SUBURBANIZATION AND SPATIAL INEQUALITY IN INDIA

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Inequality of living conditions is a fact of urban life. In the twenty-first century, as the majority of residents in the developing world become urban dwellers, stark divergences between modernizing areas and areas of traditional and informal settlement are reshaping cities. Unequal living conditions increasingly reflect disparities within urbanizing regions as well as between cities and the country-side. As urban settlement sprawls into the rural areas of developing countries such as India, new suburbs are springing up with astonishing speed. Unlike earlier suburbanization in the United States and other developed countries, this process is bringing about new, unequal living conditions within the suburbs themselves. Research from Jefferey Sellers and Haoshi Wang on India (2018) offers new insights into these dynamics, and the disparities they are producing in markets for housing.

The authors focus on two booming centers of high-tech development and foreign investment in India, Pune and Bangalore. Since the liberalization of the Indian economy, and the subsequent opening of the economy to foreign investment in the 1990s, the growth of higher income activities have been especially dramatic in these settings. So has the expansion of urban settlement in the surrounding regions of each city. In both cities, state-led initiatives to create new industrial clusters around business parks have helped galvanize a much wider process of expanding suburban settlement.

In India, these developments are expanding into regions of often dense networks of agricultural villages and farms. Rural smallholders retain property rights to most of the land, and restrictions from land reforms continue to constrict the accumulation and conversion of agricultural land for development. At the same time, even outside highly developed cities, many rural households—often most—continue to lack access to basic urban infrastructure such as piped water, waste disposal and wastewater disposal. In suburban regions where advanced high-tech clusters have supplanted farms, older agricultural villages have expanded alongside them. Current population and housing statistics and official records do not exist at a small enough scale to enable analysis of the housing patterns that have resulted.

Research by Sellers and Wang draws on high resolution satellite imagery and online real estate listings to describe and analyze the emerging patterns of suburban settlement and housing. The analysis focuses on four similar areas in Bangalore and Pune that underwent a transition from predominantly rural to urbanized land uses from the beginning of the 2000s to 2017. In the two areas of new tech park developments, large scale standardized housing, new schools and commercial developments sprang up rapidly on sparsely settled land. At the same time, the dense informal settlement in older agricultural villages also grew in size. In other rapidly developing zones outside the high tech concentrations, new suburban settlements of detached housing also proliferated alongside expanding village centers.

Property sales information from the leading online real estate listings service, MagicBricks, reveal a high-end market for single-family homes and condominiums in most of these zones. Average listing prices for residential buildings in the top ten percent in these districts range as high as USD1.8 million in the Whitefield area locality of Bangalore, and USD1.7 million in the Amanora Park locality of Pune. These prices, which have prompted investors to open a large Trump-branded condominium property in Pune, are even more striking in comparison with the prices of homes in the immediate vicinity. Prices in the top ten percent in Whitefield and Amanora Park exceed the bottom ten percent by eightfold. In the suburban residential district of South Bangalore/Begur, the average price in the top ten percent ranges over ten times the average in the lowest ten percent, at USD119,000. These disparities at the neighborhood scale are two to two and a half times as large as for an entire U.S. metropolitan region like Los Angeles (Sklarz & Miller, 2017). They range more than twice as high as in similar districts in the traditional industrial city of Coimbatore, or a matched suburban

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residential area of Pune. More comprehensive measures also show higher overall inequality within these areas. Within tightly delimited areas of 8-10 squared kilometers, the Gini coefficients–where zero signifies perfect equality and one expresses maximum inequality–range from 0.36 to 0.38, compared to coefficients up to 40 percent lower in areas with fewer high-end properties.

The disparities within these sites reflect wider patterns that pervade the housing markets of metropolitan Bangalore and Pune. Even the region-wide disparity between the top ten percent and the bottom ten percent of property prices in the two urban regions is five to six times as high as in metropolitan Los Angeles. In both Indian urban regions, citywide Gini coefficients of 0.45 and 0.57 point to stark inequalities in residential property markets. In both, the disparities in prices concentrate in the top ten percent of the price distribution. The overwhelming proportion of inequality, especially at the higher end of the price distribution, occurs within neighborhoods rather than between different parts of the urban region. Unequal housing prices are as common among newly developing areas at the edge of the suburban periphery as they are in the older centers of each city.

In Pune, stronger legal restrictions on land accumulation for development and a lower skilled employment structure have contributed to more equal prices at the lower end of the price distribution. Rental prices in Pune are also considerably more equal, with a Gini coefficient of 0.41. But inequality in areas of high tech development has produced a bifurcated residential property market in Pune, and an even higher overall inequality in property prices than in Bangalore. In the industrial city of Coimbatore, by contrast, Gini coefficients for both property sales and rentals remain much lower at 0.31.

Satellite images and online real estate listings offer a new view of the emerging spatial inequality in an India that is increasingly suburban. The patterns this information reveals compound the growing challenges of providing public goods and infrastructure in rapidly expanding urban regions. Land use policy and planning have yet to address the challenges of these new zones emerging between the city and

the rural countryside. Plans and policies to support suburbanization must address the conflicting interests of disparate, disconnected neighborhoods and villages that continue to develop alongside each other. Bringing rural residents of urbanizing regions into the governance of these areas, as a few cases of developments initiated by farmers suggest (Balakrishnan, 2013), may offer the best hope for overcoming these challenges.

Unequal living conditions are now a fact of life in the rapidly developing zones around Indian cities where the high-tech boom has centered. Future development initiatives, improved infrastructure and rising land prices may eventually give rise to more uniformly affluent suburbs similar to many communities in the United States. For this to occur would require lower income residents who still comprise a major portion of the local workforce to move elsewhere. Such a shift would replace the current unequal conditions within suburbs with economic segregation between them.

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