



Review Paper

On spatial inequalities: theories to account for as witnessed in metropolitan extensions of Pune and Mumbai, India

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Abstract

Urbanisation and its consequent processes have been a significant part of sociological studies since the advent of the industrial revolution. Contemporary urbanisation is characterized by the mushrooming of extensions on the outskirts of the main metropolitan areas that see within them the proliferation of service industries, which ultimately drive growth for the region and state. This paper, by examining the property prices of such regions, seeks to draw trends of urban sociology as seen globally and apply them to areas of Pimpri Chinchwad and Navi Mumbai in Maharashtra. It relies on data obtained from available indices and theories by academics of the field.

Keywords: Urbanisation, Pimpri Chinchwad, Navi Mumbai, metropolitan extensions.

Introduction

The process and consequences of urbanisation have resulted in policy shifts in urban planning, migration patterns to cities, economic disparities amongst population and other socio-political phenomena of note. Across the world, the changes to city landscape in terms of location of suburbs and commercial units have been shaped by demands of an increasingly industrialized order facilitated by global capitalist practices. While several academic studies based on theoretical paradigms as well as city-specific field work have been conducted, the two have less frequently been used in conjunction to explain and account for the role of property prices (and its contributing and resulting factors).

This paper proposes to combine these to understand chosen urban-specific phenomena using select theories that are core to the domain of urban sociology. It shall use the measurement framework of property prices as determined by increased infrastructure projects in area, the determination of which in turn are based on selection processes that create spatial inequalities in the layout/development of cities. This link between capitalist processes and the nature of urbanisation warrants exploration through academic methods that employ theoretical concepts of the relevant fields. This can subsequently help narrow on contemporary developments to identify and argue for globally applicable trends. This paper seeks to progress in this regard, correlating theories of urban sociology established by scholars in the field with trends in contemporary urbanisation (that of changing property prices and their causes). For the purpose of the seminar paper, the field of urban sociology shall be the primary academic edifice for research and substantiation of arguments.

Literature Review

Urban sociology has been characterised by studies on the the rise of social movements in cities after the industrial revolution¹ as well newer ways of mapping cities in terms of people-centric keys. Owens identified that the basis of mapping draws from 'historical antecedents' and has 'theoretical implications'². Studies in this discipline have also dealt with a significant extent specific processes, scheme evaluation and empirical research on the state/evolution of cities³. A large number of studies have been carried out for the theories behind explanations for expanding urbanisation by Harvey and Castells within theoretical frameworks of urban spaces, sub-cultures etc.

The study of cities has also been carried out along broader conceptions termed 'scripts' which document cities - as to how they sprung up from the planning stages, as also examining their inhabitants among others. Urban explanations of such nature are positioned as narratives that seek to understand and account for specific interpretations of urban developments, warranting the collection of data in a manner to increase such an understanding. Attempts of interdisciplinarity and bundled analysis, with respect to newer developments in the field of urban studies, have consequently taken into consideration a number of such scripts. Studies in this regard have sought to academically document the ways in which urban centres are viewed against particular explanatory objects of study that shed light on the varying facets of urbanism and urbanization, at the cost of other cities, lives and processes.

The late 20th century saw schools of thought considering the political economies of cities, hence providing broader frameworks in the area of urban studies, which was used to

apply concepts of power and class in a manner stipulating the nature of changing norms in cities at the time⁴. Later research and study in the field saw urban studies be inserted in different theories from traditions like queer theory, and explanations of urbanism and urbanization that were earlier only within the domain of certain constituents of the social sciences and their specialists, have grown to share space commentaries constructed in a way accounting for newer categories of knowledge as well as discipline-specific concerns. Such newly added diversity in the field of urban has thus incorporated newer processes based on emerging developments, namely 'scripts' created on account of multiple genders, ethnicities, ideologies, races, classes, sexual orientations and nationalities⁵.

Los Angeles's tradition of urban sociology on the other hand ideates in academia that large swathes of developing areas slightly distant from the traditional metropolitan limits ought to be included in conceptual interpretations of the studying urbanity as a construct⁶. It identifies the emergence of larger, differentiated and essentially spatially segregated zones that can be characterized as having a sprawling nature and located outside "*the more commonly recognized and historical central cities ... that contributes to the need for new concepts and theories of urban growth ... very few cities have been able [to], like their hinterland, making regional development for most places a highly fragmented affair with contending political jurisdictions and spatial competition increasingly characteristic of this arrangement*". [This junction is where the studying of 'new spatial patterns' were deemed of note to be a matter of understanding, study and analysis precisely owing to] "*regional, multi-centered character of development that overshadows in importance*" in any urban space⁶.

This leads us to the more contemporary traditions of urban sociology wherein by and large the concern is with the process of '*deconcentration – a ubiquitous leveling of both population and societal activities across space that has produced intranational and intraregional fragmentation*'⁷. Reforms in such dynamic spatial formation, particularly within multicentered metropolitan regions, have been identified as occurring within two distinct forces of a socio-spatial nature: decentralization and recentralization. This has in turn spurred the growth of another spatially determinable feature, suburbs. Suburban areas have witnessed change and matured to the extent that a broad brushstroke of a city/suburb dichotomy is a matter of irrelevance⁸.

For the aim of this seminar paper, specific concepts of interest would be 'geobribes' and 'entrepreneurial stance'⁹, bundled with a tangent of Sassen's conception of the global city relating to the development of scheduled metropolis areas at the cost of the hinterlands. When used to understand the academic practice of viewing cities as 'autonomous social units', the fact that any aspect or manifestation of urban production results in effects on 'social life and collectivities'¹⁰ sheds lights on the paper's intended crux. Similar efforts have been attempted on a more

interdisciplinary nature by distancing core aspects of urban sociology from the centrality of a city's development process¹¹. The impact of cities being the centre for capitalist ideology's eventual growth in everyday characteristics has also been argued for¹².

Research gap and aim

As stated in the introduction, the purpose of writing this seminar paper was to connect the theoretical underpinnings that are suggestive of the nature of urbanisation with the specific contemporary developments of changing property prices of certain areas and their determinants. Such an attempt can broadly help identify to ascertain certain features. Looking at programmes of smart cities and the differences in demographics of cities, the paper shall attempt to account for the principle of 'geospatial inequalities' in their population in terms of access to basic amenities. This shall mean to include not just segregation based on class but also difference in priority to development of a city's areas in tandem with certain patterns emerging as part of the by-products of the processes global capitalism. Specifically, this refers to luring of capital to certain areas of the city by means of easing regulation, city governance mechanisms tuning themselves to boost business activity and the consequent exclusion of the larger urban area at the cost of the emerging.

Broad trends in this regard are obtained from inferences made by understanding existing indices like the Housing Price Index of India and Residex, both Government of India sanctioned housing price indices.

The aim of the paper shall thus be to, in context of urban developments in adjoining areas of Pune and Mumbai, briefly explain and account for the ways in which urban sociology theory can explain spatial inequalities in cities in terms of class difference and uneven development of its areas, with the measurement framework being property prices as determined by urbanisation processes central to specific concepts of urban sociology. For practical purposes even as an undergraduate researcher conducting such a study, it will be hypothesized at the time of drafting that a capitalist mode of production and neo-liberal forms of government prevailing account for the socio-economic scenarios as arising from the research gap identified.

Research tools: In theory and practice, house price indices represent the price variations in residential housing properties. Measuring overall changes in the housing prices in India is a complicated exercise that is more of a task because of different data sources that may contain 'dissimilar data sets'. The information on prices of housing units vary as per the stage of transaction at which the collection of necessary data has taken place. Consequently, three different prices including 'registered price, assessment price, and market price' can be used as values axes while computing in the form of graphs.

As per the House price index of India, the All-India House Price Index (HPI) grew by '6.7% year on year (YoY) in Jan-Mar'18 (Q4FY18), slowing down from a peak of 10.5% YoY growth in the corresponding period a year ago. This resulted in an annual inflation of 7.5% in 2017-18 (FY2018), lowest in over six years. The 7.5% inflation is way below the annual average inflation during 2011-17 (12.8%)¹³.

Seven out of the ten urban areas (that constituted cities as well as areas growing in influence as part of the urban metropolises) recorded a decline in the average house price inflation in Q4FY18 when referenced against data from the previous quarter. For example, the house price inflation in Mumbai decreased to margins lowest in 5 years (5.5% YoY) during Q4FY18, whereas 'Ahmedabad (7% YoY), Kolkata (5.1% YoY) and Kanpur (16.4% YoY) have over a year low inflation in the housing segment'¹³.

The House Price Index (HPI) with a base year of 2010-11 is an index compiled on a quarterly basis by the Reserve Bank of India (RBI) for 10 urban metropolises of 'Mumbai Delhi, Chennai, Kolkata, Bengaluru, Lucknow, Ahmedabad, Jaipur, Kanpur, and Kochi'. Based on the indices of these cities, an average house price index that is indicative of pan Indian residential real estate movement is also collected and analysed. The data behind and consequent to these indices are compiled as per official data collected of property price transactions submitted by registration authorities or relevant institutional arrangements as the case may provide under the applicable state governments. The HPI is a 'weighted average Laspeyres index' determined by transaction prices, wherein transactions have been stratified into three types, these being small, medium and large houses and as deeper categories in terms of different geographical wards/zones. In addition to this, the city-specific indices are averaged out using proportional population measures with respect to total weightage to ascertain an all-India index.

The NHB Residex is the first official housing price index of the country, started as an 'initiative of the National Housing Bank (NHB)' under the aegis and supervision of the Finance Ministry, Government of India. Its current scope now includes 'housing price indices (HPI), land price indices (LPI) and building materials price indices (BMPI), and also housing rental index (HRI)'. Residex states its overall vision in its website as under¹⁴ – 'built to ensure ease and clarity in decision-making within the sectors of real estate and real estate finance. It aims to provide guidance to stakeholders, not only in terms of a macroeconomic index, but also in the form of quarterly updated prices at a neighbourhood level. In doing so, NHB RESIDEX aspires to bring in greater transparency into India's real estate markets by providing more structure, science, and discipline to property valuation. The idea is to establish greater trust among stakeholders and encourage wider and more competitive participation in the housing market. NHB RESIDEX will also serve as an effective tool to monitor the health and behaviour of housing markets in India.'

Under its House Price Index, the three indices that is 'HPI@Registered Prices, HPI@Assessment Prices and HPI@Market Prices for Under Construction Properties'; utilise varying sources to obtain the whole spectrum of prevailing prices at the urban levels. The data sources are 'registration data collected from Sub Registrar Offices (SROs) of States/UTs for HPI@Registered Prices, valuation data collected from Primary Lending Institutions for HPI@Assessment Prices and primary and secondary data collected through market survey for HPI@Market Prices for Under Construction Properties'¹⁵.

Inferences from indices and discussion

For the purpose of the paper, I shall use the indices as applicable to urban agglomerations/spaces/regions of Maharashtra, in particular the non-metro areas of cities, that is Pimpri Chinchwad and Navi Mumbai which lie on the larger metropolitan composition of the cities of Pune and Mumbai respectively. The varying nature as indicated by decrease in real estate value in certain areas over others shall be explained and accounted for using relevant theories of urban sociology as described in the literature review. Preliminary part of this section shall deal with listing the inferences from the following graphs with respect to the urban agglomerations chosen.

From Figure-1, the marked rise in the year on year series of house prices for Pimpri Chinchwad (a region of Pune within its metropolitan development authority jurisdiction) is of note. Initially just planned as twin residential township cities for working populations of Pune, the region now witnesses rapid 'new launches and got a boost in sales for affordable homes because of availability of social infrastructure like malls and high-end restaurants, like neighbouring metros of Mumbai and Pune'¹⁵. Effectively, they have now become a satellite town for Pune which, while on paper serving the purpose of decongesting the main city in terms of being the access point for jobs and employment, serves as another means of inequality of access for sections of society to avail housing here. This is enabled by the fact that Pimpri Chinchwad serves as a growth area where demand steadily increases while quality supply is potent.

The same is true for Navi Mumbai region as well, which as per figure two, from the last 5 years and thereafter, has witnessed growth in property prices at levels greater than the overall Mumbai region alone. This is in line with real estate developers 'increasingly making a shift towards compact residential apartments in peripheral locations. Mumbai Metropolitan Region's western and central peripheral pockets have witnessed more than 90% of the launches within the affordable and mid-segment priced less than Rs 80 lakhs, showed data from ANAROCK Property Consultants'¹⁶. Such a shift towards development of peripheral areas underlines a major development in Mumbai's real estate market, which till recently was characterized by high-end and luxury housing. Anuj Puri, Chairman of Anarock Property Consultants, states: 'Rising property prices in Greater Mumbai are leading to a natural

housing demand progression towards the peripheral areas. from 71% in 2013 to 67% in first three quarters of 2018, Navi
 While Mumbai's share in overall launches in MMR declined Mumbai has witnessed an increase in share from 9-17% ...¹⁷

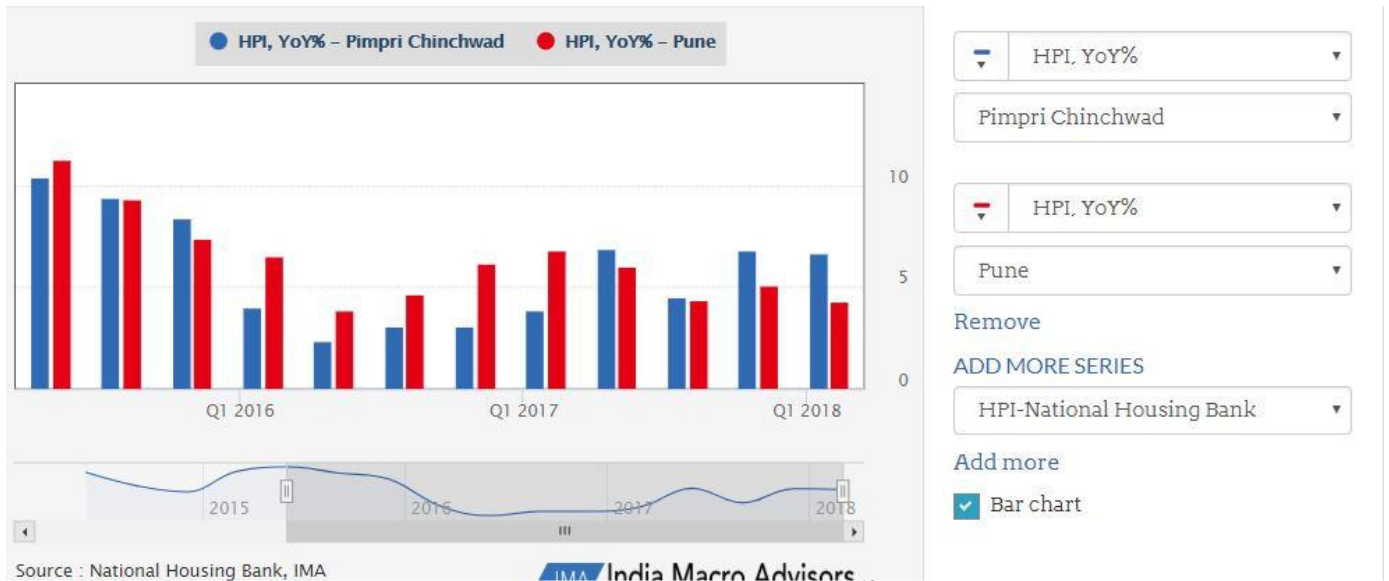


Figure-1: Indian Macro Advisers¹³.



Figure-2: Housing price index of India¹⁴.

Residential real estate demand is brought about and boosted when the area in question is conducive to a sustainably producing a stable mix of employment opportunities, infrastructure for recreation, amongst other things. This is enabled by a consumerist culture brought about by capitalism which can only create further inequalities in urban regions to sustain the influx of new jobs and commercial avenues. Apart from this, a characteristic of increasing demand and hence real estate prices is connectivity to a central city, without access to which residents of (earlier satellite now larger urban agglomeration) these regions would cease to remain connected with familiar areas as well as resources of the heart of the metropolis. As per a report by MoneyControl.com, the principle advantage real estate investors as a result of development of these peripheries is the fact that the expenses incurred on entering the market here is significantly lower than those in more centralized locations, even as the potential rise growth in real estate prices has greater scope. Self-use buyers tend to factor in the potential for investment in property when considering satellite towns such as PCMC.

There are various urban areas in India with such arrangements that have witnessed a boost in real estate prices in the adjoining areas of the main centre of the city. Mumbai (apart from Navi Mumbai) has Kalyan/Dombivili and Vasai/Virar, Delhi has Ghaziabad, Faridabad, Greater Noida and Gurgaon, whereas Bangalore has Yelahanka and Devanahalli, Chennai has Sriperumbudur and Siruseri as proposed satellite urban areas, Kolkata has established satellite areas in Rajarhat, Kalyani and Batanagar.

Theoretical analysis

Saskia Sassen understands the conception of a 'global' nature of cities as being urban areas that have '*changed rather dramatically over the last decade as a result of privatization, deregulation, the opening up of national economies to foreign firms, and the growing participation of national economic actors in global markets*'¹⁷. Among other hypotheses she presents as a part of conceptualizing the global city, a secondary one enlists the aspect of their intra-economic fortunes. She argues that the broader financial prospects of the main centre of these cities emerge as 'increasingly disconnected' from their adjoining developing areas. This, she states, leads to the formation of 'transnational urban systems', from which a significant extent of major businesses at the international level seek to draw their networking and importance from.

Such a conception is actualized by developments like proliferation of 'automobile manufacturing units and component suppliers' that now increasingly dot the landscape of outer Pune, particularly Pimpri-Chinchwad, Chakan and Talegaon areas. As a report in The Hindu states 'in this millennium, global heavyweights like General Motors, Fiat, Volkswagen and more recently India's largest utility vehicle maker Mahindra & Mahindra (M&M) have committed large investments in this

region and their entry seems to have opened the floodgates for auto investments here. The global financial meltdown only underscored the importance of cost control and cost-effectiveness for auto manufacturers and further re-affirmed their decision to move to cheaper manufacturing locations available...' ¹⁸.

The same report mentions that the automobile MNC network in the adjoining areas of Pune now include a Fiat-Tata joint venture at Ranjangaon, Volkswagen, Mercedes, Mahindra & Mahindra, Bajaj Auto, Cummins Engines, Kirloskar Oil Engines and Bridgestone. Clearly, the flow of global capital in a liberalized economy, enabled by the transnational nature of capitalist firms worldwide, has enabled such a setting.

Harvey wrote about state provisions for easy economic incentives for industries in the wake of global capitalism, wherein regions compete with one another to receive a share in the revenue and capital flow of global finances, even providing largesse to corporates in doing so. This has been built upon and academically corroborated across urban regions of the world, as state creating '*zones of exception, suspending laws and creating exceptional benefits for corporate investors*'¹⁹. Advertised as 'private' development, such 'geo-bribes' as Harvey termed them are examples of '*the exorbitant public subsidies that underwrite capital accumulation – in this case, near-free gifts of valuable land, massive tax subsidies – all to large corporate houses and all without any promise or guarantee of employment generation*' ¹⁹. Another conception by Harvey in a similar contextual setting talks of the emerging 'entrepreneurial stance' of governments, wherein there is a shift from an earlier managerial stance which only sought to play a supervising/implementing role in welfare states. These entrepreneurial governments use mechanisms at different levels to facilitate the rise of business activity with the nature of steps as mentioned above, and also shape their policies and organizational structure in a manner to seem investor friendly.

In furtherance of the inferences made with relation to the housing price rise in the adjoining areas of Pune and Mumbai, these concepts can also be seen as actualized by the steps taken by the Maharashtra government to facilitate the rise of certain industries at the cost of land use norms. The BJP-led government in the state, with Devendra Fadnavis at its helm, has approved approved new policies for IT and IT-enabled services (ITeS), which include relaxation in floor space index (FSI) and reduced power tariffs. It also allowed concessions given previously to technology parks to now be allotted to data centre operations²⁰.

While Maharashtra accounts for 20 per cent of the country's IT exports, this move to further ease land use and other norms for ITeS is fourth of its kind since 1998. The earlier policy that was applicable till June 2015 allowed for 100 per cent additional FSI in urban areas. This has now been increased 200 per cent allowing developers of these parks to construct areas triple of

the plot size. Within such an entrepreneurial stance adopted by the state across the previous two decades, letters of intent have been provided to 465 IT/ITeS parks, mostly in Mumbai, Pune, Navi Mumbai, Thane, and Pimpri Chinchwad, constituting 12.83 million sq ft of built-up space. A conservative estimate of the land rate concessions to facilitate the same has been pegged at Rs 32,000 crore. Further, to enable the development of transnational networks away from the main city as discussed earlier, the state government increased the premium for land purchases by '30 per cent over ready reckoner rates'²⁰.

Conclusion

The field of urban sociology when applied to studying developments in cities in India thus clearly reflects trends also established by existing theories. By applying the same to the adjoining areas of Pune and Mumbai, this study sought to account for its boom in IT parks and other industrial related developments as reflective of capitalist-base theoretical developments that were also accounted for in other 'world' cities.

Even with newer indices as a tool, it was interesting to notice the prevalence of these theories and this indicates further strengthening of the nature of developments that any city in today's globalised economy will face.

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