Development of Integrated Townships as Club Good: the case of Lavasa and Magarpatta

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Abstract: Legislative and policy initiatives in India have enabled 'corporate urbanism' in the past decade by creating Special Township Policies and Integrated Township Policies by various state governments. Private actors primarily do such developments. Parallel to urban gating and enclave development worldwide, this budding policy structure places a range of municipal functions, infrastructure, and services under the jurisdiction of integrated townships. This paper examines the applicable policies and acts in India to analyze the state's role in enabling the expansion of such "urban clubs" and promoting the privatization of municipal services. The case of Magarpatta and Lavasa in this study explains how the creation of such 'urban clubs' affect the governance processes inside and surrounding these settings in a much wider metropolitan area.

***Keywords* – Corporate urbanism, gated community, integrated township, club goods, private governance.**

I. INTRODUCTION

The legislative and policy initiatives in India have fostered the encouragement of corporate urbanism in the past decade. One of the major characteristic features of such developments is a non-elected governance framework coupled with the provision of essential services, spatial planning, and security outside the local and regional governments (Sood, 2015). With the help of two case studies, this paper examines the factors producing private urbanism in India and how it reshapes governance processes inside and surrounding these settings. In corporate urbanism, essential municipal functions are transferred to urban clubs, posing a threat to municipal sovereignty. This concept of club goods has been applied in many pieces of research abroad in urban gating (Glasze, 2005). This process has a wide range of consequences for city life, politics, service admission, and social inclusion (Sami, 2012).

Webster and Glasze (2006) and Sassen (2010) conducted similar research on private urbanism examined in this article shows extreme similarities with global gating processes, and Douglass et al. (2012) studied emerging enclave urbanism in the Asian context. Such developments are being carved out as "Urban Integrated Mega-Projects" (UIMs) (Shatkin, 2011) at various scales ranging from integrated townships to "private cities" (Parikh, 2015) and "satellite cities" (Percival and Waley, 2012), often termed self-sufficient units (Douglass and Huang, 2007) large enough to scope and range to permit independence from the nearby area.

Paling (2012) posits that corporate wealth is critical for realizing the state's desire to improve civic infrastructure in Phnom Penh; the government has assisted in expropriating urban land for such projects. Dieleman (2011) and Percival and Waley (2012) argued that urban policy formulating procedures in Southeast Asia remain comparatively obscured. India's relatively democratic and translucent policy announcements and legislative framework emerge unique against this backdrop. Therefore, India provides an atypical site for examining the government's position in granting responsibilities to large integrated townships and private cities.

II. MATERIAL AND METHOD

This paper examines interviews with key informants and offline and online organizational documents, integrated/special township policies, and relevant urban planning acts. I conducted interviews with 30 prominent informants from October 2018 to December 2018. These include urban planners, retired bureaucrats, private developers, user groups, and officers of various departments of the Maharashtra government in the form of primary data. It uses secondary data from relevant Government of Maharashtra Policies such as the Maharashtra hill station policy 1996, integrated township policy, applicable Acts, reports, published literature in books, Journal articles, and research reports. The author conducted a synthesis of data to get analysis.

The structure of this paper is as follows; the opening section sets the theoretical framework by discussing the club goods theory and its application to gated comminutes and integrated townships in the Indian context. The subsequent section reviews scholarly articles on deepening corporate governance in integrated townships and private cities. The following section draws attention to the selected case studies. The last section discusses the conclusion of the study.

3.1 Theoretical framework

Buchanan (1965) introduced the concept of a 'club good,' which he jointly applies to consumed and excluded services. There is a sort of goods (the club goods) that is similar to personal commodities and has exclusionary advantages but is distributed through organizations (Buchanan, 1965). This permitted club members to enjoy the benefit, but it differed from a private good, confined to the person, whereas everyone wanted civic services. In the typical economic sense, the club goods are neither 'private' nor civic services. It is a fusion in which a self-selecting community divides for various advantages while lowering the costs of 'congestion' of civic services through membership and pricing restrictions. Buchanan developed the notion of a spectrum of possession and usage options, bridging the gap between totally public and private goods, which had previously been the subject of economic debate.

Gated communities may be seen as owning property rights in economic terms formed via group work of members for personal and fraternal profit. This feature distinguishes integrated townships from private property, like a house owned by a single individual, and public goods, like a street; although advantages are shared, they are also 'excludable.' Webster and Wu (2001) utilized the notion of a club economy to clarify the commodity hybrid nature of sharing this good. In many civilizations, this idea of joint deeds to protect club goods was applied and developed in closed communities. The notion of 'proprietary communities' defines the character of the integrated townships in this study, which emphasizes the supervision of property rights. Thus, lifestyle, retirement, security zones, and exclusive enclaves are provided by gated community construction. Gated communities

are the current instance of the rise of privately held common goods in club economics. Continuing the idea of Webster, it is proposed that families are prepared to acquire various types of rights to secure their dwelling and community service needs (Manzi and Smith-Bowers, 2004).

Civic services have distinctive characteristics such that they are non-exclusive and non-rival. Still, many urban amenities, like water supply, drainage, electricity, roads, and civic utilities, are at risk of overcrowding if the number of users exceeds certain levels. A non-congested toll road is an example of club goods. A developing nation like India may have roads, housing, civic services (Ruet, 2009).

Integrated townships and other private corporate urban development can execute many of the tasks of local governance thanks to privatizing administrative and security structures. Providing excludable public goods is one of these roles (Glasze, 2005). I suggest that allocating essential duties – administrative and representational responsibilities, basic amenities, security, and spatial planning is critical to identifying the concept of corporate governance. The existing definitions of gated communities contain characteristics and features like cooperatives to provide goods/services (Glasze, 2005), levy of surcharge on goods/services, and restricted access (Webster, 2001). Another function these self-administrations frequently take on is spatial planning, which pertains to civic amenities like open and recreational areas (Shatkin, 2011; Webster, 2001).

In India, the club supply of public goods has the most significant repercussion on access to essential infrastructural services directly due to club membership and indirectly through the ability to pay. Local government services in private townships impact how they are delivered beyond its boundary, increasing the importance of external governance issues (Ruet, 2009).

3.2 Review of Literature
3.2.1 Spatial Planning
Private sector-led urban development projects such as urban real estate megaprojects where private developers play a leading role in planning, design, management, and execution of urban development projects such as housing and urban infrastructure while the government agencies play a facilitating role. Such projects have been increasing rapidly in recent times. These projects are often labeled as 'world-city projects' (Goldman, 2011) or 'Urban Integrated Mega-Projects' (UIMs) (Shatkin, 2011), or 'Integrated/NRI/High-Tech townships' (Chadchan and Shankar, 2012) or 'satellite cities' (Percival, 2012) or 'eco-cities' (Datta, 2012) or 'private cities' (Parikh, 2015). Such projects belong to certain types of urban development projects that are very large in size, master-planned, and market-driven for-profit real estate developments that seek to change the urban fabric.

State governments have delegated spatial planning functions to private township developers through state-level Integrated Township Polices and Special Township Policies. These integrated township policies provide detailed guidelines for allocating different land uses within the township, like commercial, residential, green areas, circulation, and social infrastructure. However, these acts and policies pay modest attention to regional planning and external governance matters.

3.2.2 Infrastructure provision
Providing social and physical infrastructure facilities like green spaces and leisure areas is a significant attribute of closed communities worldwide. Many basic infrastructures beyond local government characterize Indian corporate urbanism (Sood, 2015). These facilities consist of leisure spaces, green areas, electricity, water supply, sewerage, and solid waste management. The club provision of these infrastructure and qualifying goods threatens the widespread right to essential amenities in Indian conditions. Although dealing with the external governance issues are not taken up in this piece of research, the case highlights how to ensure that public services reach those living outside the enclaves.

3.2.3 Security
The provision of essential civic amenities in these new settings shapes the character of the club through existence of private security and regulated entry/exit. The potential for under-provision of social housing within campus may raise the issues of an unplanned and haphazard urban growth outside the township boundary.

The other two stylistic facts are also worth noting in India. Firstly, growth in the urban population is happening against India's increasingly growing private security industry. A recent research by Nagaraj (2012) projected that by 2015 India would need around 9.5 million security personals. Secondly, the presence of gated and walled neighborhoods has a very old account in India. The rise of closed community in Indian cities following liberalization parallels an international trend. Concurrently this sort of housing commune depends on a long history of division in Indian culture, as well as pre-British era and British era enclosure practices with Partition repercussions (Spodek, 2013). The caste system is based on a Hindu socio-religious hierarchy, which entails area division and social order. The old texts of Sanskrit and Vastu philosophy also advocated that different castes should live in different places (Begde, 1978). Central areas in medieval Indian towns were divided into walled blocks that contained members of a single religion or social group and every block had a closable gate (for example pols in Ahmedabad). British urbanism in India during colonial era was based on the notion of separating the Europeans from sub-continent people (Dupont, 2016).

IV. CASE STUDIES
The case studies in this paper were purposefully selected due to their large size and characteristic features consisting of gated enclaves where the developer-owned company provides all infrastructure services and security in the township.
4.1 CASE STUDY 1: Lavasa the lake city
The largest integrated township in India, Lavasa, is located alongside the Mumbai-Pune Expressway around 90 kilometers away from Mumbai and 40 kilometers from Pune. The township is located over seven hills inside the environmentally sensitive Sahayadri mountain range and comprises 25,000 acres (one-fifth of the Greater Mumbai Municipal Corporation area). Lavasa Lake City prides itself on being India's first planned hill station city. In a nod to the nineteenth-century hill towns of Shimla, Mussoorie, and Darjeeling, which were built by the political entity to get away from the heat, and the lower plains' native Indian population, this new age private city guarantees relief from poor environment quality and space crunch which afflict major cities in India. The first phase of the township's five intended towns, Dasve, was built in 2011, and the others are expected to be completed by 2030.

The town is planned on the New Urbanism concept that promotes the creation of compact mixed-use walkable cities. The master plan of the city was prepared by the international design firm HOK in 2000. Since its start, the project has sparked a wave of criticism and fury from environmentalists; and has been a focal point for heated political debates. While Lavasa Corporation Limited (LCL) brags about how efficiently, ambitiously, and lawfully it built (and continues to build). The National Alliance for People's Movements (NAPM) calls it a town based on falsehoods, unethical, deception, corrupt practices, and lawlessness, and the best instance of state commercialism in this era of impious partnerships among bureaucrats, corporation and elected leaders (Patkar, 2011). An inquiry was launched into the Lavasa project by the Indian Comptroller and Auditor General in 2012 due to environmental and planning issues and slammed the state government for gross irregularities. According to the report, the project was unambiguously accused of judicial violations and inappropriate delegation of power.

Unlike the ordinary city, such types of for-profit private developer projects treat township residents as customers for which the services are provided by the developer or their maintenance contract company. The secluded city is based on the concept that residents are consumer citizens, with their degree of engagement in society determined by their access to economic wealth. Most administrators talk about providing services to consumers, which is a far cry from what people in non-private cities have to deal with regarding rights and obligations.

4.2 CASE STUDY 2: Magarpatta

Magarpatta Township, in the Indian state of Maharashtra, is an extraordinary success story of a large-scale urban real estate project outside Pune's emerging Information Technology center. Magarpatta, which spans over 160 hectares, has developed as a critical economic center and is one of India's few large-scale projects to be completed. The project includes housing for 50,000 people and offices of several global and local information technology, engineering, and consulting organizations (Sami, 2012). Magarpatta Township stands out among India's significant real estate developments because it was created by a collection of farming families rather than a large real estate investment firm. As Pune expanded in the late 1990s, the 120 families residing in this area, all members of the Magar clan, realized that urbanization would inevitably engulf their community, rendering farming unviable. The community formed the Magarpatta Township Development & Construction Company (MTDCC) Company, with shares allocated among farmers in proportion to their landholdings. In further remarkable detail, household members of the corporation sought training in construction and development, and they formed companies that contracted for much of the actual development of the project (Sami, 2012; Balakrishnan, 2013).

A closer investigation of the Magarpatta case discloses that it is not a story of poor peasants overcoming the state's power and global capital. The community has long been politically influential through its decisive role in Pune's sugar cooperatives, historically an essential font of power. In addition, the Magarpatta project would almost certainly have been unsuccessful had it not been led by Satish Magar, a significant landholder in the area and member of a politically influential family; his grandfather had been the mayor of Pune city. Magar diligently developed his ties with state and city legislators and significant city merchants to obtain the required regulatory approvals and generate financial assets for the project (Sami, 2012). Hence the Magarpatta case should not be construed as an example of the empowerment of oppressed farmers but rather as one of the wise deployment of power by a politically connected farming clan. Nonetheless, the Magarpatta City case provides a stark counterexample to the much more familiar story of the collaboration of corporations and government officials in appropriating land value increases and dispossessing farmers.

Integrated townships are not optimal types of urban development. In the urban planning literature, integrated townships are called "gated communities." In contrast to condominium and other urban construction categories which limit public movement in common facilities like staircases and elevator lobbies inside the campus, closed communities prohibit public movement to conventionally public places such as roads and footpaths. Milk, for example, is conventionally supplied in the country by *doodhwalas* [milkmen], who assemble milk containers straight from livestock owners, residing in periurban areas or from large milk company stores distributes these cartons on the two-wheelers to their respective clients in urban areas. The shareholder firm intends to prohibit *doodhwalas* from entering Magarpatta to promote the township's reputation as a "safe community that does not accept outsiders." For their daily grocery needs, residents predominantly rely on hypermarkets such as Star Bazaar that are planned for expansion inside the township. In addition to prohibiting public movement to historically public locations, closed enclaves also privatized Municipal functions. In Maggarpatta township, the "Magarpatta City Property Management Services" (PMS), keep up township services like power, water supply, drainage, and other networks. Inhabitants at Magarpatta not only pay property taxes of Pune Municipal Corporation but also pay maintenance charges levied by the PMS. If we have any infrastructure level problem, we are not dependent on Pune Municipal Corporation to fix it; the PMS provides everything here, told a proud resident at Magarpatta.

The private sector has steadily claimed duties formerly the responsibility of municipalities, as evidenced by public-private partnerships for infrastructure networks and transportation projects. The most severe instance is creating private cities, where the whole metropolitan system is envisioned, built, and controlled by the corporate entity. These developer projects worsen urban demographic segregation based on wealth (Shatkin, 2007)

Private enterprises are delivering high-quality infrastructural services, which is not valid in the rest of the city, where essential municipal services like piped water are not at par, even if there is any water supply. As the higher income groups attain infrastructure facilities from corporate enterprises, the municipal government fails to get possible income from deep-pocket clients; the disparity of admission to city space and services becomes a vicious circle. Furthermore, the political impetus to develop public infrastructure is diminished because the private sector already looks after people in the most powerful positions (Percival, 2012).

From the government to the private sector, social action for urban development has been coined as the privatization of planning. Private developers have taken over the role and activities of municipal government (Shatkin, 2008). In comparison, the engagement of the private sector in governance and city planning is a prominent characteristic in the West. The involvement of corporate in infrastructure delivery and urban development in Indian cities has a long history. The private sector's engagement was mainly limited to development of small neighborhoods by subdivision of plots. Lately, private players have begun to create locations like secluded towns on a much larger scale, often a few hundred or thousand hectares in size (Sami, 2012). Residents who can afford to live in gated communities choose "exit" over raising their "voice" for improved infrastructure. In reaction to the inadequate, unacceptable provision of government services by local governments, these higher classes "exit" into private enclaves

rather than using their political "voice" to demand improved public services. The Magarpatta township residents disregarded the state's role in according special lawful concessions to the Developer in terms of necessary approvals and later in the form of new regulations ensuring that electricity and additional infrastructure facilities are delivered to the township's periphery. Residents of Magarpatta are most likely to see private service providers such as PMS, which distribute potable water and additional infrastructure facilities inside the campus (Balakrishnan, 2013).

V. CONCLUSION

One major issue with large-scale township projects is that these are often developed as 'clubs' or 'elite enclaves.' The private sector is gradually taking on critical roles and functions of municipal governance like administration and representation, provision of essential services, spatial planning, and security. I argue here this is the privatization of planning. Allotment of public goods and facilities, like recreation and open space, is determined by private governance mechanisms. Unlike the non-private city, such types of for-profit personal developer projects treat township residents as 'customers' for which the services are provided by the developer or their maintenance contract company. Large integrated townships are built around the idea that residents are consumer citizens, as access to economic capital determines their level of participation in society. Generally, administrators often use the rhetoric of giving services to customers, which is widely different from what people in non-private towns experience regarding civil rights and responsibilities. The successful's separation into gated communities and private townships resulted in strikingly uneven surroundings of barrios superimposed alongside fortresses. The wealthy person's preference to choose "exit" over "voice" endangers democracy since gates and walls allow specific individuals to withdraw from social engagement. The reduction in social interaction erodes the fundamental underpinnings of the social compact among citizens, of striving for the common good and public prosperity.

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