In the Shadows of the State: How Rent Shape Our Cities

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My work is centred around how cities are constituted by rent. We know enough of how capital and labour make cities. But we don't really know where to place rent in all of this. But if we do want to understand urbanisation in the global south, I argue that rent is central. To do this, I look at a peculiar form of urban villages in Delhi. In 1950s, in the bid to create a modern postcolonial city, and along with it, modern citizens, the Delhi Development Authority (DDA), a statutory body created in 1957, passed an order to acquire 34,070 acres of land under section 4 of Land Acquisition Act on 13 November 1959, in preparation for the Delhi Master Plan. Most of these villages happened to be Jat and Gujjar dominated villages lying on the southern side of the city precincts. Currently, there are some 135 such urban villages or lal dora villages dotting the urban landscape of Delhi. The reasons for not acquiring the village settlement in such a curious fashion are not very clear. A fair guess suggests that this strategy speeded up and cheapened the process of acquisition. In their grandiose scheme of wanting to create an urban revolution through a regional plan, the planning authorities could not be too bothered about the question of these newly created 'urban villages'. It would be decades before the urban authorities begin to get haunted by these unruly spaces, now no longer tamable by law. Urban villages ironically are a by-product of Delhi Master Plan 1962, the modern, regional plan that was supposed to end all woes of the city. At any rate, these villages remain as oddities amidst the vast landscape of upmarket residential colonies, shopping complexes, malls and flyovers. I look at two Jat dominated villages in my work- Munirka and Shahpur Jat, and their transformation as New Delhi continues to grow around them, unabated. In early years of 1960s and 1970s, these villagers try their hand at enterprises like construction and transport and other ancillary businesses whose demands were fuelled by the city. The state, also unsure of what to do with these villages, put them under a building bye-law exemption in 1963. Since they were villages that predated the Master Plan, they were not expected to abide by the building bye-laws. The exemptions therefore, were easy ways through which the state could declare the villages as 'exceptions' and therefore, forget about them.

But by 1990s, we see a real estate boom overtaking these villages. All businesses converge into reshaping their village homes to accommodate different kinds of migrants. Munirka begins to absorb young migrant precariat workers and students who come to the city to try their lucks. They needed low income housing, which resembled middle class aspirational living. As a result, the built form that begins to dominate Munirka are these 'one room sets'- a roughly 8x8 feet living space complete with a kitchen and a bathroom for renting out to the migrants. Shahpur Jat begins to emerge as a space for garment manufacture. From stitching, to dyeing to embroidery, much of the garment work happens out of small hovels in Shahpur Jat. By 2000s however, the edges of the village has started getting gentrified into designer studios, curio and lifestyle stores. But the dominant form of built structures here are the 'addas'- independent units with 6–8 workers for garment manufacture[1], who work on embroidery frames all day, and at night, lift them up, to roll down their mattresses propped up along the walls and sleep.

In illustrating how rent as another entity that shapes urban forms, rent appears as a vital, pulsating form that moves in the capillaries of cities. As much as rent shapes global capital and city spaces, rent also gets shaped by them. Rent and capital have overlapping trajectories, where 'rent appears as profit, profit masquerading as rent.'[2] Kalyan Sanyal too shows how postcolonial capitalism integrates capital and non-capital in a way that it ceases to be a narrative of transition.[3] Both rent and capital are extractive, they both work in conjunction with each other and create cities that thrive on their violence. Both rent and capital are extractive, they both work in conjunction with each other and create cities that thrive on their violence. But they are also deeply divergent in many ways. Capital and rent together, through their flows and frictions[4] constitute spaces and sociabilities that together go on to make these city-spaces.

Simply put, Rent is an expression of possession. If rent in this context is defined by possession, how does then these urban villages owned by landlords find their space in the political economy of a global city? As an expression of 'possession', rent, in this case, goes against the very ethos of speculation, that is at the heart of financialisation today. Nowhere is this opposition more apparent than with respect to urbanisation. On one hand, financialisation has gone on to convert land to real estate, but land still continues to hold emotive value. In the age of quick selling and buying, here is a community- the Jats in this case, which steadfastly holds on to its belonging- the village homestead land. As the homestead land, marked off by a red line(lal dora) from the revenue generating agricultural land, becomes the source of its income and livelihood by renting property, but ownership of land also remains the basis of their community pride and belongingness. When these villages are left out of the acquisition plan and are

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[1] The Delhi Master Plan 1962 designated manufacturing zones in the city but did not designate living spaces for the same working class supposed to work in those manufacturing units. Therefore, slums continued to remain and so did the colonial obsession over 'congestion' and consequently slum clearance. Also, industrial zoning as a strategy failed because as industries never stopped proliferating in non-designated areas of Delhi partly out of lack of requisite infrastructure or partly out of infeasibility. See Awadhendra Sharan, *In the City, Out of Place*, 211.

[2] Ranabir Samaddar, Karl Marx in the Postcolonial Age, 69.

[3] Kalyan Sanyal, *Rethinking Capitalist Development: Primitive Accumulation, Governmentality and Post-Colonial Capitalism* (New Delhi: Routledge, 2007).

[4] I would like to invoke Anna Tsing's formulation of the term 'Friction' to understand global connectedness. Writing against the grain of understanding global connectedness through the metaphor of 'flows', Tsing speaks of looking at 'frictions', the uneven and awkward links that go on to constitute global commodity chains. Anna Tsing, *Friction: An Ethnography of Global Connection* (New Jersey: Princeton University Press, 2005).

not uprooted from their village lands, their older notions of hierarchies and possessions enter the urban frame marching into the age of neoliberalism. As a result, we see the emergence of a rent market in the post - liberalisation era, but one that is governed by community control. Locating urban villages within the flows of capital and spatial transformation, we also see how seemingly premodern associational bonds of kinship, *kunba*, *bhaichara* and panchayats transform in response to village land transforming into real estate. This real estate market emerges as a shadow economy, but controlled through the language of community. And rent- the fact that the Jats own these villages have allowed these real estate markets to emerge.

The Panchayat as a Cartel

Partly because the state was not concerned about the villages, and partly because of the villagers' reluctance in approaching formal institutions, it was the caste panchayats[5] of the village which mediated several of the ensuing conflicts between different landlords. But these panchayats never moved towards formal recognition as having been brought into the urban fold, these villages had formally come under Municipal Corporation of Delhi. But by the 1990s, the village caste panchayat began to feel the need for some legal recognition as well. It became clear that the panchayat, which had been a local and informal body so far, had to grow beyond its traditional limits and engage with state institutions. In 1997, Rajender Singh Tokas, Pradhan of the Munirka Panchayat, took the initiative to register the Resident Welfare Association (RWA) with himself as the new chairperson. The RWA was supposed to be a new institution, but it continued as an extension of the panchayat. Informality allowed the panchayats of these urban villages to transform and transmute in ways different from panchayats elsewhere. As an RWA, the organisation became visible in the public sphere of the city. But at the same time, its continued its double life as the informal panchayat that allowed it to do just the opposite— to remain invisible from the eyes of the state.

A 'one-room set' in Munirka started being rented out for around Rs. 2000-2500 in the early 2000s. Currently, they vary between Rs. 6000-7500. Though attempts towards gentrification are not unknown, most landlords refuse to spend money on the upkeep of these properties. But despite being run down, they remain highly in demand. Given that these rental spaces are targeted at the precariat working class and young students, the rent rates have been relatively stable. This is understandable because rent hikes beyond a point would drive these tenants outside the village. Manoj, an autorickshaw driver, has been living in the same one-room set for the last four years

[5] At no point, should these panchayats be equated with the formal village panchayati raj system that was formalised through the 73rd Amendment. These are caste based, hierarchichal panchayats which have had a social legitimacy since pre-colonial times in this region.

with his wife and their eight-year-old son. I had gone to see him on his off-duty day. Located in a regular multistoried building, his one-room set, on the second floor, unusually had a balcony. However, the balcony was completely blocked off by another building. There was no possibility of even a sliver of sunlight entering the house. The one-room set was methodically organised to contain the basic necessities of a family of three. A fridge right next to the door and a bed jammed against the wall left a narrow passage for one to access both the balcony and the kitchen on either end of the room. A shelf next to the table had neatly arranged photos of deities and older family members as well as the child's books. A small folding table that almost blocked the entrance to the kitchen held the child's school bag and a few books. Manoj's rent had been stable at Rs. 5500 for three years and then hiked to Rs. 6500 the previous year. But more than the rent, it is the electricity bill that pinches him. At an arbitrary rate of Rs 9 per unit, it comes close to Rs 1200 a month. Apart from this, water charges are an additional Rs 200 a month, and then there is the expense to keep the common areas clean. Landlords including Manoj's never show electricity bills, even to be used as address proof, because that would reveal the amount they pay. At the time of vacating the premises, it is common for landlords to cite fictitious damages so that they do not have to not return the security deposit they receive from the tenant at the time of renting. When the situation escalates, landlords have been accused of confiscating belongings as well. The presence of a cartel means that the norms that govern such negotiations are managed efficiently, and certain practices are normalised due to the landlords' monopolised control over cheap housing. It would not be too misplaced to argue that rent markets across major cities in India require some form of cartelisation or other.

Eventually, panchayats/RWAs in these urban villages emerge as economic cartels or as associations of landlords. Cartels are the final stage of development of monopoly capital which is possible only after a high degree of centralisation.[6] As the 'one-room sets' begin to proliferate through the village as units for renting out, the property units also begin to lend themselves to a high degree of standardisation. Cartelisation works best in such a case as it is a market of uniform one-room sets, with little distinction. The panchayats or RWAs are, in effect, associations of individual actors who need a platform to create a monopoly, to be able to control the market. The emergence of this kind of a panchayat/RWA can be traced back to the competition that was unleashed by increasing land values which had to be replaced by some semblance of solidarity among the villagers.

The *Kunba* as the Joint Stock Company

While the workshops which run inside the belly of Shahpur Jat resemble ill-maintained, standard, airless coupes, the ushering in of fancy boutiques has changed the landscape significantly. Unlike in the case of Munirka, in Shahpur Jat, gentrification has fragmented

[6] Paul M. Sweezy, *The Theory of Capitalist Development: Principles of Marxian Political Economy* (New York, London: Modern Reader Paperbacks, 1968), 262-265.

the land market. Indeed in Shahpur Jat, it pays to gentrify your property. But then, it is not enough to just gentrify your own. Stretches of the village have to gentrify together to be able to make a dent in the property market. The curation of these lanes, therefore, becomes a collective effort of a different sort. In this case, extended families organised through the kinship group of the *kunba*, which are spatially organised, have been found to be most effective. *Kunbas* are central to the social capital of most Jat villages. Usually, bigger and well-knit *kunbas* are a function of wealthy and influential families. And much of the social capital is exhibited and performed through the *kunba* itself, by staying together. In this case, the *kunba* becomes that social institution which organically begins to organise the gentrification efforts of their collective property.

Chaudhary Balliram, a powerful landlord from Shahpur Jat, reconstructed his large homestead to build havelis for his five sons probably around the 1970s. Today, his sons and grandsons are owners of this stretch of property. The older havelis have been slowly broken down to make multistoried buildings for renting out to fashion boutiques. Though their endeavours were individual to begin with, at some point, the family realised that collective upkeep of their property would fetch them far higher rent. Lalita, mentioned in the previous chapter, is a daughter-in-law of this family. Her husband had first started to rent part of their property to a leather factory coming up in their premises. She vividly remembers how many in the family looked down upon them. After her husband's premature death in an accident in the year 1998, she took on the mantle and began to handle the rental business. She speaks of her struggle, and her determination to make the business work all by herself before other members of the family also joined the bandwagon. Soon, the five havelis, which had a private back lane running between the houses, began to realise the potential the rental market held. The havelis were quickly torn down and new modern buildings erected; this time, the buildings faced inwards, and the private lane that ran between the houses became a major commercial lane in the village. However, it continues to be a 'private road' which is governed by private rules. Money has been poured into the upkeep of the lane by the family, by either paving it or installing stylish street lamps to make it look more exclusive. As a result, this familial property fetches a far higher rent than any other in the village proving to be a rather profitable investment for the family.

Shahpur Jat's increasing reputation in the high-end fashion clientele has also added to the swelling fame of this private lane. It is today a conglomerate of over a hundred stakeholders. Keeping the family together is not easy. Mired in jealousies, ego clashes and conflicts, these *kunbas* seem fragile at times. Two young grandsons of Chaudhary Balliram, after having experimented with different kinds of businesses, have now come around to managing their collective property. They speak of having worked hard to bring a somewhat fragmented and quarrelling family together by making people talk to each other. They organised family lunches, dinners and even parties for cousins to be able to bond with each other. Initially, these meet-ups would end up in brawls and arguments, but slowly, everyone began to come around. Despite all the internal fractures, as an economic unit, the *kunba* is working quite successfully. Investments for upgradation of their property are collectively made. They make it a point to present a collective face to outsiders. The family makes joint contributions to social functions and festivals to appear as a single institution.

In many ways, the *kunba* thus works like a joint-stock company. It has different stakeholders with varying degrees of ownership coming together to form a corporate identity. A joint-stock company, by being consolidated through stocks and shares, is able to bring together a significantly diverse and anonymous body of stakeholders together. The joint stock company becomes akin to a 'legal person'. The stakeholders are also a transient body of people with stocks and shares being constantly bought and sold. In the case of the village, however, the *kunba* form controls the profile of the stakeholders. The joint-stock company model seems to have been appropriated and adapted to work for this mode of vernacular form of capitalism. Ownership in rent-seeking stakes, though professionalised, becomes the mode of accumulation. The *kunba* adopts and closely resembles the form of a joint-stock company in order to function as an economic unit so that it can generate profits for all stakeholders. But unlike a regular joint-stock company, control over membership is crucial.

Matters of Money, Instruments of Finance

A vernacular form of capitalism in a localised economy is not possible only through control over property. The control that the *kunba* and the panchayat exert has to be replicated within these networks of investments as well. As more and more people could begin to convert their houses into rental property, the popularity of this method of both borrowing and investing exploded. Their money runs through these wiry, sinewy capillaries of local credit networks. This form of accumulation here is operationalised through control- of money, and of resources.However small or vernacular, no economy can run without control over channels of money. As Chapter 2 indicates, traditional methods of buying land together such as army men pooling in money, or conventional forms of moneylending were the edifice of the credit networks of such an economy. The period of land acquisition provided a further fillip to this form of business because it immediately pumped liquid cash into the economy for circulation. The sudden boom in investments in real estate in the 1990s also created a demand for the flow of credit. Although credit or demand for credit was nothing new, the 1990s ensured a scramble for both land and liquid cash for construction purposes; the volume of people looking for both was also much larger than before. The availability of liquid cash and its circulation became crucial for the economy at this point. So crucial that older methods of moneylending could no longer be sufficient. Forms of lending and borrowing thus underwent innovations to keep pace with the market.

In the absence of clear titles, home loans from banks were out of the question. The property boom in the 1990s, which pushed everyone to get involved in the construction business, required unprecedented access to/demand for flow of money in the local economy. Additionally, the brand new rent economy, most of which is based on liquid cash, needed a local circuit where such money could also be re-invested. The rent economy therefore closed the circuit neatly with local finance. The absence of the involvement of the state, or of formal banking options in these villages, made it even more possible for these communities to come together and create their channels. Despite countless stories of people losing money or being betrayed by fellow villagers, circles of trust have begun to emerge with overlapping circuits of cash moving across these channels.

The vernacular form of capitalism focused on rent, however, is based on its very difference from the world of speculative capital. The essential difference that I am trying to highlight here is between that of 'finance' and 'money'. Finance runs on the principle of fictitious capital and speculation and straddles both the world of stock markets as well as the world of *sattas* and Ponzi schemes which go bust. Finance inhabits the heady world of risk, where risk-taking becomes the symbol of one's manliness.[7] However, 'risk' that has become synonymous with capital accumulation,[8] seems relatively absent in the rent economy. Indeed, unlike other businesses which require business acumen and the ability to run risks, the business of renting out property is fuelled by demand with close to zero risk.[9] RWAs also work at mitigating the risks that come with *kabza*. This is possible because the economy is structured through 'money'. Money retains control within networks through which hard cash flows. 'Money', unlike finance, does not grow by loosening ownership, by quick buying and selling. 'Money' grows by keeping it contained within dense networks of trusted people. This form of circulation of money runs entirely in hard cash and leaves no room for fictitious, speculative capital. The logic of how this money grows is sharply different from that of speculative capital. I would now go on to discuss the two major forms in which 'money' proliferates within these localised channels- committees and *financing.* It is not a coincidence that both these terms are English words but do not necessarily correspond to the meanings these words convey in the English speaking world.

a) **Committees:** Committees or 'kametis' as they are called, are not unique to these villages, nor are they a recent innovation. Committees have been fairly popular all across northern India, in small towns and big cities as local means of investing money over generations. They have also been popular with women as a mode of

[7]Imre Szeman, 'Entrepreneurship as a New Common Sense,' *South Atlantic Quarterly* 114, no 3(2015)

[8] Geeta Patel, 'Risky Subjects: Insurance, Sexuality, and Capital,' *Social Text* 24, No. 4(89) (2006).

[9] This is precisely the reason why real estate business has been badly hit by the financial crisis, this kind of business, outside the logic of finance capital has been undeterred.

investment. Chapter 2 discusses how Jats would often pool resources together to buy land together as *Chak*. The ones in the army often pooled money as well to send money home to buy land, cattle or even repair houses. A form of collective investments, by way of buying land or even pooling money, therefore, had been well in place. But they have slowly evolved as a self-sufficient mode of investment today.

It is ironical that an entirely unregulated financial economy has been functional for the last few decades, and yet there is little clarity about the expanse of this economy. Committees are run by individuals or 'organisers' who organise people in groups, pooling equal sums of money from members of the groups.[10] There are numerous instances of committee organisers having taken off with the money that had been collected or refusing to shell out the money for the purpose for which it was collected. However, that has not deterred this form of investment.

Committees today, are mostly diverse groups, wherein some individuals might not even know each other; however, everyone is known to the organiser in some way or the other as the group comes into being at the discretion of the organiser. The credibility of the organiser as a trustworthy person with significant stakes in the local economy is key to the formation of the committee. Committees of different sizes exist. There are scores of small committees run by professional organisers which pool in a few thousand rupees each month from each member. These smaller ones are popular with working-class people, people running minor businesses or individuals in small-time jobs who pool their savings in these networks. Many people who earn in cash, and are uncomfortable with bank accounts, also gravitate towards these kinds of smaller committees. There are also, however, committees which have individual contributions of several lakhs from each member; these are usually maintained among a very closed group of trusted friends or relatives to establish a bigger pool of liquid cash. As these committees are not registered, and the money that circulates within them is only internally managed, they do not follow the rules that formally recognised methods of

[10] Committees are a variation of chit funds, but qualitatively different from them. Solomon Benjamin in his analysis discusses what makes Committees more popular than chit funds in such economies. Chit funds are a formally recognised form of investment which bring them under the purview of a number of governmental checks and balances including taxation.[10]Committees, though run on the same principles, on the other hand, are mostly informal. Committees are mostly run among a group of twenty people, for an average duration of 10 months through an 'organiser' who organises the committee. So if the Committee is for 20 lakhs, every member is expected to pool in 10,000 rupees in the first month. The members meet on a particular date and time which is predecided every month and people call for a 'bid' or a 'boli'. There is an upper limit to the *boli* or bid which is mostly 40% of the pool's collection. So as first month creates a pool of Rs. 2 Lakhs, a bid for upto Rs. 80,000 can be made in that month. The bid or the *boli* is always on the basis of the deductions that the bidder is willing to take. So for example, Bidder A can bid that she would be willing to take a hit (technically called a discount in chit funds) of Rs. 20,000 for a bid for Rs. 80,000, which means that A will get to borrow only 60,000 while the Rs.20000 gets distributed amongst all the nineteen members, which means every member gets Rs. 1052 as a part of the interest. In case of multiple contenders for a bid, the person who is willing to take a bigger hit wins the bid. The organiser gets to claim the entire bid of the second round as remuneration. It continues in the same cycle for 10 months when the committee is dissolved and the money in the pool is equally distributed among all the members.

investments do, and also do not fall within the purview of taxation. As a fieldworker, I could only get a sense of the thick networks of committees that criss-crossed these villages and even beyond.

Committees in this context seem to be rather an effective form of investing money. For people who are involved in frequent and rapid transactions, it they are particularly crucial. For more safe players, it is a good investment, as even without making a bid one can end up with a significant amount of interest earned out of simply pooling their money with that of others. Though this form of finance and credit is not regulated by the government, unlike the chit fund, it has its internal mechanisms of ensuring compliance. It works like a pool whereby keeping a certain amount of money gives one access to a larger sum of money at short notice, without much bureaucratic hassle while continuing to earn interest and not being taxed for it. These unregulated financial schemes are often hugely popular among the weaker sections of society, which also makes them susceptible to the possibility of fraud and irregularities.[11] In the urban villages though, this is only partially true. While small business people and migrant workers also invest in committees, the committees of the rich and landed, with much larger sums of money are organised within really thick and close networks of kinship and are often tightly closed.

When land acquisition started, which immediately increased the circulation of money in the local economy, more and more villagers became moneylenders, sometimes to each other and sometimes to their tenants. The scramble around the 1990s, which sent everyone into a tizzy to build, seems to have been the moment when moneylending began to become more organised.[12] *Financing,* therefore, emerged as a locally evolved form of moneylending. This *financing* has little to do with the global financial economy fuelled by speculation; it runs on hard cash. With the changes in the economy, the moneylending business had to become more dynamic, allowing liquid capital to flow much faster in the local economy than ever before. *Financing,* as it is colloquially referred to, started working with the idea of 'daily collections': instead of waiting for interest to be paid along with the principal amount at the end of the loan period like in a standard moneylending business, the interest and the principal amount are broken up into a daily amount and then collected every day. This way, the financier has more liquid cash to keep in circulation. This transition of moneylending into *financing* makes evident how sharp and fast the flow of money needed to be in the context of an emerging rent economy in the villages after the 1990s. Second, this new

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[11] Dinesh Unnikrishnan, 'Regulations yet to Catch up with India's Illegal Chit Fund Industry,' *Livemint*, May 24, 2016.

[12] If David Graeber's thesis has to be taken seriously, of debt being the primary driver of economy and not really exchange, the historical relationship that Jats have had with moneylending as a form is important. See *David Graeber, Debt: The First 5000 Years*.

form of providing credit also allowed scope for profit, leading moneylending to emerge as a full-fledged profession for many, rather than something that they did on the side.

At the time he was looking to reconstruct his house in the late 1990s, Beenu says that he had enough money to build only one storey. A '*gaon ke chacha'* (an uncle from the village) told him that if Beenu wished to build five storeys, he could lend him money for him to do so at 2 per cent interest. He claims that he was charged a nominal interest because he had been nice to people, and so, people were nice to him in return. But then why charge interest at all? I asked. He explained, 'You see, if one takes a loan to tide over a personal crisis like a wedding or sickness, it is one thing. But if one is borrowing money to build a house for business, it only makes sense that the lender also earns some interest on it.' The logic was infallible. If rent needs to be kept within local networks, then it is equally important to create networks for financing that are controlled locally. And it is only fair to share those profits. Only much later did someone else tell me that Beenu was a financier himself.

As we have seen in Chapter 2, Raman Tokas and his brother from Munirka also shut down their transport business and diverted their investments into rental property. Together, they owned 12-13 buildings in 2014. Another builder from Neb Sarai, who was trying to make inroads into Munirka's construction business, alleged that Raman Tokas forced him to sell three flats to Raman Tokas in a building that he had constructed on a local's property. Raman Tokas, I was told, was also involved in the financing business in the village, but predictably, he denied it. In my naivete, I had put the question to him rather bluntly, which made him defensive. He claimed that the finance company was a registered one and that he had shut it down a long time back. '*Woh koi kam nahi hota. Woh toh chor bazaari hai. Usme toh har sham ko dukandaron ke paas paise mangne ka kaam hai. Ladke lagte hain ki, paise de varna maar denge*.'[13] *Financing* of this kind is mostly carried out by individuals informally. The 'financing companies' are few. The first time I heard the term 'leasing company', was from Bahadur Singh Panwar in Shahpur Jat.[14] Through his company, he has lent money to shopkeepers in Lajpat Nagar, Kalkaji, Defence colony and Shahpur Jat. His father's cement shop still exists which now practically functions as his office and probably as a front. However, he has diversified mainly into financing.

As mentioned at the beginning of this chapter, the difference between Money and Finance is a crucial one. They grow in different directions and in different circuits, both of which plug back into the global capital in different ways. The circuits of 'money', in this case, ordered through *committees* and *financing*, do not subsume themselves into the channels of high finance and yet maintain their stakes in global capital. Institutions

[13] "That isn't work. That's ….. The work is that of going to shopkeepers every evening to ask for money. It requires men. Give me money or I will hit you."

[14] Though there are a few registered finance company, it does not mean that everytime someone says finance company or leasing company, they really mean a company. Many a times the use of the term 'company' is merely colloquial.

like the World Bank have frequently suggested giving people property rights which would immediately allow people to release money through mortgages.[15] What these institutions fail to understand is that the need for property rights in the global south is not linked to unlocking value through mortgages. There does exist a somewhat practical and effective way of unlocking value through circuits of money. But this relationship between the world of finance and the world of money is a tenuous one.

On 8 November 2016, the Government of India banned all Rs. 100 and Rs. 500 banknotes on the grounds that those were the most counterfeited banknotes in the country. Given that around 86 per cent of the bulk of currency in circulation was in Rs. 100 and Rs. 500 banknotes, demonetisation created a massive crunch in the shadow economies that ran on circuits of money. Demonetisation was supposed to be the blitzkrieg that would kill these shadow economies and plug the money back in formal channels, but that was far from what happened. Though demonetisation adversely affected the entire chain of economy, they tottered back into action in time. If regularisation has been an attempt to make their spaces legible, demonetisation was an attempt of making their money legible. However, demonetisation failed massively across the country and regularisation, as we have seen already, has not yet yielded fruit in the case of the villages.

Rent, Control and Security

Control is essential to a rent economy. But control manifests differently in the two villages that we are looking at. While Munirka works in a somewhat subliminal housing market, Shahpur Jat rests at the fag-end of the global garment industry. Trying hard to gentrify, and appeal to a clientele composed of upper-class Delhi elite, the villagers in Shahpur Jat are a different deal. There is a very strong attempt by the younger generation here to break out of the image that their grandfathers are associated with. 'Once my grandfather had slapped a guy found kissing someone in the lane.' Brajesh, one of the stakeholders of Balliram Lane in Shahpur Jat, laughs and tells me, as if to imply his disassociation from his grandfather. The landlords here are overeager to please their tenants. And coming across as 'polished' and 'well mannered' is the least they can do to keep the control in their hands.

The nature of security has also changed its contours. The lane would earlier be the common space for the elderly members of the village to spend time and also keep a watch over their properties, and look out for trespassers or other unwanted characters. Now the lanes are monitored by professional private guards. The social control that has loosened up towards the village's high-profile tenants has moved elsewhere. The Bengali Muslim *karigars* who live and work in the depths of the village remain invisiblised in every sense of the term. Clanking away at their sewing machines or peering into the *adda* frames with their needles, their presence is mostly borne by the

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[15] Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2003).

presence of innumerable handwritten posters announcing the requirement of *karigars* in Bangla. The fact that they blend into the environment so unobtrusively strikes one as odd if one knows a little about the spaces of industrial labour in the city. Not too far away from Shahpur Jat, Okhla, an industrial area with its dirt and grime, smoke and noise, simmers with labour unrest and strikes.[16] But the working class seems curiously docile in Shahpur Jat. The landlords not only make sure that the property is well maintained and looked after, but they also take care of municipal problems, local disturbances and even labour unrest. Women fashion designers often do not mind paying higher rent to landlords for the 'safety' that some landlords ensure from their male *karigars*. The landlords may not be slapping visitors any more, but most landlords also double up as that male authority figure to ensure that the labour is well-behaved. The value of a 'good landlord' often translates into values of property as well.

As the landlords of Shahpur Jat realise this, they probably feel the need to be pliant towards high commerce. Unlike Munirka, which has developed a fair amount of confidence in renting to a particular class, Shahpur Jat is in the throes of gentrification and knows it can get more rent if it plays its card right. 'Getting a bad name' is the last thing they would want. The logic of accumulation demands that Shahpur Jat present itself as a safe, secure and a well-curated space with an 'edge' that only Shahpur Jat can provide. However, one must also keep in mind that whenever tenants have wanted to exert pressure collectively, the structure of control otherwise kept muted, shows up in full ferocity.

The families that are able to collectively invest in property understandably have a far higher control over their tenants. They have been able to establish rules that their tenants are expected to follow. 'We see to it that the tenants do not get united,' one of them told me. Even the RWAs which are struggling to gentrify their properties collectively, dither from including commercial tenants as members despite the latter's willingness. Historically, the villagers know what collectivities can do. Their tenants organising themselves thus, is the last thing they want.

Rent and the Place of Vernacular Capitalism

The hallmark of these localised institutions, be it the RWA, panchayat or the *kunbas* is that they are elastic. They sometimes work as a village development committee, or an organisation of landlords, as an organisation of struggling entrepreneurs and other such formations, depending on what the need is. The RWA form comes across as exceptionally flexible. In the garb of a civic association, it can take up the form of both a cartel and a joint-stock company when need demands. Their strength lies in this elasticity. The RWA, *Kunba* and the Panchayat, may not make up the totality of

[16] Sunalini Kumar, 'Chronicles of a Death Untold: The Lethal Geographies of Delhi's Peripheries,' *in* Aditya Nigam, Nivedita Menon and Sanjay Palshikar ed. *Critical Studies in Politics*: *Exploring Sites, Selves and Power* (New Delhi: Orient Blackswan, 2013).

vernacular institutions that exist in these localities, but they effectively represent locally mutated formations within the city. Working on the premise that economic transactions are fundamentally social interactions, these institutions of vernacular capitalism go beyond markets and firms to domains of intimate spaces, families, kinship and communities to understand the nature of constitution of the two. Thus, kinship and family networks in the context of emerging rent economies become the basis of forging new kinds of economic relations with others.

In effect, what the OPEC makes possible at the level of controlling an international market of crude oil, the Jat landlords do in the case of the housing market with these vernacular institutions. While discussing Venezuela as an oil-producing state, Fernando Coronil argues that in societies where revenues derive predominantly from rent, the dominant tendency of maximising rent and increasing access to rent's distribution is different from an economy based on the logic of production.[17] In the case of our urban villages, this maximisation and increased access to rent is made possible through the community networks.

But these economic relations do not float in a vacuum. These new economic relations are a part of the city's neoliberal economy. These unregulated spaces, that have emerged as spaces of manufacture as well as living spaces for the precariat working class of the city, are crucial to both the state and neoliberal capital. Urban villages are not the only spaces to offer such possibilities. Several residential colonies that house unregistered factories, with poor infrastructure, and no safety regulations have constantly been in the news for being a death-trap for workers.[18] Thus, in this book, I do not examine urban villages as an exception in terms of housing these informal factories. The purpose of this work is to highlight the peculiar ways in which a village uses its existing kinship and social organisation to tap into the works of the global capital, riding on the back of human precarity.

Rent is defined essentially by control that comes from ownership and possession. Capital, on the other hand, is defined through devising ingenious ways of multiplying it, even if it means fragmenting ownership. Stocks and shares and similar financial instruments are ways of making ownership extremely tenuous and fluid, which contributes to erratic and heady market fluctuations. In the case of rent,

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[17] Fernando Coronil, *The Magical State*: Nature, Money and Modernity in Venezuela (Chicago: University of Chicago Press, 1997), 32.

[18] The Anaj Mandi fire, which broke out in December 2019 in an unregistered bag factory killed 43 workers and injured close to 100 who were sleeping inside spoke volumes of the precarious conditions in which the working class both lives and works. Many of those injured or killed were said to be between 15 to 20 years of age. Anaj Mandi, though a residential area on paper, has been known for narrow lanes dotted with scores of similar small scale factories. 'Lethal Misgovernance: On Anaj Mandi Fire Tragedy', *Hindu*, December 10, 2019.https://www.thehindu.com/opinion/editorial/lethal-misgovernance/article30259827.ece, Also 'Rise in Rage Against Massive Factory, Fire in Anaj Mandi, New Delhi', Release by Kratikari Naujawan Sabha. This case of anaj mandi appears in chapter 3 as well I think.

ownership, and control over the resource becomes the defining feature, and in the case of the urban villages, as we have seen, this control has to be communally charged.

Clearly, capital and rent have overlapping realities which then become difficult to segregate at times. But if we were to subsume our understanding of rent within that of capital or dismiss rent as being unproductive, we would be unable to grasp the essential ways in which power works here, and how these economic associations work. The reason this economy is so closely guarded by the locals is because of the power that rent extraction gives them as a community. That control, the villagers know very well, will not be possible in the realm of finance capital. It is only possible in the shadows of the state and law. Thus though these economies work in close tandem with the global economy, the distinction between the two is vital. Rent is after all crucial for their very social existence.

The village 'cartels' and 'joint-stock companies' that we have looked at might appear as fractured and contested at times. The collective interest in the market allows social capital to intervene in ways where autochthony, kinship, belongingness can mutate with market forms to create effective market control. It might be fruitful to understand them as a flexible form, but one that is here to stay, which can legitimately be studied as a form of capitalism. I would also not suggest that we see these communities as fixed, ahistorical entities, but rather understand their formations and transformations as profoundly modern and flexible to adapt to the market. What is clear then is that capital then is not the only force that radically transforms our landscape.