided over years.	Local agents purchase land from local farmers. Land may be partitioned but belong to a joint family. The agent contacts one member who is 'conducive' to influence, and towards parting with the documents and a sale. This 'entry' is then used to institute a legal process whereby the land is sold cheaply to the agent or his client. .	Agents coordinate the entire process – at the sub-registrar's office to the Bhoomi kiosk All three complications come to the fore after land is sold and registered. The time from sub-registrar's office to 'entry' in Bhoomi kiosk is important. The VA and RI play a role in issuing or stalling objections – which will automatically stop the titling process. Depending on the 'power relations' among the different agents involved, the parties may seek a local resolution or go to the court. In the case of former, the agent mediates and links the parties to the village head. Usually the Shanbogh /VA with a knowledge of the land records of a particular village gets involved.	At the Bhoomi kiosk, the agents' function is to expedite the change of records. This requires a 'coordination' with all four 'tables'/actors involved in the process. *Computerization of records in such cases is accounted for as part of the entire cost of the entire land transaction process, but seen as a minor 'maintenance' issue.*
Large tracts of land for large developers	Small and medium farmers. Target is mainly dry land.	The majority of land holdings being small, this requires assembly and negotiation at the local level. Large developers operate at two levels – at the local level, via agents for	Two types of circuits are involved: One, local or village level: Developer ally with local politicians (panchayat members), administrators at the Taluk level,	Agents come to Bhoomi kiosk **after** building / consolidating and 'cleaning up' records at taluk or District office mainly for title registration. Agents and developers visit the Bhoomi kiosk during registration – to consolidate their claims.

		assembly and negotiation with local farmers and at the district or taluk office for 'regularization'. A second aspect relates to the attempt to identify a 'block' of land that can be purchased for a bargain. Here, local agents target land in families with many claimants and where there is no agreement over the division of property. Risk of failed transactions is borne by local agents.	or local real estate agent for: • Assembly-negotiation with individual farmers • Risk of assembling Second, depending on the complexity of land involved, developers ally with local politicians and senior administrators (IAS) with influence at the taluk or district level for regularizing/updating land records at the taluk and at the panchayat level	*Computerization of records in such cases is thus an insignificant part of the entire land transaction process.*
Transaction of land within the Green Belt. Large developers target this type of land. Since a significant part of the Green Belt now abuts main roads, it is highly valued.	It is mainly small farmers who use such land for cultivation. In some cases, they have been allotted this land under various *inam* schemes but may have restrictions for sale.	The real estate agent has to perform the following functions: (a) Assembly of several small land holdings (b) Negotiation, and (c) Conversion of land .	Real estate agents entering into such transactions are economically and politically well-connected individuals (such as MLAs). The interfacing agents are the powerful interests and senior administrators (IAS/KAS). Due to legal complication involved in transacting such land, large developers often ally with politicians (MLAs) and senior administrators. Conversion of large tracts of green belt involves searching, locating family members and consolidating documents from different institutions.	The new buyers, i.e. urban economic agents, use Bhoomi to regularize the claim/title of the clients, mainly after obtaining NOC from the village panchayat. Because of the powerful interests and legal agents involved in the process, local institutions, such as the VA office or the Bhoomi kiosk, do not have much say. *Computerization of records in such cases is thus an insignificant part of the entire land transaction process.*
Transaction of *gomala* land	Two types of alienation – one via market process and another via land acquisition. Until now, small local agents dealt with the first type as users are not easily identifiable. In this case,	At present, and prior to Bhoomi, agents dealing with such land depend on the DC's office for information on the targeted land and also about the amendments on the ownership of such land. Ownership of *gomala* land to	Local and non local agents DC's office. In case of an acquisition, different state institutions interested in acquisition. Both private and state agencies have approached Bhoomi	Land users/owners do not directly use the Bhoomi kiosk as the agents or the governments require access to information at one place making the transaction easier. In the case of land acquired for projects, there might be second level transactions at the Bhoomi centre – but these are after the

	agents obtain a General Power of Attorney (GPA) from landowners. Apparently a GPA is not shown in the Bhoomi RTC. In the case of acquisition, governments target *gomala* land as it is legally less problematic and compensation is not an issue. Here it is important to note, that in present documentation, including Bhoomi, all public land including, private land under *pada* is registered as **Sarakari** land – hence making it easier to acquire. This issue is accentuated if customary forms of tenure are homogenized and then re-designated as 'Sarakari' land.	individuals is done via an office order at the DC level. After Bhoomi, the process is facilitated by two things: easy access to information at the taluk level at one place and second, access to the DC's office in case the order conferring claims is complex.	for information about land titles (ref. DH, dated 26th July). The Bangalore Development Authority has used this route in Kengeri to purchase information on land titles.	primary level data has been modified via the acquisition process.

The following two rows illustrate the constraints that small farmers face in using the Bhoomi kiosk for various functions. In particular, the main functions are the mutation and change of *khata*, and consolidating documents to avail various schemes. The table suggests how fertilizer and seed companies can use the information to locate farmers who could be potential consumers. If one knows a survey number, which most large farmers and other elites have easy access to, information can be obtained from the Bhoomi kiosk to open up opportunities for them to 'poach' on entitlements meant for small farmers, and more important, on their land.

Process	Role of the agent	Interface with Bhoomi kiosk
Mutation and *khata* change for different types of land	To help in mutation process for different types of land. *Khata* change can be complicated if the parties concerned have not updated and consolidated/ registered land records for years, or have completed only a part of the process. Due to various historical reasons, most small farmers and marginal groups find themselves in such a situation.	Registrar's office and the kiosk process involves four levels. The agent concerned does not deal with the front office for 'complicated' cases, but goes directly to the back office. The agent has contacts with the caseworker, who serves as a centralizing point for the bribes. Bribes are negotiated at one point – the back office.

		Bribes vary according to the development of the taluks. In rapidly developing taluks, they are usually Rs.20,000/acre for a *khata* change. In highly developed taluks, with a rapidly emerging real estate market, the bribes can go upto Rs.40,000/acre.
Agents working for agricultural companies 'targeting' farmers.	They specialize in 'preparing the documentation' for agricultural schemes. There are two types of agents: a) Agent/employee of a tractor/equipment company, or a fertilizer/seed company; and b) agent/brokers who deals only with preparing documentation. Documents required for obtaining loans for agricultural implements or seeds: (a) Type of farmer (b) Tax receipt (c) *Khata/patta* (d) Encumbrance Certificate (e) Root or moola document for his land (f) RTC (g) Income certificate (h) No Objection Certificates from local banks Farmer finds it difficult to hang around in different offices to get these certificates.	The RTC issued by Bhoomi kiosk is only one of the many documents required for companies or farmers to avail any scheme. Various departments issue these documents viz. (i) Village Accountant; (j) Thasildar; (k) Bhoomi kiosk (l) Revenue Inspector (m) Sub registrar

Further deliberations on larger political implications

With fewer constraints of time and space in writing this report, one can expand the tabular categories in Table 2 into their larger and more complex case histories that reveal themselves in great complexities in our field notes. Yet, even this tabular form provides a sense of how Bhoomi fits into a range of conflicting and congregating interests that land embodies. Thus, to view Bhoomi merely as an initiative of 'e-governance' is a dilution of the essential politics involved and the impact of the various roles that government institutions play.

On how the Bhoomi program retracts earlier gains on Karnataka's rich decentralization history: In this context, the recollection of an experienced village Panchayat member, of the time when Ramakrishna Hegde was Karnataka's Chief Minister, assumes significance. This respondent recalls that, at that time, development was more decentralized and moved faster, driven by decision making at the village level. The complaint was that, at present, despite the constitution of the Gram Panchayats under the 73rd constitutional amendment, the President of the Gram Panchayat has to depend on the Executive Officer and higher levels of government. Scholars too recognize the value of Hedge's decentralization where the Mandal, constituted by groups of villages or "hoblis", moved power down from the taluk level.[56] More important, funds were devolved here and the Mandal President had powers to shape development programs via a village level consultation process. The point is that most development works are closely linked to the control, management and, indeed, transformation of land. If so, the recording of claims, of taxes, of re-use and that of a transforming economy, when carried out close to the ground, are best able to reflect these transformations, particularly when recording is an issue representing power relationships inherent in land. The dynamics that Table 2 shows is one where moving the land management system up to the taluk level benefits larger players at the cost of those more rooted in local society. This causes a fracture in local governance when the stakes in land become sharper with the emergence of powerful real estate interests. Here, it is important to note that merely decentralizing the "print-out" functions of the RTC will hardly help. An argument that the centralization of land administration is necessary due to the infrastructure requirements required for the computerization may a politically expedient to evade a real distribution of power. Thus, what was significant about the Hedge era was the substantive decentralization of developmental powers.

The GoK has announced, for instance, that RTCs are being made available at the hobli level.[57] Table 1 showed that at least in one place where this claim was made, the kiosk was not functional. But it is unclear if the mere availability of a print out can address the minimal role of local bodies in the face of powerful players who use the land management system to their benefit. If elite groups can 'influence' a system of administration system to show records in a manner that benefits them, the 'grayness' will work in their favor, and one would

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[56] See Abdul Aziz, Charles Nelson and Devendra Babu, "Power to the People: The Karnataka Experiment," in *Decentralised Governance in Asian Countries* ed., Abdul Aziz and David D Arnold, Chapter 5 (Sage, 1996). Also see Ananthpur, *op.cit.* Karnataka was one of the first states in the country to establish substantive decentralization with the Karnataka Zilla Parishads, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayats Act 1983. Elections were held under this Act in 1987 for Zilla Panchayats and Mandal Panchayats. Responding to the mandatory requirements of the 73rd and 74th amendments to the Indian Constitution in 1992, the Karnataka Panchayat Raj Act 1993, provided for a three-tier local administrative system. But, in real terms, the lowest level (the village tier) was largely dis-empowered due to 'encroachment' of their development terrain by MLAs and MPs, and senior administrators. For a fine summary of the trajectory of governance see: "Reinventing Rural Governance," Introduction to the Report of the Government of Karnataka's Working Group on Decentralization in the Rural Sector at http://www.indiatogether.org/govt/local/articles/karpriwg02.htm.
[57] *The Hindu,* "New taluks dropped, Govt. to appoint special tahsildars," 2 August, 2004.

hardly be surprised if the spatial records miss out strips of marginal land tenure. In relatively more decentralized administrative structures, for instance, where smaller farmers are more concerned with the use value of land for immediate farming, the 'grayness' of titles is not as much as an issue, as is being able to influence local politics in their favor.

By centralizing the land management system away from the village level, and by computerizing records, the Bhoomi project has facilitated these emerging land markets increasingly dominated by large players in a more 'efficient' way. Thus, while in the Mandal panchayat time, small and marginal farmers could hope to influence the system, presently they stand almost no chance.

When the ability of the powerful to influence the system is so pervasive, there are other key issues connected to centralization and computerization. First, is the extent to which local and existing tenure arrangements are maintained? There is evidence that, in the process of developing computerized formats, tenure forms have been homogenized to exclude those used/occupied by marginal farmers.[58] Second, fieldwork suggests that inherited or land in complex legal categories, when falling under the *pada* category, is re-classified as *sarakari* land. Normally, an acquisition process for public projects first identifies public lands, and thus, in this case, will impact small and marginal farmers – who might not even realize the event since it is posted at the taluk level.

Bhoomi or any other form of land management must be viewed as more than a mere techno-managerial solution. One can see above, that despite having a technically competent and dedicated team led by a committed champion, the political economy of the Bhoomi program sharpens development divides. This study points to the need to move the discussion on issues of 'e-governance' and the current discourse from a neutralizing 'anti-politics'[59]: where interventions are termed as 'best practice', politics neutered as 'governance', and complex processes of social and political change reduced to a functionalist view of 'administrative reform'. In adopting this positivist and managerial view, the analysis misses out what may be 'real' change that is relatively empowering – even if this is uneven, and not necessarily driven by technically competent teams. Note, for instance, the interesting grassroots processes underway led by the Panchayati Raj and Rural Development departments of GoK.[60] The approach here is to build administration on substantive issues decided from the

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[58] The issue of incomplete and wrongly recorded tenure forms and regimes came up in a workshop held by the Deputy Commissioner in Mangalore on 13th April 1998, raising several questions about computerization: "a) Is it worth computerizing data which are as inaccurate as found in this study? b) Are the computer formats adequate enough to indicate all types of tenure and use? c) Will the computerization actually lead to easier access to information for the *common* man?" (Rao et al, 1998:iv, original emphasis). Also see Shrinidhi and Lele, *op.cit.*

[59] The reference here is to the work of Ferguson, *op.cit.*

[60] The Rural and Panchayati Raj department recently initiated the local mapping of resources that allows schemes to respond to ground realities. The department has also passed administrative orders whereby Gram Panchayats can influence the tendering process for public works made on their behalf by higher levels of government (Presentations by Shri Raghunandan IAS, and Shri Baliga, IAS, at the workshop on the Karnataka Human Development Report – II, Bangalore, 19 August, 2004). These also relate to what is popularly known as the 'Belur declarations'. See for instance, *Deccan Herald*, "Empowering the grassroots," 24 January, 2004, Dharward, http://www.deccanherald.com/deccanherald/jan242004/s5.asp. The salient features of the 'Belur Declaration' adopted at state-level conference of members of Panchayati Raj and urban local bodies held at *Neeralkatti* village include: involvement of Panchayati Raj and urban local bodies in the preparation of plans

GPs upwards: The management of property taxes, the review of development works carried out by line agencies on behalf of GPs, and locally carried out surveys of program beneficiaries. This process draws on, and builds on the experience of the Bellandur Gram Panchayat. In that panchayat, perhaps India's most 'IT enabled', the elected council promoted the first computerization of land records. This was through a program developed by the village body itself and one that integrates land records with a variety of other local management functions. Such a process of transformation has yielded significant revenue increases – three times the previous amount collected.[61] One can see here, that processes of development compete over economic and political terrain. In the case of Bhoomi, it centralizes control to make possibly more efficient forms of 'extraction' – that is in turn, linked to a particular form of re-structuring land markets. In contrast, we also see the beginnings of a counter political movement towards claiming back political and economic space. Perhaps these ever changing contestations are the way democracies are asserted and built, and at times un-built. If so, then viewing programs like Bhoomi in strictly managerial terms misses out a larger drama of development.

Bhoomi and its political economy raise other fundamental issues. We have suggested that in looking at e-governance dealing with land issues, such as Bhoomi, there are conceptual problems to using politically neutered concepts like 'transparency', 'efficiency', 'governance' and 'best practice'. Since most 'e-governance' projects are forms of interventions into an un-even terrain of power and control, there is a need to move beyond the view that technology *always* emancipates, de-linked and somehow placed above society and its political economy, even as we seek to replicate projects such as Bhoomi.

The financial success of cases like the Bellandur Panchayat could attract the attention of institutions such as the World Bank that are enamored by the Bhoomi. What would seem to be a constraint for such international bodies is the 'politics': being located at the level of the GP, these efforts signal (more than their mere technical instruments) the control over the investment of capital and, thus, represent a form of political autonomy.[62] 'Resource mobilization' has thus emerged from political mobilization and, with it, a re-structuring to empower local elected bodies and administration. This contrasts an approach where conventional development aid promotes 'reform' that ties local government with 'conditionalities' to only erode local autonomy, and where local groups have little information and influence on decision-making.[63] It is hardly surprising that the resulting economic settings from the reform process aimed at the global economy leaves few surpluses

banishing regional imbalance; implementation of land based programmes and increasing agricultural produce at gram panchayat level; strengthening of administration of gram panchayats and bringing village level revenue staff under the ambit of gram panchayats; computerization of gram panchayats for effective e-governance. Such well intentioned measures can face a stonewall when land control and management and its political dynamic is made more difficult for local people as a result of the power dynamics set in motion due to the Bhoomi program.

[61] See Sowmya Aji Mehu, "Villages give with open heart: Karnataka shines as rural tax collection goes up 3 times," *Times of India*, 16 September, 2004.

[62] Interestingly, this comment was written in September 2004, before the World Bank Team's comments against panchayats being involved in decision making about development funds as mentioned in FN 4, 6 above. The former president of the Bellandur Panchayat mentioned to the author that part of the motivation for raising their own resources to a large degree was to ensure autonomy in the way they could spend it, without being tied to the political strings that come with government grants (Meeting with Jaganathan, ex-President Bellandur Gram Panchayat, August 2003).

[63] See David Satterthwaite 2001 Op.cit

for local groups. This report, in looking at the Bhoomi program, has driven an argument into a much larger territory to encounter larger contradictions in the political and economic terrain. Looking at the Bhoomi program as a way into the political economy of land is a way of considering the rooting of capital in a locality in a global economy. This is an issue we turn to in the next and concluding section.

'E-Politics' to Globalize Bangalore

In the earlier sections of this paper, we have shown how the attempt to clean out 'grayness' of tenure, the centralization of administration, the process of computerization, and the placement in public access land records, all need to be seen in the politics of how larger players can effectively intervene to access land, and consolidate it. With this in mind, we now turn to our basic question of how the Bhoomi fits into the globalization of Bangalore. This issue has many aspects, and also forms themes driving our ongoing research. Many of these thematic areas are not easy research terrain. This is due to the recentness of the issue, the lack of secondary literature or data that is framed in ways to capture the issue, and perhaps most important, the power structures within both government and also the regulators for private corporate economies who effectively control access to date and information, and also play a formative role in its conception. Thus, some arguments more than others will be better developed. Even so, we feel that there is enough evidence to suggest some systemic relationships at play. We will thus, look at a range of issues that seem useful and important to consider.

Accessing land 'free of encumbrances' to allow corporate business to valorize urbanization

> *In 2004, 7 million square feet of commercial space was absorbed by corporates in Bangalore, up by 48% from 2003. The leasing of space went up by 47% in the same time period. Reflecting the rush in IT and ITES in campus developments sees the financial service major JP Morgan setting up a 1,50,000 sq. ft facility at the Prestige Tech Park. Oracle commands over 16 acres there, and Phillips is building a 2,50,000 sq feet facility, while HP aims to consolidate in one campus occupying 5,00,000 square feet[64].*

The first question is if new laws such as the KIDBI (1987), and its amended version of 1998, and the Industrial Township Act (2003) could be used to expropriate the land of the poor, and those with less economic and political clout to be then allocated or sold at a below market rate to private corporate sector led development projects[65]. Here the issue is not just the price

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[64] See: '*Leasing in commercial property segment may continue*' The Hindu Bangalore edition February 15th. 2005

[65] In states like West Bengal, where the land ceiling act remains in operation, this is also a useful strategy to get around the maximum norms that restricts the size of plots under a single ownership. In a strange alliance, huge areas of upto 700 acres are consolidated in a 'public private partnership' (PPPs) with different parastatals of the State Government resulting in almost all of these projects prefacing the name of the private developer with 'West Bengal…'. The equity arrangements here are equally interesting of the government's share in the partnership being a very minor amount of Rs.500,000 set in very low overall amount, but contributing a very high real contribution in the land provided on a low land rent of Rs. 1 on a 999 year lease (adopted from the tea garden leases systems). The contradiction in real value of land, versus its low official valuation is common to almost all of the PPPs and seen in the case of the Bangalore International Airport mentioned later in this section. In return, the developer reserves 15% of the apartments, normally 1 room tiny apartments for Economically Weaker Sections which the State government allocated to its' listing of the poor. The market value of these

subsidy, but also rather the ability of the State to use eminent domain (on an argument of 'public purpose', to consolidate land into large parcels, which the private corporate sector could never do. Another advantage of accessing land via this route, is that lands consolidated can include those designated as wetlands and of less powerful public agencies that are all acquired on grounds of public purpose. The final issue here is that in consolidating lands into large parcels, and all these further aggregated into a vast 'corridor', the urban planning regulations enforced re-structure real estate markets and tenure forms in a way that move out the poorest, and small shops, factories, and services – the livelihoods and jobs that allow them to locate. Also, land now is moved under the control away from local bodies onto higher levels of government under the control of State urban development department or then under specific development authorities. Thus, any incrementally developing and mixed land use areas, face little possibility of 'regularization' and, almost no possibility for newer ones to emerge.

The threat is real and question hardly speculative. The Bellandur Gram Panchayat, located in South Bangalore and whose lands fall within the IT Corridor, for instance, was involved in a sustained conflict with Infosys, India's most known IT company. On the company's behalf, the KIADB notified extensive wetlands as part of the development of the Bangalore IT Corridor. Similarly, huge amounts of lands were notified for the Bangalore Mysore Infrastructure Corridor (BMIC). After the recent elections, the BMIC is now a serious state level political issue. According to *Deccan Herald*, "KIADB accused of illegally acquiring farmland," 17 July 2004, *".... nearly 8,500 acre of farmland between Hosur Road and Tumkur Road was acquired though the project required only 1,600 acre....".* FN 14 earlier in this text, showed a similar situation with Bangalore's new International Airport. The issue here is two fold. First, interventions such as Bhoomi structure a wider land market that makes acquisition of land easier to frame mega projects. Second, as a management system, it provides a vitally needed database for this purpose. For instance, in the public sector, the Bangalore Development Authority has purchased land records for use in their land acquisition process in Kengeri in Southwest Bangalore, on the southern edge of the city, while the Karnataka Industrial Area development Board (KIADB) has used Bhoomi records for their acquisition process in East Bangalore[66]. This is also related to the third issue: the process of computerization assumed titles 'as they exist' – given the magnitude of 20 million records. The argument here is that if there are errors, the 'rightful' claimants will apply for corrections i.e. an iterative process will gradually sort this issue out. But in the context of the power structures, the misuse of the Bhoomi records by large farmers, and the centralization to the taluk level, will this process 'target' the poor and marginal farmers who have usually have 'un-clear' and 'incomplete' records, and thus end up as a process of appropriation? The reference to the CII conference in Footnote 48 further underlines this issue, when corporate interests are advised to get the state to acquire land on their behalf as part of 'Public Private Partnerships'.

Till now, we have been focusing on mostly 'rural' lands and specifically land in urban peripheries. However, the trend to address 'urban' titles is not very far away, and already underway in urban Karnataka. This is spearheaded by the *'E-Governments Foundation'*. Supported by the personal funds of CEO of Infosys, this foundation has embarked on a process to digitalize land titles in fifty-two of the major towns in the state. The intension is to make markets more transparent and the spiritual vision for the group and its head, is that of

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potentially 'studio' apartments are obviously quite high in these apartment complexes with private security and swimming pools and health club complexes.
[66] Presentation by Sarma, see Fn2.

Hernando de Soto. The venture has attracted the funding of the Asian development Bank (ADB) who views this as a case of urban reform. This task is not easy. The foundation confronts a serious challenge in dealing with the multiple tenure forms that do not easily fit into the categories they have developed. The advantage of the ADB funds is not just the financing, but its ability to ensure enforcement via the State level body through which it is routed. Thus, local bodies are cajoled on the basis of their funding for water supply (also from ADB funds) to ensure that their property registers reflect the norms and forms of recording that the foundation promotes. The threat, as in other cases, is to withhold funding for water schemes with serious and immediate political consequences for the elected body in power. At the time this author interviewed the head of the foundation, the state government had just witnessed a political change in leadership, from a 'pro-reform' Chief Minister to one seen as being pro-rural. When this author asked the head of the foundation if this change of leadership would impact their program, given that local councils could use this political space to go slow, he replied: 'no one can go against the ADB, and it's loan conditionalities' – showing the importance of having international aid to support the venture. The imagination is that of bankable properties, which might be, one day placed online. Explaining this, the head of the foundation previously with Intel, told this author:

> *"Sitting in New Jersey, I should be able to hook on to the website of the Department of Municipal Administration, and locate my property, note if improvements in the area have been made, its current price, and decide to keep it or sell it. The importance is online management".*

Thus, while the CEO of the largest IT company of India places his funds in the organization, the ADB routes it's money via the state government to fund the digitization process across the 52 towns. Significantly, the source codes for the entire program lie with the private foundation and not with the State government, and especially not the elected councils of the local bodies. When this author posed the question on the logic, the head of the foundation, mentioned that they did not want the municipal body to use that information to legalize 'illegal' construction. There is an important point here. The effort here is not just a GIS that places in a digital form, what is there on the ground, but a replacement of the existing forms addressing properties, and the road nomenclature according to the 'American' system. Here, in particular, just as the Bhoomi attempts to reduce customary forms of recording, the attempt is to 'simplify and rationalize' nomenclature and forms of leasing and property systems. The fear of keeping records with the municipal elected wing is that they would base their 'regularization' policies to reinforce defacto tenure and thus consolidate customary forms of property. These would be different from what the foundation systemizes, and in forms that can be traded internationally (according to the mechanisms established by corporate big business) and certainly not online. Elsewhere I have shown how diverse tenure regimes are critically important to clustering economies that are the biggest source of urban employment. Diverse tenure regimes are essential to tap real estate surpluses to fund production. Most important, the strengthening of defacto tenure arrangements via municipal actions of regularization helps them consolidate the hold of these settlements over central and productive locations (Benjamin 2004). For the sake of connection to this argument, I place an extract of this in Annex 4. Nothing is more threatening to investors and internationally connected financial institutions, (esp. in the current FDI regimes as I shall suggest below), than to see hoards of small shops, small enterprises, in a good 'productive' location. Moreover, these exist under diverse tenure regimes seen as 'messy'. It would be absolute horror for corporate business and investors if these are regularized by municipal or village panchayat orders. Not only would these allow a local body to extend basic infrastructure and services, but such acts would improve their de-facto tenure. It is hardly surprising that in the two large industrial and trade federation at the national level, the FICCI and the CII, and also

International real estate firms press the government to force local governments to have clear land titles, planned development, and to follow the Karnataka case to implement an urban 'Bhoomi'.

…to allow corporate business to valorize urbanization…

Thus, in locating in cities of poor countries, corporate business would find it essential to dilute if not remove the competition by addressing land titles and promote programs such as Bhoomi. There are substantive returns from investing in the urbanization process of cities in poor countries. Our initial calculations suggest returns to the US property market of 40% net, and of atleast 24% net to the main financial intermediary institutions from an IT campus developed in Bangalore periphery. It is hardly surprising that some MNCs like INTEL bought land rather than the convention of a five-year lease. Annex 3 of this essay shows the significant real estate involvement of the large IT firms, and the high returns from these investments. Jacob John has recently completed an analysis of the new proposed airport for Bangalore promoted as a 'public private partnership'[67]. The international partners are L&T, Zurich Airport, and Siemens Project Ventures. The Government of Karnataka, as a fourth partners, contributes 4000 acres but as a 13% share since land is valued at agricultural prices – which if costed at a conservative market value would move up ten times! John shows that the primary driver for the project are the returns from real estate or what in industry terms is called Non-airport revenues. John shows how to operate at a passenger capacity over 1400% of the proposed new airport at Devanahalli, the total land used by London's Heathrow airport is about 35% less! With the total foreign direct investment (FDI) by the International partners is around Rs. 50 crores (a tiny fraction of the total cost of Rs. 1,200 crores of total expenses over 30 years), the returns to the international partners over the 30-year life span of the project amount to Rs. 4,302 crores. The city of Bangalore has been saddled with an implicit subsidy burden of at least Rs. 2,647 crores, and the poor farmers whose lands acquired for the project, far in excess of the actual utilization loosing out even more severely.

Such returns are not just restricted to IT campuses, Airports, but also to Malls, Multiplexes, I-Max theaters -- all symbols of globalization for sure, but are also representation of the way urbanization is valorized globally. Valorizing real estate is not the only source of funds. There are others linked to the consumptive process. This is in the growth of retail. The main issue, according to presentations made by international finance companies, is that while Indian metros have only 2% of their retail trade as being 'organized', it is growing annually at 30%. Much of this high growth is in the small family held stores who are able to market products more cheaply, local variants of global brands, that includes the same product made for a global brand name but sold cheaply without it. The intent here, via the establishment of malls is to force these out of competition by categorization as illegal and land use violations, especially for those operating in central locations. Here, implicated in this process are also financial institutions for whom tradable land titles would provide a valuable entry into such ventures. This discussion is still new but very much on the way. Last year, in 2003-2004, the single largest earning in dollar terms and in dollars, for I-Max came from its theater in Hyderabad. Not surprisingly, its CEO mentioned in a presentation to the FICCI in its conference on Int. real estate, that 200 odd more are planned. There are other more subtle ways of capital transfer as linked to land, and its organization in particular forms. *America First*, an American insurance company, and their proposed Indian subsidiary *India First,*

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[67] Jacob John '*The Real Estate of the Runway' mimeo* Feb. 2005, forthcoming in Economic and Political Weekly.

have also been in discussions with the Revenue department. Footnote 11 in this text, listed private players like Indian Tobacco Company (ITC) with interests in varied sectors including hotel business, as well as international insurance companies seeking a stake in local land markets.

Routing Capital back and forth

Another important question relates to the possibility of routing of global investment and the ability to extract surpluses. Recently, the National Housing Bank (NHB), advised by USAID, has set up the India Mortgage Credit Guarantee Corporation (IMCGC). While NHB and United Guarantee, a subsidiary of American International Group (AIG), will each hold 24% equity, the balance will be split between the International Finance Corporation (a World Bank subsidiary) and the Asian Development Bank[68]. While the IMCGC is aimed at reducing 'margin money' to less than 5% in accessing institutional finance, this is likely to be drawn by the large players, facilitating their entry into land markets. Thus, to respond to the new institutional relationships, which fund and make extraction possible, are also needed a fundamental re-structuring of the land markets and the way claims to these are recorded. The issues are first addressed in the range of meetings and conferences arranged by the main chamber of commerce – the FICCI and CII. These are some of the main policy changes being considered not by the Ministry of Urban Development but by its more powerful ministries, the Ministry of Commerce, and also Ministry of Finance. These pertain to allowing FDI in Malls and Hotels, in real estate ventures for township not just for 100 acres but now 2000 acres, and pushed by policy under new agreements under the WTO[69]. The last is due to the pressure applied by the US for greater market access to Financial Institutions to be able to invest funds directly rather than via USAid and its institutional connections in the IL&FS and HDFC, ICICI[70]. In turn, financial institutions and banks known for their heavy investments in real estate, mega infrastructures, e-governance, and have recently been allowed FDI share allocations for non-resident to non-resident transfers[71]. Thus, while Bangalore aims to be Singapore, Mumbai or Bombay sets it's sights on Shanghai[72].

The fluidity in the fixity in contemporary capital

Several themes are implicated in this concluding section and need much more work. These include a closer look at the urban reform agenda being pursued, the newer arrangements of 'civil society' and their politics in Bangalore, Bombay, and Delhi, the particular forms of institutional and governance structures like the Bangalore Agenda Task Force that is now seen as a model for good governance and corporate responsibility in other metros, and new practices of land management and its connection to e-governance as seen in the Bhoomi and its urban variants. Several authors have mentioned the fragility of being connected to international capital, where fluctuations in the global economy with today's electronic connectivity, can be instantaneous as witnessed in the East Asian meltdown, and Bangkok's real estate bubble of the mid-eighties. Here, in this case, we point to another and perhaps subtler meltdowns in the re-structuring of land markets. The Bhoomi, one of the main interventions in this arena, but a significant one, shows ways in which land is homogenized

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[68] Times Property, Times of India, 17 September 2004

[69] See: *'FDI in retail and real estate soon: Kamal Nath'* in The Hindu February 10th. 2005; and *"Ministry for FDI in malls and hotels"* Deccan Herald February 16, 2005

[70] See: *US for market access to FIIs (Commerce presence commitments for all sectors sought)* Deccan Herald February 8th. 2005

[71] See: *ICICI Bank's ADS among 24 FDI proposals cleared'* in Deccan Herald February 17th. 2005.

[72] The national media, from December 2005 till date has been reporting on the massive evictions carried out in Bombay, of 90,000 families as a way to implement the McKenzie report to make that city global.

into particular form of land markets re-structured, and where centralized control makes possibly more efficient forms of 'extraction'. This report, in looking at the Bhoomi program, has driven an argument into a much larger territory to encounter larger contradictions in the political and economic terrain. Looking at the Bhoomi program as a way into the political economy of land is a way of considering the rooting of capital in a locality in a global economy.

Annex 1: Glossary of terms

Pani or RTC: Documents the history of claims on various aspects connected to a plot of land. This includes the claims of various institutions and people on that land
Khata: Right to title as listed in the revenue registry
Pada: default of land tax on a particular land
Inam land: Land that was previously 'gifted' by the royalty or their representatives
Gomala land: Village common land, or any land whose ownership cannot be established.
Grant land: Land allotted by the state free of land
Gramthana land: Village land
Kharab land: Officially uncultivable land
Sarakari land: Government land

Annex 2: The taluks and their characteristics

To provide the context for the findings, the following paragraphs provide a picture of the six taluks that were researched. Rather than repeat census details of the various taluks, the focus is on the broad details relevant to the Bhoomi program. In the depressed taluks to the west and northwest of Bangalore, 30% of the village population is landless. This percentage was probably higher in previous times as, over the years, many have migrated to Bangalore in search of work after being pushed out by the poor quality of land and limited access to irrigation facilities. Of the total land, 70% is dry, 20% is '*kharab/ gowmal*' land, and 10% is wetland. Most farming is for low-value crops like ragi and pigeon pea. Of the landed population, half are small and marginal farmers, owning between 1 and 5 acres, with the SC/ST population owning between 1 and 3 acres. Of the other half, 5% are large farmers who own more than 10 acres, and 45% are medium farmers owning between 5 and10 acres.

In terms of caste groupings, the SC/STs form 60% of the population. Other landowners include the Lingayats and the Vokalligas, besides Muslims and Christians (who are SC converts). Most of the landless belong to the 'Bhovi' community. The larger farmers own almost all the wetland and a significant proportion of the 'dry land' too. Thus, land is mostly with small and medium farmers who have relatively small rain-fed parcels.
In the villages of the taluks to the east and the southeast, there is a higher incidence of wetland, at 20% of the total land. The cultivation of high-value crops including sugarcane, paddy, vegetables and roses is widespread. There is a higher proportion of large and medium farmers, mostly belonging to the Vokalliga community. The landless population is about 30% of the total, again reflecting the possibility of migration to Bangalore. The SC/ST and non-Vokalliga communities own equal amounts of dry land and are mostly small farmers. The other difference between these taluks and the ones in the west and the south is the extensive use of electricity and diesel pump sets, and the relatively better bus connectivity. A third difference is the large number of brick factories and chicken hatcheries.

A significant issue in both types of taluks is that almost all the SC/STs and smaller farmers, and a significant percentage of the middle level farmers, have their land under *pada*. Thus, in many ways, the Bhoomi program as a facilitator of land transaction is relevant to mostly those who 'can transact'. If this is true for other parts of Karnataka, than the program bypasses a majority of rural populations. For these groups, denied the opportunity to officially transact in land, the main interface with the Revenue department may be to maintain records. But here too, and at least for the taluks around Bangalore, our fieldwork suggests that the Bhoomi program may have opened up land transfers in a way where lower castes and the poor find themselves at the losing end of a powerful real estate dynamic – when it happens.

The control and transfer of land between groups is not new. In one of the villages in the taluks to the south and the southeast, Brahmins owned half the land in 1951, but now control only 20%. They have lost land mostly to the Vokalligas, who now control 70% of the land. The SC/STs and other castes that, in 1951, owned 25% of land each, now own only 5% each. This is obviously a complex issue of increasing and decreasing power of some groups at the cost of others.

Annex 3: Missing sections from final report of the sponsoring institute

Missing / modifications from the _____ "Bhoomi final case use as compared to Solly Benjamin edits 24 dec 2004

(page VIII4) para 8.5:
What is written in the online IIIT-B version is:
In the language of mainstream development economists, Bhoomi's promotion of 'efficiency' is meant to streamline land administration by reducing the time to access land records and the procedures of title related administration.

But what we had written was much sharper:
> In the language of mainstream development economists, Bhoomi's promotion of 'efficiency' is meant to: a) reduce the time to access land records and the procedures of title related administration; and b) streamline land administration **by homogenizing the multiple forms of recording that historically existed in Karnataka.[73] (in the original 24 Dec document, this is foot note 6)**

And our version follows more clearly leading to specifically the design of the program where its chief designer places in writing: as follows:

> In terms of 'transparency', a major argument relates to the exploitation of small farmers by the corruption promoted by large farmers and middlemen. This is linked to the management of land at the village level where the argument is that local officials use ambiguous records and 'manual' systems of recording to benefit the local elite.[74] Such a view is also evident in the comments of the principal designer of the Bhoomi, who writes that:
> > *"…One would appreciate that system like Bhoomi actually snatches power from panchayat members. .."* [75].

Page 39 ending para:

> A politically neutral setting, in the guise of promoting independence, could easily miss out the politics and dilute the issues to their technical realm, and wish away field level insights of fracture and failure as 'contextual factors'. If one adopts this perspective, one can visualize inverting the entire research infrastructure and its politics, to raise several questions:
> - Does one require and depend upon expensive top-heavy infrastructure and the sponsorship that goes with it?
> - What happens to the field level connections of the researchers?
> - How does this shape the 'processing' of the research findings?
> - How are local knowledge and ground level insights valued?

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[73] Karnataka was formed in 1956 by merging the princely state of Mysore with areas from other states and provinces: parts of Coorg, the princely state of Hyderabad, and the Bombay and Madras Presidencies. The link for 'land coalition' in Footnote 2, discusses the five governance regimes, various aspects of land management, and the functions of the Revenue department. Under the five governance regimes, land management systems recorded up to 1500 forms of tenures. With Bhoomi, these have been homogenized and reduced to 256 (Presentation by Shri. Chawla, at the World Bank's 15th annual 'ABCDE' conference, Bangalore, May 2003).

[74] The website of the Revenue department has illustrations of customary forms of recording land rights and samples of 'over writing' on these records as examples of the problems with the traditional system. We return to this issue later in the report.

[75] Comments by Rajiv Chawla made on an earlier draft of this report. It is significant that the World Bank in recent press announcements were concerned that the decentralization of development powers to the Panchayats would impede their fund allocations. See web link on 'sunnetwork' mentioned in fn 4 and also: http://www.hindu.com/2004/12/21/stories/2004122103190500.htm Perhaps what is intended in both the World Bank's view, and also in the statement of the Project Designer, is a support of administration devolution but not substantive political decentralization. This is despite the rhetoric about the need for decentralization, and shockingly, the 73rd Constitutional Amendment passed by the Indian Parliament. International donors however large, need to respect if deciding to fund, and more specifically, senior bureaucrats have a specific mandate to follow. While this is hardly the location to comment on this issue in a detailed way on the grassroots impact of the World Bank funded projects that have tended to create parallel bodies and bypass elected ones, one can hardly not help notice the strong similarity in these views and what we have shown as the ground impacts of the Bhoomi program in this report.

- How efficiently are the insights of the research 'returned' back into the field – without waiting and allocating research funds for international conferences?

Missing box from page 20: of Bhoomi draft Sept 21st 2006

Protest over land encroachment
BANGALORE, DHNS: 22 sept 2004

*Members of the Human Rights Forum for Dalit Liberation (HRFDL-K) demanded the State Government to take steps to prevent the land mafia from taking over lands belonging to dalits. Staging a demonstration in the city on Monday, the members alleged that the **lands owned by dalits in Anekal taluk's Sarjapur hobli are being encroached upon or are forcibly taken away by land developers trying to take advantage of the boom in real estate prices, in the outskirts of Bangalore**. "Dalits have been living in Jantagondanahalli, Gonighattapura, Nekkundi Dommasandra Layout, Haggondanahalli, Nerige, Chikkadasarahalli and amanayakanahalli for the last several decades. **Instead of distributing title deeds to them, the revenue officials in collusion with realtors have fabricated documents and are trying to evict them,'** the HRFDL-K stated. In this direction, the members demanded the government to distribute possession certificates to dalits in these villages at the earliest.*

Hard times for citizens at service centres in Bangalore
"We wanted to combine all these services into one something like a one-stop shop," said Mr S Ramani, advisor, Information Technology of the BMP.
By
Nina Benjamin
Deccan Herald News Service
Bangalore 22nd September 2004

They were supposed to be one-stop shops wherein with all sorts of civic services could be provided. But, these Citizen Service Centres of the City have not brought much relief to the citizens. The Bangalore Mahanagara Palike (BMP) began the Citizens' Service Centres in the City on December 9, 2003, where citizens could obtain anything from birth to death certificates, pay property tax and collect, register, transfer katha certificates to trade licences. At a fee of Rs 25 to Rs 100, these services could be availed at these centres earlier between 9 am and 12 pm and 4 pm and 7 pm (now the timings have been revised to 9 am to 7 pm). These are located in four zones: Head office, near N R Road; Jayanagar II block, Public Utility building, M G Road and Sampige Road, Malleswaram. Nearly a year later, barring the jubilant officials, the citizenry are not very happy about the functioning of the system. When this reporter visited three centres: Jayanagar, Corporation office and Utility building on September 13, everything about the centers seem to have gone awry. Inordinate delays, corruption, odd timing and personnel's unapproachable attitude. "I have been doing my rounds in this place for the last one week for a birth certificate. In fact I greased the palm one of the officials hoping the process would be hastened. They make us run up and down for certain documents," Rathika Raj, an employee of Axa, a business service, who visited the Centre in Utility building.

Vijay Shetty, who runs a real estate business in Koramangala, said "this is the second time I am applying for a birth certificate. The officers in-charge misplaced the first one. And now just for an application form I have been made to wait for three hours. How can people be so careless?" Krishna, an employee in Utility Buildings said, "The timings are absurd. They open as early as 9 am and close by 12 noon just when people started trickling in and open at 4 pm till 7 pm. This is very inconvenient." The centres were set out to automatise services to customers.

"We wanted to combine all these services into one something like a one-stop shop," said Mr S Ramani, advisor, Information Technology of the BMP.
While the BMP is authorised to issue birth and death certificates and katha, the other facilities like property tax, building sanction plan is forwarded to the officials concerned. But, Bangaloreans continue to encounter hard times whenever they enter the Citizens Service Centres. Sixty five-year-old Rajanna, a resident of Jayanagar, said he's made to come here for the third time. "I came here to apply for my property tax. They have asked for five or six documents, I have brought it all. Everytime they ask me to wait. How long must I wait?" he asks. But V Suresh, an employee of Escorts in

Yelahanka, who visited Jayanagar Centre said, "I am happy with the services. I got my work done within a day." Special Commissioner BMP Subash Chandra said the response for the Centres is very encouraging. He said delays are inevitable as some of the documents may need verification.

(draft of Aug 3, 2004)
Page VIII-7 missing 'private corporate sector connections':
In parallel other interest has been by private financial institutions and also consulting agencies – viewing the market signals of such an intervention. (Footnote 12 located here read: In particular, ICICI and consulting groups like PWC, KPMG, Fergusson many of which have established GIS, land cadastral divisions and otherwise funded research on E-Governance.)

Page 3 para 3(its' related paragraph has been placed in the first page of the _____ version)
It has begun to attract the attention of various groups – both public and private signaling potential revenues for such use. There is also interest to promote an 'Urban Bhoomi' –starting with Mysore, Hubli-Dharwad, and onto 170-176 towns. (Foot note 13 in the original text reads: "in Sethunath Op.cit. *A parallel to the rural Bhoomi is in any case happening via the GIS program of the E-governance Foundation funded by Nandan Nilekeni (India's well known IT entrepreneur) and the Urban Development Department of the GoK funded by the ADB for 52 urban local bodies.)*

Annex 4: On issues of Corporate and IT access to land

Why farmers pray for the failure of IT.COM
A chip on their shoulders
During Bangalore's software fair this week, farmers prayed for every business deal to fall through. Varuna Verma finds out why it is the bane
The Telegraph January 2005

K Jagannath is catching up on lost sleep these days. The gram panchayat president of Bellandur village, on the outskirts of Bangalore, spent a tense five days this week. This is an annual ritual with him. The cause of his discomfort was Bangalore's high-profile software fair, BangaloreIT.com. Bangalore's annual software mela, held from November 1 to 5, hoped to lure ITwallahs to set up shop in the city. And this is just what Jagannath dreads. "More companies would mean an increased requirement of office space. This means more farmland will be flattened," he says. In the cyberpolis of Bangalore, Jagannath is a bit of an oddity. There are bright lights all around him, for the BangaloreIT.com exhibition showcases the city's software industry as a world of glitz, growth and money. "There are a record number of 1,322 companies registered with the Software Technology Parks of India (STPI), Bangalore," reads one 150-type- size banner. "Karnataka is IT's favourite destination," reads another. The big daddies of the IT world — from Microsoft downwards — have set up stalls. The city's sprawling Palace Grounds are covered in red carpet from boundary wall to boundary wall. The ground is bursting with people, a Rs 50 entry ticket no bar. There are nattily designed software stalls, peddling everything from animation to BPOs to the tourism sector. All this while, Jagannath is quietly praying for every business deal to fall through. Jagannath has seen the IT boom from the other side of the fence. He has seen Bellandur village's metamorphosis from a laid-back paddy-growing hamlet to a prime satellite township, facing the problems of a sudden and unannounced urbanisation. Bellandur village is situated on the Sarjapura Outer Ring Road, which falls bang in the centre of the Karnataka government's proposed IT corridor. This means that the humble Bellandur farmer is sitting on a gold mine. And big money can sometimes lead to big trouble. As it happened at Bellandur.

Jagannath is not your regular mundu-clad gram panchayat president who sits beneath a banyan tree and holds court. The chief of Bellandur village wears Nike shoes, sports a sleek black cellphone, claims to be a wizard with his PC, keeps tabs on the movements of every software company in town and has no qualms about taking on N.R. Narayana Murthy. Jagannath had accused Infosys of acquiring fertile wet land in his village in 2002 at the World Economic Summit meet in New Delhi. Infosys hotly denied the charges but finally pulled out of Bellandur. The K. Jagannath versus the software industry battle has been raging ever since.

Fifteen years ago, selling farmland was considered a social crime in Bellandur. But economics has rewritten the local social norms. In the early Nineties, one acre of land along the Sarjapura Outer Ring Road cost Rs 4 lakh. Today the price has increased to Rs 2 crore. The money is often too good to refuse. Land sharks are always the first to smell big money. Jagannath says the real estate mafia rules over the construction industry in the area. "They make false ownership papers and illegally occupy our farmland," says Jagannath. Land sale brought in big money but sealed all work avenues. "No farmland meant no work. Easy money translated into increased alcoholism. The IT industry was of no help to the uneducated villagers," he says. The environment also took a beating. The Bellandur lake was once the life source for the village. "We would drink the water from the lake, fish and swim in it. Bird-lovers visited Bellandur to study migratory birds," remembers Jagannath. Urbanisation changed all that. The lake has now become a dumping ground for the city's sewage and industrial waste. And the migratory birds have made way for mosquito breeding.

Though Jagannath says his campaign is against the ills of development, not everybody concerned about the death of villages sees it as a strait-jacketed battle between urban and rural Bangalore. "Bangalore presents a strong case for urban expansion. The IT companies are jacking up the GDP and they have to be catered to," says Bangalore-based urban planner Swati Ramanathan, who has written a white paper on urbanisation for Berkeley. But urban expansion, she stresses, has to follow a logical and democratic system. "The development process needs to carry everyone with it," she says. Ramanathan's field tours have revealed that the villages have had no say in the land-acquiring process. That the villagers have no voice in Bangalore's urbanisation is apparent in the hamlets that surround the city. The Bellandur story has been repeated in a series of villages around Bangalore. Take the case of Bomsandra, which shares space with Electronic City, the nerve centre of Bangalore's IT industry. The Electronic City campus, on Hosur Road — which houses big IT players like Infosys, Wipro, HP and Siemens — could pass off as a luxury suburban township. Men in orange dungarees continually clean the broad, tree-lined roads. Office buildings look like villas set in landscaped gardens. Security is top priority —

high walls with electrically charged barbed wires are built around each office complex. Every crossroad has detailed address boards.

The Infosys campus brings up one end of Electronic City. Take a right turn and you cut to a different world. Bomsandra looks typically rural Karnataka. The broad tar road gives way to a narrow mud track. A row of shanty shops and kuchcha houses replaces the villas. A hand pump substitutes for the hi-tech water coolers. The local barber's shop has a portrait of Anil Kapoor — in dark glasses, a punk hair-do and magenta shirt — proudly painted across the wall. Loud local music blares from a run-down radio in the shop. Bomsandra stands as a pocket of poverty in a rich neighbourhood. Nagrappa, a veteran resident of the village, is still to acclimatise to the changed geography around the village. "Bomsandra fell in a green belt area," remembers Nagrappa. The village was surrounded by jungles and farmland. The local coir industry did a thriving business, what with coconut trees growing wild in the area. Nagrappa worked in the paddy fields by day and made coir ropes by night. His two cows fetched him some add-on income, and he earned enough to sustain his family of seven. The IT boom changed the course of Nagrappa's life. The farms were flattened and the coconut trees hacked down. The coir industry gradually collapsed. Nagrappa had to sell off his cows as procuring fodder was becoming a problem. "I was left jobless," he says. The unemployed farmhand applied for a small-time housekeeping job in one of the IT giants. "My application was rejected outright," he says. The software company wanted educated employees and Nagrappa had never been to school. He now runs a tea-stall in a small shed near Bomsandra.

Shikaripalaya village — situated at another end of Electronic City — would not have looked so scrawny, were it not for the swanky Wipro office a 100 yards away. Two worlds exist side by side. The American and Japanese flags flying outside the glass buildings speak a first-world language. The village down the road is a study in contrast — mud roads, garbage heaps, clogged drains and shanty dhabas are the high points of a walk through Shikaripalaya. "With time Shikaripalaya will develop into a slum area," warns Ramanathan. Frantic construction work is happening on every fringe of Electronic City. US-based Timken Industries is constructing an office near Bomsandra. Wipro is expanding its premises. For some villagers, the expansion means disappearing farm land and vanishing jobs. "We are being pushed into a corner," says Manjunath, a resident of Bomsandra. Officialdom at the Electronic City adopts a had-to-happen stand towards the industrialisation overdrive. "It's a logical process of growth," says Raghav Rao, secretary of the Electronic City Industries' Association (ELCIA). The organisation claims to be doing its two-bits to improve the lot of the villagers. The ELCIA Trust is running a mid-day meal scheme in local government schools. It also plans to provide books to poor students in the near future. "Once educated, the villagers can benefit from the IT boom," says Rao. Jagannath does not want to read that far into the future. His worries are grounded in the present. The village chief points to a band of young boys loitering aimlessly outside the gram panchayat office. "These boys are the most visible faces of Bellandur," he says. "They have no work and can be spotted on the streets all the time." This is Bellandur's low-opportunity, static present. It's a life caught in the shadows of the city lights.

IT firms - India's real estate kings IT companies have acquired over 1,000 acres of land

Sanjay K Pillai / Chennai June 2, 2004 Business Standard

Here's a multiple choice question for you. India's biggest real estate tycoons are (a) the Mumbai-based Rahejas; (b) the Delhi-based DLF group, (c) the big four information technology (IT) companies. If you've ticked (c), you're bang on target. The big four — Infosys Technologies, Tata Consultancy Services, Wipro Ltd and Satyam Computer Services — together own well over 917 acres of land. That's a conservative figure — we don't know how much ….V Mohandas Pai, chief financial officer at Infosys Technologies, points out that Infosys' campuses are intended to create for its employees an environment that fosters team spirit, learning, intellectual discussion as well as relaxation and fun…..But Infosys Technologies' 628 acres works out to about 2,73,55680 square feet. Infosys has on its rolls 25,634 employees. So on an average, for every employee Infosys has 1,067 sq ft of land. IT companies on an average budget for between 100 sq ft. and 150 sq ft of built-up space per employee. So do Indian IT companies gobble up land far in excess of their immediate and future needs? … That's perhaps because land comes cheap. In their zeal to promote their states as IT destinations, state governments are probably giving land away at throw away prices to IT companies. … Says a real estate consultant in Bangalore: "The market price of land in Electronic City is around Rs 1.5 crore per acre. This is far more than what companies would have paid to acquire the land,…"
For the record, Tamil Nadu has no policy on land. But the government is allotting land at its Sipcot Seruseri IT Park in Chennai for Rs. 15 lakh an acre – almost half the market price, according to a real estate industry source.

Satyam, for example, has a 112-acre sprawling campus in Bahadurpally near Hyderabad. …Satyam's land holding in Hyderabad is probably worth a whopping Rs 112 crore for which it may have paid only over Rs 1 crore.

Realty: NCR, Mumbai & B'lore Record Highest Yield

NEW DELHI, MAY 4: Booming real estate markets in National Capital Region (NCR), Mumbai and Bangalore registered the highest global yields in 2003, according to the latest updates by global real estate consulting group Chesterton Meghraj.
The three markets posted the highest yield rates together ahead of London, Frankfurt, Hong Kong, Kuala Lumpur, Singapore, Bangkok, Sydney and Copenhagen. The reason behind the boom is that corporates like Infosys, Wipro, TCS and Satyam, Dr Reddy's, Ranbaxy, Reliance Infocomm and Bharti are using land as a vehicle to park their surplus funds. "These companies are now considering real estate as their important component of investment," it said. Indian corporates bought 1,350 acre land at an estimated cost of Rs 1,600 crore during the last two years.
—*PTI*

ICICI Ventures' fund buys H'bad property
November 27, 2003
ICICI Ventures' India Advantage Fund, in a novel property investment, has made a Rs 35-crore purchase through a special purpose vehicle of two floors in Hyderabad's upscale L&T Infopark 'Cyber Gateway.' The deal bags Dell Computers as an existing blue-chip tenant.
The returns by way of rentals on the equity investment are expected to be in excess of 20%. The purchase of the 1.06-lakh sq ft property in 'Cyber Gateway' has been made through the 100% ICICI Ventures-owned SPV called Mezz Equity Software Services. The rental for the deal works out to approximately Rs 50 per sq ft. The investment has been financed through a mixture of debt and equity, with the ICICI Fund routing Rs 9 crore through the SPV, while the balance Rs 24 crore has been raised from banks. L&T Infocity has developed two towers — Cyber Gateway and Cyber Towers — in the Hitec City complex with a massive floor space of 8 lakh and 6 lakh sq ft floor space, respectively. Its tenants include Microsoft and GE Capital. Plans are afoot to develop another tower covering 4 lakh sq ft of commercial space. L&T Infocity is a joint venture between L&T and the AP government.

Investments in commercial property for high rental returns from blue-chip tenants, started by HDFC, has become a popular high-risk trend in metros like Mumbai, Bangalore and Hyderabad . "Our investments in real estate will be in carefully chosen assets where we are ensured both high-quality sellers and high-quality tenants. The boom in the BPO and IT sectors points to such high-growth, real estate opportunities," Ms Ramnath added.

This is the first real estate investment by the India Advantage Fund. The fund has set apart around Rs 200 crore for real estate investments. Earlier, it had taken a Rs 36-crore equity stake in the chain multiplex company PVR promoted by the Bijli family. It is also in the running for Glaxo's prime property in Mumbai, where ICICI Ventures has bid through a JV with builder Vicky Oberoi. The business rationale for the L&T Infocity deal is that it gives both high rental income, a part of which will service the debt, as well as provides a secure asset with high capital appreciation, Renuka Ramnath ICICI Venture's MD & CEO told ET.

http://www.thehindubusinessline.com/2004/04/25/stories/2004042501500100.htm

Corporate India milking its real estate

G. Madhan

`GET the best out of what you already have' appears to be the new corporate mantra. If nothing, at least the way some of the companies have gone about utilising their existing real estate assets, suggest that. In the last one-year, more than 20 companies, including Bata India, Indian Hume Pipe, Novartis India and Gulf Oil Corporation have either sold their real estate assets or have tried to re-deploy it more productively. Bata India, for instance, plans to take up a major re-development of Batanagar estate in a surplus area of 264 acres, where its biggest factory in the country is located. The re-development project is being taken up as a joint venture with the real estate developers, Calcutta Metropolitan Group. Delhi-based Noida Toll Bridge Company, on the other hand, plans to set up a subsidiary and transfer 100 acres of surplus land, located in the Noida and Delhi regions, and development rights to the subsidiary. In Bangalore, Gulf Oil Corporation has entered into an agreement to sell and develop the land located at Malleswaram through a joint venture with Abhishek Developers. The total proceeds of this deal are expected to be over Rs 65 crore. Mumbai is not far behind when it comes to such deals. Indian Hume Pipe Company has entered into a development agreement with developers, in respect of its factory land at Wadala, for a total consideration of Rs 39 crore. Asked to comment on this trend, Mr Sanjay Varma, Joint Managing Director, Cushman & Wakefield, India says, "This trend is not peculiar to India. Globally, companies have done it from time-to-time. Even in India, several companies have done it in the past. The difference is, it is more visible now. At best such activities would constitute 5 to 10 per cent of the total real estate development activity." When asked what was driving the trend, he said, "If land was purchased in the distant past at historically low prices, developing and selling them yields better returns. Secondly, the demand for property space has also increased because several multinational companies have come into India. Thirdly, businesses are increasingly coming under pressure (on margins). Hence companies are putting their idle real estate assets to good use or sell them." Confirming this view, a highly placed source in another leading international real estate consulting firm, says, "Strategic business alignment for commercial exploitation is what companies have resorted to these days. Several companies have realised that they are sitting on gold mines. So putting them to best use is what they look forward to."

Interestingly more than any city, Mumbai and its suburbs saw several companies selling their real estate properties. For instance, Texmaco Ltd has sold off its leasehold land at Worli in Mumbai for Rs 21.5 crore to K. Raheja group. Other companies that have sold their lands in and around the city include Cadila Healthcare, Novartis India and Colour Chem. Several companies including Pradeep Metals, Mafatlal Dyes have intended to sell their property without mentioning the amount involved.

http://www.blonnet.com/2002/12/06/stories/2002120602390100.htm
Infosys campus plans worry Karnataka

Abhrajit Gangopadhyay
Vishwanath Kulkarni

BANGALORE, Dec. 5

KARNATAKA Government officials are concerned about talks that Infosys Technologies was likely to shift its proposed second development centre outside the State.

"We are eager to have the second Infosys campus near Bangalore... if the company decides to relocate its proposed facility outside the State, it will be a great misfortune," top Government officials said. However, they declined to comment on talks that Infosys has already indicated its intention to abandon its plans to set up the second centre near Bellendur and sought alternative location within the State in near term. The proposed 100-acre campus was scheduled to come up near rival Wipro's corporate headquarters at Sarjapur area, on the outskirt of Bangalore.

Top State Government sources said that Infosys was "fixed" on the proposed location and "an alternative site was not a predominant objective" for the company.

Infosys came under attack from villagers of the Bellendur area, the proposed site for the second development centre, as the villagers alleged that the software major was grabbing wet-land at rates much "lower than market rates."

Infosys clarified to *Business Line* that the State nodal agency, Karnataka Industrial Area Development Board is in the process of acquiring the land and the company is not in direct contact with the villagers, whose land has been notified for buy-outs.

"The market rate of inner lands in the notified area is Rs 40 lakh per acre while that facing the Ring Road is Rs 1.5 crore per acre," Mr. K. Purushottam, resident of Bellendur village said. However, KIADB has proposed to acquire the land at a uniform rate of Rs 9 lakh per acre. "We have suggested the Urban Commissioner to acquire dry lands near the currently-notified area," Mr B.T. Ramachandra, another Bellendur resident, said. The villagers have also hinted at carrying on a "peaceful agitation" if KIADB continues "land grabbing at such rates." However, the Government sources strongly refuting the prices quoted by the villagers said, "You cannot extrapolate the price for a small housing site for acres."

In July 2000, Infosys requested the Government of Karnataka to allot 100 acres of land for its second software development campus in Bangalore.

KAIDB identified a piece of property and showed it to Infosys. Infosys, after assessing its suitability in terms of location and vicinity to the airport, indicated that such land would suit its requirement.

From Outlook, Bangalore Diary Magazine 17 Dec. 2001

Does Infosys run Bangalore? Who cares, might be the reaction of locals battling corruption, inefficiency and ineptitude every step of the way. But corporate historians looking for evidence of how a private company can manage the public sphere, without any of the inconveniences of electoral politics, may look at Infy's hold over the city. Consider: Chief Minister S.M. Krishna's son-in-law is coffee planter Siddhartha Hegde. It was Hegde's firm Sivan Securities that bailed out the Infosys ipo in the early '90s when nobody would touch tech. Today, the only coffee kiosk on the Infy campus is of Hegde's 'Coffee Day'. Cut. Infy's No. 2 Nandan Nilekani heads batf or the Bangalore Agenda Task Force, the agency that has been assigned the job of turning Bangalore into Singapore.

Nilekani worked awhile with K. Jairaj before the latter was deputed to the Bangalore International Airport project, whose non-executive chairman is Infy boss N.R. Narayana Murthy. Jairaj's wife Poornima was a director at Sivan before shifting to Hegde's new ventures. batf's financial brains is the husband of Infy's HR veep, Hema Ravichander, and a host of those who are going to decide how Bangalore will look are chums of various Infosys honchos. The state's IT secretary Vivek Kulkarni is a collegemate of Sudha Murthy's brother, the US-based astrophysicist Srinivas Kulkarni. And Mrs Murthy herself was nearly named an mlc....

Naturally, a leading daily was aghast when Narayana Murthy seemed set to pip Krishna as 'Man of the Year' last year in an opinion poll till a "late swing" ensured the CM came out on top.

Annex 5: Extract from: Benjamin S., 2004 *Urban land transformation for pro-poor economies* in Geoforum (Pergamon Press) Volume 35, Issue 2, March (Edited by S. Oldfield). Pages 177-187 on 'Differentiation in South Africa and Indian Cities'

A diversity of tenure claims and forms: The diversity of enterprises is made possible via the emergence of a variety of rental and ownership markets that reflect multiple forms of tenure. Diversity of tenure is perhaps the single most important factor that facilitates poor groups access to productive land. Scholars rightly emphasize the importance of tenure issues and the need to be sensitive to diversity, locales, and also customary forms[76]. However, unlike the rural context, much of the work on urban tenure focuses mainly on housing and shelter. Rental opportunities are not only important for shelter but also for enterprise and the economic dimensions place a new emphasis and a different spin to it[77].

It is significant that poor groups in Bangalore use at least 10 ways to claim land[78]. In the smaller municipalities adjoining Visakpatnam (a smaller city in the South Indian state of Andhra Pradesh) there were 12 forms of tenure that provided access to land, and in Madikiri (a town in the highlands of Karnataka, 24 forms). This diversity of tenure forms come from several sources and events:
   1) Historical, indigenous conventions;
   2) The implementation procedures related to particular sections of legislation especially the Revenue Act;
   3) Titles related to announcements on particular national occasions like Indian Independence Day;
   4) Titles related to particular housing schemes (although the issue is not access to housing but rather a claim on a location);
   5) Titles issued by village bodies and city corporation and state level organizations;

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[76] See McAuslan Patrick `Tenure and the law: The legality of illegality and the illegality of legality' Chapter 2, and Durand-Lasserve Alain et.al `Current changes and trends: Benin, Burkina Faso, and Senegal' chapter 7 in Payne Geoffrey "Land, Rights, & Innovation: Improving Tenure Security for the Urban Poor" ITDG Publishing 2002.

[77] This has been extensively discussed in the rural context. In fact, much of the work on rural tenure focuses on the economic consequences. See for instance, Burnham Philip `Whose forest? Whose Myth? Conceptualizations of community forests in Cameroon' in Abramson & Theodossopoulos (edt) "Land, Law and Environment: Mythical land, legal boundaries' Anthropology, Culture, and Society series Pluto Press London 2000

[78] These are: 1) ID card by the slum board; 2) Possession Certificate by the Bangalore City Corporation; Procession certificate slip by the Bangalore Development Authority; 3) *Ashraya* Housing holders patta; 4) *Ambedkar* scheme *Hakku* patra; 5) 25th. Independence day *Hakku* Patra; 6) Section 94 A of the revenue act; 7) 1993 Act on the regularization of revenue layout enforced in 1998; 8) *Gramthana* certified; 9) Conversion certificate by the revenue department; 10) Holder's *Khata* (after 1999) by the revenue department. "Hakku" roughly translates into title, and "Patra" is an official slip. "Khata" refers to a title deed, a more complete form of tenure as compared to "Hakku" patra. *Gramthana* is a village authority. *Ambedkar,* the name of one of India's main thinkers, philosopher and author of its constitution, refers here to a particular scheme for the Dalits -- lower castes groups.

6) In some cases like the town of Madikiri and the West Indian city of Baroda, and some towns and cities in Rajasthan, titles to land are handed down by the local royalty;

What is significant is that there are also forms of tenure that relate to particular non-residential use. For instance, in the rapidly urbanizing and industrializing neighborhoods of Delhi, apart from renting and ownership of plots, there are types of leasing arrangements directly linked to forms of partnerships between land owners and entrepreneurs – who collaborate to start an enterprise. If access to productive locations is important for multiple economic opportunities, than diverse tenure regimes that allow poor among other groups to claim and hold on to those location becomes critically important.

Incremental development, mixed land use, and the diversity of tenure has important distributive aspects. Interestingly, some of tenure arrangements in locations of high rate of land value increase involve conventions (termed "pugree" or Key money / security deposit) relate to the sharing of surpluses between landowners and between different "generations" of tenants. Thus, a new tenant wanting to rent out a particular location will pay an increased premium, which is shared between the landowner getting 1/3rd of the difference between the premium paid and the new one offered, and the existing tenant getting upto 2/3[79]. However, this ratio too is negotiated. When the general legal climate remains "pro-tenant" and in neighborhoods with stable communities with tenants able to exert "community pressure" landlords find it difficult to evict a tenant without sufficient compensation. There are several cases where "tenants of tenants" as occupants demand and get a portion of the increased "key" money as an incentive to move out. It is important to realize that just because a land market operates in a spectrum of illegality, this does not mean a break down of "law and order". Instead, there are strong market operations at play modulated also by strong conventions embedded in local society[80]. This convention allows a greater distribution of real estate surpluses that usually characterize high growth and buoyant peri-urban settlements. In Bangalore too, the "bhogee" leasing land forms part of a financing mechanism that allows lessor and the lessee to consolidate incremental income flows into lump sum amounts to fund capital and at times working cash flows[81]. These systems also allow funds to be drawn from rural land and product markets and also from urban hawking to rural markets.

Thus, there are some systems of land development where real estate surpluses are spread over several occupying groups (tenants and sub-tenants) due to the increasing multiplicity of claims. However, this is only when the legal – administrative – political system recognizes those systems of land development and with it the diversity of tenure regimes (if not actively promoting it). As I will argue later in this article, under the pressure of the elite, an administration can come down heavily to enforce the "rule of law" and "planned development". If so, than this distributive process can very easily break down and the changed power relationships make for a more polarized distribution of real estate surpluses. What we witness therefore is a process where the benefits of

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[79] This is a convention that seems to be in other countries too. In the Arab quarters of Haifa, Jerusalem, and Tel Aviv in Israel, this is known as the "*Haadar*" system. However, this is not restricted to the older Arab village houses (now housing the artist and the very very rich), but also older low-rise apartment blocks built in the 1940s and 1950s. In Jerusalem for instance, in an apartment block with two floors with one tenant each, a new tenant wishing to occupy one of the apartments with an increased "key money" would share the increased amount (over the previous key money) following convention: The land lord: 40%, tenant whose apartment is being taken over: 50%; other tenants in the building: 10%. Thus, the tenant vacating his/her premises is getting a part of the land value increase to help fund another rental / purchase. While the banks find this system problematic due to the multiple claims they sometimes need to deal with, this is what makes the market affordable for young couples (Interview with Opher Livne, July 1996: Tel Aviv)

[80] It is interesting that in almost all "slum" areas, despite being "illegal" any real estate deal very soon becomes common knowledge with most interested people knowing the legal "white" amount paid to ensure some form of legitimacy, and the major "illegal" cash or black amount to complete the deal. This is nothing new. The work of Krast, Schwartz and Schwartz in Caracas in 1967 forms a detailed and vivid analysis of this. (See Krast, Schwartz and Schwartz 1973). Durand-Lasserve et al write about the "astonishing resistance of reform (of customary land) by the state, and the way the system is able to integrate perfectly into the market when private formal operators find difficult entry (Durand-Lasserve, Bagre, Gueye, Tonato in Payne 2002:116)

[81] In a research on the relationship between poverty and governance in Bangalore, this process was documented in great detail tracing the case of a very poor hawker couple who used a combination of real estate development strategies and various forms of renting and leasing to gradually build up a three storied house over a 16 year period. This was not easy and the process too a toll on their health and required complicated cash flows and borrowings. Even so, it illustrates the complex and dynamic ways in which urban economies interface with urban real estate where poor groups form central agents of change. Box 21: "Thatch to RCC: The house that Sundramma built' page 112 – 114 in Benjamin and Bhuvaneswari 2001

urbanization and a productive location can be distributed to a larger local society. Significantly, it is this spread of incoming funds that provide poor groups to rotate funds, consolidate them to invest in enterprise and also in the physical upgrading of their environment[82]. In this section, I have focused on the three functional aspects of pro-poor neighborhoods and the consequences for local financing.

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[82] For a concrete illustration of this, see Benjamin 1996: Chapter 5; and also Benjamin and Bhuvaneswari 2001, Box 21 and its related discussion on pg: 112-119

[b1]