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Actors and shifting scales of urban governance in India

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I. Introduction

Although India is not usually considered an urbanized society—31% of the population reside in town or cities according to the latest census conducted in 2011—, in absolute terms its urban population is massive, more than 375 million people. Moreover, some of the world's largest cities are located in India. Regarding megacities *stricto sensu*, i.e., agglomerations with at least 10 million inhabitants, the UN counted five in 2016: Delhi, Mumbai, Kolkata, Bengaluru and Chennai (UN 2016: 4).¹ By 2030, it is estimated that Hyderabad and Ahmedabad will join their ranks (ibid). The number of metropolitan cities, i.e., those with a population of at least one million, has also increased rapidly, from 35 in 2001 to 53 in 2011, when they were home to 42% of India's total urban population.

Rapid urbanisation raises numerous challenges, not only practical, related to the colossal material needs of residents in terms of housing and basic services, but also political, ensuring citizenship rights and a semblance of social and spatial justice in a context where many city dwellers are daily wage earners. It is estimated that as many as 75% of urban residents live on less than 2USD per day, a stark reminder of the extreme inequalities that characterize city life in India (MGI 2010). Unprecedented rates of physical expansion of built-up area, fierce competition over land use and resources are factors that increase risks of social exclusion and environmental degradation. At the same time, large cities in India emerged in the 1990s and 2000s as powerful engines of economic growth and privileged sites of interaction with globalisation processes. Megacities host thriving service sector industries, such as IT engineering, business process outsourcing (BPO), management consultancy, banking and financial services, accompanied by booming real estate markets catering to demand for housing and commerce, all of which have attracted domestic and international investors. Public policies have started to reflect this enhanced relative importance of cities in the economy and are contributing to reshaping governance arrangements on the ground.

These recent changes are especially significant in light of the fact that India's cities were relatively neglected from a policy standpoint until the 1990s. Indeed, since independence, they have not enjoyed the same electoral clout as rural areas, where two-thirds of the population live. Beyond this strict calculation of electoral strength, cities did not command the same symbolic importance as villages in the national narrative—as a representation of the nation—that emerged in the immediate post-independence period (Prakash 2002). They also did not occupy a strategic place in the development model, centred on Soviet-style industrialisation. Scholars have argued that dismally low public investments in urban housing and transport infrastructure were a deliberate policy to discourage would-be migrants from the countryside (Menon 1997). Local governments in towns and cities have had from the beginning limited mandates, and insufficient resources or administrative capacity to meet local needs. In this context, it is significant that India's Constitution does not recognize local government as an autonomous 'tier' of government. Rather local government is designated as a 'state subject' in the federal division of labour and state (provincial) governments are in charge of making laws that institute local

¹ Many city names have been de-anglicized in recent years, including Bombay (Mumbai), Calcutta (Kolkata), Bangalore (Bengaluru) and Madras (Chennai).

bodies, define their mandates, and transfer funds.²

In the last 30 years a series of economic and political reforms have directly and indirectly contributed to reconfiguring urban policies and more broadly, representations of the city in development narratives. Structural adjustment reforms adopted in 1991 and the ratification of the 74th amendment aimed at empowering urban local governments in 1993 were especially significant.

Describing and explaining the changing actors and scalar arrangements underpinning urban governance in India's largest cities is the primary aim of this contribution. It will analyse how various factors have combined to impel and shape these developments. In particular, it will shed light on how the increasing importance of metropolitan regions as sites for economic growth and global competitiveness has generated tensions as the interests and aspirations of various social groups collide. In this context, I will examine how various actors seek to leverage urban space to promote economic development or generate rents and the implications for governance. Specific examples will be mobilized to show, for instance, how state agencies use space-based instruments to redefine territorial jurisdictions and create parallel governance mechanisms that bypass elected local bodies. Emerging forms of urban transformation question both local government sovereignty and the scope for social and spatial justice in cities where the urban poor constitute the vast majority of residents.

The rest of the chapter is organized as follows: I first examine how economic and political reforms have contributed to reconfiguring urban politics and governance. The next section unpacks these changes, focusing on rescaling processes that have positioned metropolitan regions as growth engines. The final section discusses the implications of current patterns of urban transformation for social sustainability and urban citizenship more broadly.

II. The impact of reforms on urban politics and governance

A series of reforms adopted in the 1990s were powerful catalysts for change and have shaped contemporary urban landscapes, livelihoods and governance in substantive ways. First, economic reforms put into motion market forces and prompted policies that forged new economic geographies largely in favour of urban areas. As the country's growth became increasingly concentrated in cities,³ they began to be perceived by national and regional governments as strategic assets to be leveraged. Second, reforms designed to decentralize political functions and finances to city governments have had more indirect effects, but have arguably contributed to conferring great legitimacy on them, if not greater powers. Although there are important connections between these economic and political reforms, they are introduced separately here for analytical clarity.

Liberalizing India's economy

In the decades following independence, India's economy was centrally managed, the objective being to empower the state to channel public and private investments to priority sectors in a planned manner. The development model adopted in the 1950s, based on capital-intensive industrialisation and import-substitution, was inspired by the Soviet Union. One of the consequences of this model, made possible through enabling legislation, was to centralize industrial policy-making and specific investment decisions at the *national government level*. *Stricto sensu*, this ran counter to constitutional provisions designating industrial development as a 'state' subject. In the name of national development priorities, the Planning Commission, chaired by the Prime Minister, undertook economic planning in the form of Five Year Plans. It

² The Seventh Schedule of the Constitution outlines the manner in which legislative powers are shared in federal India. It contains three lists: Union (central government), State, and Concurrent, i.e., policy areas under the joint responsibility of the Union and the States.

³ Although manufacturing activities are fairly evenly distributed between rural and urban areas, more technology-intensive goods are mainly produced in urban areas, as are fast-growing export manufactures (63 percent) and IT services (95 percent) (World Bank 2013: 27).

worked closely with the Ministry of Industries, in charge of issuing licenses to private industries for establishing or expanding industrial operations. Importantly, this bureaucratic control over industrial investment, disparagingly called 'licence raj', extended to the physical location of industries. This arrangement curtailed the scope of action of state governments, who were not in a position to develop an autonomous industrial policy for their jurisdictions or make full use of incentives to compete for investments. This situation would change only in the 1990s, and have significant repercussions for the physical transformation of metropolitan areas, as will be discussed.

Starting in the 1980s, Indira Gandhi gradually began to loosen the state's grip on the economy in response to stagnation and political upheaval of the previous decade. She discretely made moves to improve the business climate for private companies, mainly through deregulation (Kohli 1989). More full-throated economic reforms were inaugurated in 1991 in the context of a severe balance of payments crisis. In taking a large loan from the IMF, the Indian government agreed to implement a structural adjustment programme with the usual trappings, including currency devaluation, lowering of import duties, easing of private capital investments. In India's case, a major component of the reform was the dismantling of the centralized management of the economy and industrial licensing in particular. This created space for state governments to attract private investors, including from outside India, who were now largely unrestricted in their choice of location. To address the requirements and demands of investors, state-level economic development agencies increasingly proposed land at subsidized rates, or even land as equity in partnerships, and set about simplifying procedures and providing infrastructure and services. Not surprisingly, this led to a situation where subnational governments were directly competing with each other.

This shift in policy-making prerogatives within India's federal polity has translated into rescaled jurisdictions, as the territorial frame of reference was no longer primarily national but subnational, each state primarily responsible for its territory (Kennedy 2014). This helps explain why liberalisation reforms in conjunction with rapid economic growth have had such a significant and highly visible impact on metropolitan spatial and economic restructuring. Various actors, public and private, domestic and foreign, national and local, are involved in these processes. A comparative study of India's megacities conducted in the mid-2000s highlighted important variations across the country in investment volumes and sources (Shaw and Satish 2007). Measuring cumulative investment between 1995 and 2004, it found that Chennai had the highest total investment in this period followed by Mumbai, with other megacities far behind. For Mumbai, half of total investments came from public-sector sources: central government (23%) and state government (27%), with most of the remainder from Indian private-sector firms (48%). Interestingly, foreign investment represented less than 2% of the total. For Chennai, 70% of total investments were made by the private sector, mostly from foreign sources (46% of total). The only other megacity showing a similarly high percentage of foreign direct investment for the period was Bengaluru (45% of total).

Contrasting Bengaluru and Kolkata, the study classified Bengaluru as a 'gateway' city, attractive to investors, whereas Kolkata, with more than twice the population and an industrial legacy, was seen as playing a catch-up game (Shaw and Satish 2007). Given that new economy activities have primarily driven the growth of urban employment and income in Indian cities, Bengaluru's early specialization in IT gave it an advantage, although other metro regions have since emerged as leading IT centers in their own right, including Greater Delhi, Hyderabad, Pune, and Chennai. In Bengaluru civil society organizations backed by both middle class and corporate interests, have played a more prominent, and arguably supportive, role in urban restructuring whereas Kolkata's political culture is still strongly influenced by decades of communist rule, which explains a weaker role for civil society but also a less confrontational approach with the urban poor in the pursuit of economic growth (Shaw and Satish 2007: 160-1).

Some important take-aways: (i) liberalization has not prevented government agencies from continuing to make productive investments; they remain a critical source of capital in many if

not all states; (ii) despite hype about foreign investment, domestic private investors are by far the more important source of capital; (iii) local political history and economic specialization shape the timing and nature of restructuring and its reception by residents.

As this discussion suggests, emerging economic geographies are the combined result of market forces and strategic interventions of subnational governments, seeking to provide a territorial fix for footloose capital. Many states overtly situate their growth policies in their metropolitan regions as we examine in more detail in section III below.

Empowering the 'third tier' of government - decentralization reforms of the 1990s

In many respects, reforms designed to decentralize political functions and finances have had less tangible effects on urban politics than economic reforms. Most observers agree that the agenda for democratic decentralization embodied in the 74th constitutional amendment did not produce the expected outcomes, having been hijacked by state governments unwilling to empower urban local bodies (ULBs). Notwithstanding, reforms have directly influenced some essential features of how towns and cities are governed. In particular, elected councils are now more diversified than in the past as a result of quotas for women and historically disadvantaged groups.

The same Congress-led national government responsible for opening up the economy to trade and investment introduced legislation designed to empower local bodies in rural and urban areas, respectively the 73rd and 74th amendments. Ratified by Parliament, they came into force in 1993, although with notable regional variations. This is because, as noted above, local administration is under the constitutional purview of state governments, who are in charge of drafting 'conformity' legislation to activate the reforms. To that extent, regional variations reflect the degree of adherence of state governments to the aims of the reform. Equally important is the terrain on which these reforms are implemented, shaped by local histories and political cultures. Some large cities like Mumbai have a long and rich municipal tradition, fulfilling a multitude of functions including managing hospitals, transport systems and the distribution of electricity. Others, like Hyderabad, which served as capital during the Nizam's long rule, had hardly any experience of democratic government and in the period following independence went several long stretches without an elected body.⁴

Thus, at a basic level, the reform sought to strengthen the mandates of municipalities and ensure more durable financial transfers from state governments.⁵ Beyond the standard list of powers and responsibilities, such as provision of drinking water, garbage collection, street lighting, and public health, the amendment sought to expand them to include for instance urban planning, poverty alleviation, and planning for economic development and social justice.⁶ This agenda appears extremely ambitious considering the limited finances of the municipal level, and especially the inadequate technical and administrative capacity. Such functions are usually performed by state government agencies or through central government schemes; indeed, in many large cities even basic functions like water supply are increasingly entrusted to dedicated agencies answering to the state government.

It is important to note that in most large cities, with the notable exception of Kolkata, a municipal commissioner nominated by the state government occupies the top executive position in the municipality, more powerful in many respects than the mayor. This is a legacy of colonial rule that endures despite sustained criticism and calls to institute a mayoral system. It is worth noting that the commissioner and other high-ranking officials in municipal government are drawn from the Indian Administrative Service (IAS), the elite corps of career civil servants.

In order to strengthen municipal finances, the amendment provided for the creation of state-

⁴ Between 1973 and 1986 and between 1991 and 2002.

⁵ The text is available on the government portal: <https://www.india.gov.in/my-government/constitution-india/amendments/constitution-india-seventy-fourth-amendment-act-1992> last accessed 7 February 2019.

⁶ These are listed in the Twelfth Schedule at the end of the amendment under article 243W.

level finance commissions, modeled on the national finance commission, to make recommendations about which revenues to assign to local bodies and how revenues and grants should be shared or allotted. More than twenty years later, though local finances have registered a slight improvement, the fundamental power relationship between municipalities and state governments has not been fundamentally altered; the former remain subordinate and heavily dependent on the latter.

Still, the 74th amendment has left a substantive legacy in the form of more regular elections and more diversified representation on elected councils. The reform sought to increase local participation through various means including the mandatory reservation of one third of all seats for women candidates, as well as seats for caste groups recognized as disadvantaged, i.e., “Other Backward Classes”⁷, according to their weight in the population. These quotas were in addition to those already existing for the historically disadvantaged groups designated as “Scheduled Castes” (former “untouchables”) and “Scheduled Tribes” (aboriginal groups).

To bring government closer to the people the 74th amendment prescribed the formation of wards committees in all cities with a population greater than 300,000. The aim, *a minima*, was to ensure that elected representatives of the ward (constituency) met regularly with municipal officers to monitor public works or address any other local issues. This provision has been very unevenly implemented; as of 2010 only seven states had actually set them up (Sivaramakrishnan 2011: 140). Moreover, the composition of the committees and their territorial scope varied significantly across states, as Table 1 indicates. Whereas some cities allowed civil society organizations to partake (Mumbai), and the press to attend meetings (Delhi), others remained closed to public participation and scrutiny. In many places, such committees have completely ceased to function or in the case of newly annexed areas, were never properly formed.⁸

Table 1. Wards committees in four metro cities in 2006 (adapted from Ghosh et al. 2009)

Municipal corporation	No. of elected councillors	No. of WCs	No. of electoral wards in each WC	Population of WC (approx.)	Membership, in addition to municipal officers
Delhi	134	12	4 - 16	1 100 000	MC
Hyderabad	100	10	10	363 000	MC, MLA
Kolkata	141	15 ^a	7-11	305 370	MC
Mumbai	227	16 ^b	8-19	745,000 ^c	MC, 1-3 NGO/CBO per ward without voting rights

Abbreviations: WC = wards committees; MC = municipal councillors; MLA = member of state legislative assembly; NGO non-governmental organization; CBO = community-based organizations.

Notes: a: these indicate borough committees, the equivalent of wards committees in other cities; b: in Mumbai 16 WC have been formed out of 24 administrative wards; c: varies from 450,000 to 1,000,000.

Finally, at another scale, the amendment included provisions to institute metropolitan planning committees in all cities of one million and more to ensure coordinated spatial planning, as well as sharing of resources and investment planning for economic development (article 243ZE). This was evidently a response to the issue of fragmentation produced by of a multitude of territorial units often with overlapping jurisdictions. Although state legislatures were put in charge of defining their composition, strict guidelines were laid down: “not less than two-thirds of the members of such Committee shall be elected by, and from amongst, the elected members of the Municipalities and Chairpersons of the Panchayats [village councils] in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area” (article 243ZE). Like the wards committees above, these metropolitan

⁷ In the 1990s, the Indian government had extended affirmative action to this large section of society, a move contested by high caste groups.

⁸ This is the case of Hyderabad which in 2007 merged with surrounding municipalities and villages, increasing its area by more than four times (from 172 km² to 725 km²) and almost doubling population.

planning committees have not been formed due to a lack of political will on the part of state governments and a lack of enforcement power on the part of the central government (Sivaramakrishnan 2015).

To summarize, top-down measures, such as those embodied in the 74th amendment and subsequent efforts on the part of the central government to prescribe participation measures, have not been sufficient to modify the power relationship between municipalities and state governments, given the latter's constitutional jurisdiction over local government and a strong legacy of centralized political institutions. However, the resistance of regional political elites to central government injunctions and the endurance of traditional social relations at the micro scale should not give the impression that nothing has changed in governance arrangements. In the years since liberalization and decentralization reforms were adopted, norms regarding public service delivery and the respective roles of different categories of actors have changed quite significantly, a topic we return to in the final section (see also Zérah in this volume).

III Metropolitan regions as growth engines

The idea of cities as growth engines gradually gained ground throughout the 2000s and 2010s and began to influence the policy agenda, both in New Delhi and in state capitals. Some new policies were directly aimed at improving urban infrastructure and service provision whereas others targeted economic development more directly, but with de facto impacts on cities. A common preoccupation across policy networks was concern about how to finance needed urban infrastructure, estimated costs of which were colossal. One influential report claimed that USD 1.2 trillion would be required, notably in housing and transportation (MGI 2010: 19). Such reports argued that private capital would need to be marshalled to help meet the demand. In the meantime, the ongoing liberalization of the economy, in conjunction with robust growth, were opening up opportunities for private sector actors. Markets were responsive to enabling policies, for instance with regard to foreign participation in property development in 2005, which resulted in an inflow of capital from offshore sources including private equity firms, fund managers, venture capitalists and non-resident Indians (Halbert and Rouanet 2014; Searle 2014). As we shall discuss, policy-makers were keen to tap into these sources to finance urban upgrading, and also for their own rent-seeking motives. Not surprisingly, with the multiplication of actors intervening in urban space, each with their own interests, and the emergence of new institutional arrangements, the governance scenario became more complex and multi-scalar.

The Special Economic Zone (SEZ) law provides a compelling illustration of how national policies aimed at stimulating economic growth have disproportionately impacted urban development. Explicitly inspired by China's SEZ policy, the Indian parliament passed the law in 2005. Its aim was to give domestic exporters a boost in global markets and create an attractive environment for foreign investors eager to use India as a production platform to export to the larger Asian region (Jenkins et al. 2014). Whereas in theory these free trade zones could be established anywhere in the country, in practice they concentrated in the most urbanized districts of the country, with a penchant for megacities in particular. As of 2011, 40 per cent of the total "notified" SEZs—those having passed all approvals—were in districts geographically proximate to the six largest agglomerations i.e., Delhi, Mumbai, Kolkata, Hyderabad, Bengaluru and Chennai (Jenkins et al. 2015: 8-9).⁹ That proportion is even more striking if one considers only those SEZs specialized in information technologies (IT) and IT enabled services (ITES), e.g, BPO, call centers. In 2011, 181 out of 216 IT/ITES SEZs were located in districts in the uppermost quartile of urbanization (ibid). Various factors explain this locational pattern, better quality infrastructure certainly, but also the lifestyle preferences of the skilled labour on which the sector depends. Employees are recruited largely from within the country's swelling middle class—IT engineers and software developers, English-speaking graduates required in BPO and call centres—, and they prefer to live in large cities. This predilection applies to other thriving

⁹ Official data on SEZs is available online: <http://sezindia.nic.in/> last accessed 12 Feb, 2019.

sectors such as financial services, engineering firms, and management consulting.

An equally salient explanation for the urban bias in SEZ location is the temptation on the part of the promoters, usually real estate developers, to take advantage of provisions in the SEZ law that allow up to 35% of the total area to be dedicated to “non-processing” functions. This means that commercial and residential property built within the free trade zones can benefit from the law’s tax-free provisions (Jenkins et al. 2014). Given the strong demand for housing from upper income groups, such investments appear to have driven many investors’ enthusiastic response to the SEZ policy. This example highlights how policy provisions provide scope for private investors to engage in profitable activities while contributing to meeting national goals, here infrastructure for industrial restructuring and export growth. It also points to some of the underlying distributional impacts that have emerged as flashpoints.¹⁰

In general, enclave development has become much more widespread in recent years as subnational governments too have seized on opportunities to mobilize ‘zoning technologies’ (Ong 2006) to pursue their entrepreneurial objectives in metropolitan areas. These can take the form of business parks, large mixed-use spaces around airports or planned new ‘hubs’ in suburban areas. Area-based development is criticized for creating not only spatial but institutional fragmentation, as enclaves are governed by special sets of rules. In that regard they give expression to rescaling strategies on the part of both national and subnational states aimed at exerting influence over local jurisdictions, in a bid to shape new economic geographies. Such enclaves incur costs to municipalities, e.g., to extend networked infrastructure to the zones, and also deprives them of tax revenue that could be used for under-served neighborhoods.¹¹ In Hyderabad, for instance, the state government created an ad hoc governance mechanism to administer designated areas in the city, including the new globally connected HITEC City and Nanakramguda Financial District (Kennedy and Sood 2019). Loosely modeled on business improvement districts, it effectively removes territory from the jurisdiction of the municipality; it empowers an unelected agency to collect and pool local taxes and building fees to be spent exclusively within the designated areas (ibid). Beyond financial and material considerations, enclave development has been decried for creating ‘fragmented citizenships’ (Cowan 2015), an issue further discussed in the last section of the chapter.

A new national urban policy

As a rule, national governments did not directly intervene in large cities before the 1990s. In 1994, the planning commission approved a ‘mega city’ grant scheme for Mumbai, Kolkata, Chennai, Bangalore and Hyderabad to finance projects with “regional or city wide significance, in accordance with the metropolitan development plan” (Sivaramakrishnan 2011: 8). At the same time, other initiatives like the City Challenge Fund, inspired by international aid agencies involved in technical assistance programmes, were laying the ground work for incentive-based support to cities, i.e., funds in exchange for select reforms, such as the reform of rent control laws, increases in local taxes, levying of user charges and the repeal of the urban land ceiling laws, which limited the amount of vacant land individuals could hold in order to curb speculation. A decade later, these reforms became part and parcel of an ambitious national urban policy targeting the country’s largest cities. Baptized the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), this policy explicitly recognized for the first time the strategic importance of cities for national GDP. In launching the policy in 2005, Prime Minister Manmohan Singh stated:

¹⁰ Contestation around land acquisition, specifically the use of eminent domain to benefit private companies was the most controversial aspect of the policy. Some state governments mobilized land reserves under their stewardship to serve as equity capital in SEZ projects. See Jenkins et al (2014).

¹¹ In Haryana, for instance, officials have discouraged further SEZs from locating in Gurgaon, a rapidly expanding satellite city of Delhi. Extremely high property values make it difficult to expropriate land from private owners for building connecting roads and extending networked services, often required by the SEZ developers.

Our urban economy has become an important driver of economic growth. It is also the bridge between the domestic economy and the global economy. It is a bridge we must strengthen. The latent creativity and vitality of our cities and the people who live in them must be tapped to facilitate higher economic growth.¹²

The policy cited the contribution of urban areas to national revenue, estimated at 65 per cent of GDP, and the fact that productivity increases rely on the quality and quantity of urban infrastructure such as power, telecom, mass transportation, alongside civic infrastructure, such as water, sanitation and solid waste management. Implicitly acknowledging decades of neglect, it involved a huge outlay of resources viz., INR 100,000 crores¹³ (over USD 20 billion) for the entire programme, over seven years (later extended). The beneficiaries of the mission included the country's mega cities as well as state capitals.¹⁴

Although a key objective of the mission was to provide a super-fund for basic urban infrastructure, JNNURM aspired to serve as an inducement to improve urban governance, to put an end to the situation whereby cities were seen and treated as subordinate to state governments, lacking in technical and financial capacity. Thus, the JNNURM mission included incentives to implement the 74th amendment, in letter and spirit, and also to elicit a City Development Plan on the basis of consultations with resident associations and NGOs. Funding was to be contingent on the adoption of a mandatory a set of governance reforms, embodying new principles of multi-scalar public management. Moreover, in expressing such a bold strategic intention on the part of the central government to strengthen urban economies which fall squarely within subnational state space, the JNNURM offers a particularly compelling example of state rescaling.¹⁵

Although the very existence of such a policy is significant and says a great deal about the rapid evolution of attitudes with regard to cities, its impacts were relatively less remarkable than expected. An analysis of expenditure indicates the predominance of conventional basic urban services: water supply projects, accounting for 33% of total, followed by sewerage, storm water drainage, bridges and roads (Sivaramakrishnan 2011: 41). Qualitative assessments, while noting gradual improvement, criticized the emphasis on infrastructure efficiency rather than access or distributional equity (Kundu and Samanta 2011). Public participation in devising a vision document, a component that had generated enthusiasm among urban activists and scholars, was an utter failure in most places: "... preparation was arbitrary and undemocratically completed by experts, many of whom had no prior knowledge of the city" (Mahadevia 2011: 58).

The ideas that informed JNNURM were echoed in the 2010 prospective report prepared by McKinsey, which claimed that "[c]ities will be central to India's economic future ... [they] will create 70 percent of all new jobs in India and [these] will be twice as productive as equivalent jobs in the rural sector" (MGI 2010: 14). The report claimed that as a consequence of this dynamism urban population would increase dramatically (from 340m in 2008 to 590m in 2030). Many of the assumptions and prescriptions put forth in this study resonated with those circulating in global policy networks. Thus, the 2009 World Development Report, endorsed a model of growth based on harnessing agglomeration economies generated from spatial concentrations of capital, notably in metropolitan areas (WB 2009). Hardly new, these prescriptions have nonetheless reinforced the idea that cities must be harnessed for growth, as well as providing a convenient ex posteriori justification for sinking public resources in metro areas. Consulting firms, experts of various kinds and international development agencies

¹² URL

[http://mohua.gov.in/upload/uploadfiles/files/3Launch%20of%20Mission%20Speech%20of%20Honble%20PM%20English\(1\).pdf](http://mohua.gov.in/upload/uploadfiles/files/3Launch%20of%20Mission%20Speech%20of%20Honble%20PM%20English(1).pdf) last accessed 27 September 2019.

¹³ One crore is 10 million rupees.

¹⁴ 35 of the total of 65 were cities with a population of one million and above. The remaining 30 cities were chosen for their religious or touristic importance.

¹⁵ On state spatial rescaling in India in the aftermath of economic reforms, see Kennedy 2014.

actively contribute to shaping policy and are key vehicles for the circulation of ideas. These ideas have the power to transform material realities when they encounter a receptive environment, most notably when they resonate with the interests of politicians and the powerful groups that support them. Urban megaprojects provide a compelling illustration of this convergence of ideas and interests.

Urban megaprojects

Following a worldwide trend, governments in India have built countless large-scale urban projects over the last two decades. They are a response to infrastructure needs— mass transit, large-scale housing, airports, expressways—and at the same time give expression to an agenda that seeks to position cities in terms of attractiveness, signaling to investors dynamism and state capacity (Shatkin 2011). Because of their cost and scale, but also the need for authorizations from different levels of government and for expropriating private land, urban megaprojects are traditionally state-led although they rely increasingly on partnering with private firms.¹⁶ This is especially the case for what have been branded as a new generation of megaprojects. Rather than “monolithic”, single-use projects (airport, bridge, overpass), the new generation tends to be mixed-use, combining for instance in a single project, transport infrastructure, retail, residential and office spaces (Díaz Orueta and Fainstein, 2008). East Asian cities, Hong Kong for instance, have adopted and refined this model. In Europe and North America, the new approach to megaproject development also tends to favor limited disruption of existing neighborhoods, greater transparency and social inclusion, changes that are interpreted as a response to political backlash from earlier projects whose negative effects were disproportionately borne by minorities and low-income groups. Recent work suggests that such norms have not necessarily carried over to cities in the global South, including India, where empirical studies document a continuation of a top-down, technocratic approach to planning and implementation, accompanied by large-scale demolition of informal settlements (Kennedy 2015). In Delhi, large-scale urban projects undertaken for the Commonwealth Games in 2010 resulted in extremely negative outcomes for the city poorest residents. It has been estimated that over 300,000 people were evicted from the banks of the Yamuna River between 2004 and 2006 to allow construction of the metro, the Games Village and redevelopment of the riverfront (Dupont 2011). In addition to social costs, such operations also dramatically altered the Yamuna’s embankments and the floodplain area, which serves as a groundwater recharge zone (Follmann 2015).

The capacity of megaprojects to transform existing landscapes and shape future developments has been used to justify special arrangements for building and managing them. A fundamental concern is to isolate them from political interference and ensure continued commitment in the event that elections bring a change of government. However, exceptional governance has also been used to shield megaprojects from public scrutiny and to by-pass existing plans and rules (Flyvbjerg et al 2003). Although pressure from private partners may explain the opacity surrounding many megaprojects, a series of critical studies have underscored state intentionality. Indeed, the infringement of its own rules and the inconsistencies with regard to planning suggest more cynical motives, for instance, a deliberate intention to keep future options open. Building on Roy’s conceptualization of informality as a mode of urbanization (Roy 2005), Follmann argued the Yamuna megaprojects emerge “as intentionally created zones of exceptions embedded in a *calculated* urban informality” (Follmann 2015: 220).

Finally, megaprojects provide opportunities to politicians and other proponents of a growth agenda for lucrative gains, mainly through property development on greenfield sites. State governments in India use their constitutional authority over land management, and their land reserves to negotiate mutually beneficial deals with private partners (Kennedy and Sood 2016). A major rationale for favoring mixed-use megaproject model is to offer incentives for private investors, who obtain exploitation rights of various kinds in exchange for building urban

¹⁶ In the literature, they have been explicitly associated with a neoliberal turn and inter-city competition. See for instance, Swyngedouw, Moulaert and Rodriguez (2002).

infrastructure. The result is often a speculative form of urban development, whereby governments are more focused on monetizing land and using their control over land management to increase land values in ways that benefit them and their partners than on providing urban services or creating jobs (Shatkin 2016). Ultimately, whether megaprojects are used primarily to promote growth and provide services or to generate rents depends on the nature of the governing coalitions in place, which vary in different parts of the country. Most studies examining this question underscore the predilection for political accommodation that supports rent maximizing behavior and the absence of an institutionalized process of development (Heller et al: 2016). Moreover, there is ample evidence to show that the nexus between politics and real estate, and between real estate and criminal organizations, have intensified in recent decades (for Mumbai, see Weinstein 2008). Heller et al. consider: “[t]he underlying source of the problem lies in the misalignment of political incentives and institutional power that results in the weak form of sovereignty that characterizes the Indian city” (Heller et al: 2016: 2). Thus, the multi-scalar nature of urban governance, characterized by the dominance of state-level political players and the extreme weakness of municipal governments, offers a clue to understanding why growth has not been accompanied by more sustained economic and social improvement.

This section examined the growing economic importance of megacities and the ways that policy-makers have sought to leverage their growth potential. The implications of these emerging arrangements for governance and urban sustainability more broadly are discussed next.

IV The politics and sustainability of India’s brand of urban governance

India’s megacities are known for their extreme social inequalities, with stark poverty and ostentatious wealth cohabiting in close proximity. Despite real gains in the reduction of absolute poverty in recent decades, strong economic growth from the 1990s has exacerbated income inequalities. The urban middle classes, the primary beneficiaries of growth, are directly and indirectly shaping city development to reflect their vision of the desirable city and their identity therein (Baviskar 2003). Against this backdrop, urban citizenship rights expressed as access to housing, basic services and more broadly to public space, captured in the expression ‘right to the city’, emerge as the key social challenge facing India’s megacities. In the previous section, we examined how the growth “imperative” is embraced and interpreted at different levels of government through various policy instruments. Here the aim is to discuss the broad implications of current patterns of governance for promoting a sustainability agenda as well as through the lens of urban citizenship.

As discussed above, the strategic importance of large urban agglomerations in fulfilling national growth objectives led policy-makers in New Delhi to direct attention to improving basic urban infrastructure and governance. This was to be achieved through strengthening local bodies, enhancing citizen participation and promoting social inclusion. Whereas JNNURM was perhaps the most outstanding example of such efforts others could also be cited, such as Rajiv Awas Yojana (RAY), whose stated aim was to make cities ‘slum-free’. The policy framework emphasized inclusiveness and including some innovative features, notably a preference for in-situ rehabilitation rather than resettlement of slum dwellers, partly in response to the politically sensitive nature of the issue and to practical difficulties on the ground.

Housing is perhaps the most potent mediator of urban citizenship. Large proportions of city residents live in informal settlements,¹⁷ usually without security of tenure and only tenuous access to basic services. This is because access to services depends on the official status of the settlement, putting the politics of classification at the heart of the issue.¹⁸ An abundance of

¹⁷ The percentage of population living in such settlements varies among cities: 41% in Greater Mumbai, 30% in Kolkata, 28% in Chennai and about 15% in Delhi, according to the 2011 census.

¹⁸ Unplanned housing reaches beyond slums to include middle class unauthorized lay-outs. The ‘Cities of Delhi’ project documented eight differentiated settlement types, each enjoying a different bundle of basic

scholarship in recent years has engaged with how notions of informality and illegality intersect with citizenship; these studies have underscored the prevalence of patronage politics as a means to access urban services and housing, especially for the poorest residents (Björkman 2014). Elected or self-proclaimed political bosses act as intermediaries, offering protection from eviction or help in securing connections in exchange for votes. Such manifestations of the 'failure' of urban planning have multiple implications for residents, yet planning remains critical for urban politics. Bhan argues that planning in Delhi has had a "series of effects in the real", particularly for the poor:

These effects are spatial, social and political. They influence the built form of the city, mediate urban politics and governance as well as affect regimes of belonging and citizenship. They transcend and challenge conventional understandings of the dichotomies of planned-unplanned, formal-informal and legal-illegal. They challenge simple diagnoses of the failure and irrelevance of planning in Indian cities. They argue, most importantly, that planning remains a site that is critical for urban politics to engage with, especially a politics that seeks to foreground concerns of inclusion, equity and the right to the city. (Bhan 2013: 69)

Although evictions to make way for urban restructuring are not new, a key difference now is the active support of middle and affluent classes, who are demanding an urban aesthetics consistent with their aspirations for a 'world-class' city (Dupont 2011; Ghertner 2011), a phenomenon that underscores the centrality of politics. The redevelopment of the Yamuna riverbed in Delhi speak to processes of commodification and gentrification and to fulfilling middle class demands (Baviskar 2011). At the same time, housing activism, claiming housing rights or resisting eviction, can be effective under certain conditions, and can arguably produce the additional benefit of transforming poor residents into active urban citizens (Weinstein and Ren 2009). The capacity of communities to resist eviction and assert the right to stay—conceptualized as 'occupancy urbanism' (Benjamin 2008)—has no doubt made it more difficult to implement urban renewal projects in city centers.

How do growth strategies pursued by entrepreneurial governments—infrastructure-led development and area-based initiatives—square with efforts to build up urban sustainability, broadly speaking? Often couched in terms of fulfilling infrastructure 'needs', growth strategies represent nonetheless an opportunity cost for alternatives. In the words of Mahadevia:

Metropolitan cities, aspiring to be "world-class" are laying emphasis on road infrastructure, which would benefit those with private vehicles more than the general population, whereas other cities are still grappling with provision of basic infrastructure such as water supply and sanitation (2011: 59).

As discussed in the previous section, state and non-state actors promoting large-scale infrastructure projects are responsive to market demand for upscale housing and commercial space, and to their own profit motive, and thereby prefer mixed-use projects. In practice, the infrastructure component may become secondary. This is evident in many urban transport projects—more than 20 metro projects are currently planned or under construction—where promoters are given rights to develop real estate around the stations, redefining the look and feel of 'public' spaces.¹⁹ The 'IT Corridor' in Chennai provides a forceful illustration of these processes, and allows us to examine social and environmental implications in a specific setting.

Chennai's IT Corridor

Built in the mid-2000s by the Tamil Nadu state government, it was the centerpiece of a strategy

services. See the project website: <http://www.cprindia.org/projects/cities-delhi> last accessed 14th February 2019.

¹⁹ Hyderabad's metro project drew criticism for allowing the private partner firm to influence the routes and geographical location of stations, in order to maximize opportunities for real estate development (Ramachandraiah 2009).

aimed to strengthen the IT industry in the regional economy.²⁰ It initially consisted in transforming an existing highway, the Old Mahabalipuram Road, into a 20-km multi-lane expressway. From road upgrading, the more ambitious corridor project gradually took shape, buttressed on land value capture mechanisms and the speculative value of land. The government's approach relied on public investments, public-private partnerships for erecting infrastructure components (road, IT business parks), and an incentives package aimed at attracting private investors for developing real estate and locating IT-based firms. The market response was buoyant. As Rouanet (2016) observed for Bengaluru, private property developers view corridor projects as lucrative business opportunities, and typically rush to buy up real estate well before construction starts on the megaproject.

These economic development initiatives were supported by other policies including a dedicated scheme to ensure uninterrupted water and electricity supply, a non-negligible engagement given the inadequacy and unreliability of 'normal' service levels in the area. However this diversion of public resources for a new area begs the question of spatial justice, when most parts of Chennai suffer from severe water and power shortages. In this context, the location of the IT Corridor on the southern edge of Chennai is not trivial, as it is contiguous to relatively affluent middle-class neighbourhoods, i.e., the demographic most able to compete for skilled jobs in the IT sector.

In just over decade, the outcome of the Corridor project is a remarkable extension of the urban fabric - continuous built-up area along the expressway, gradually becoming more densely built and inhabited toward the hinterland. Not only has the physical landscape of this area been dramatically reshaped, social relations and ecological equations have also been affected in significant ways, although less visible and less subject to scrutiny. Although large-scale projects claim to generate positive spillovers, there are seldom follow-up studies to analyze the cost/benefits or the externalities, i.e., costs accruing to society or the environment. In the case of the IT Corridor, there has clearly been a significant hike in IT-related employment, as dozens of Indian and multinational firms have located here, some of which employ thousands of workers.²¹ A study conducted in 2012-13 found that some 60% of IT employees come from outside of Chennai, underscoring the impact of this sector's growth on urbanization (Vijayabaskar and Suresh Babu 2016). The salaries, higher than other sectors in the local economy, are driving demand for services like housing, transportation, food and entertainment. Most of the IT employees surveyed for the study rented accommodation on or near the Corridor. The surge in demand for housing has led to a strong increase in both property values and rental prices; it is estimated that the latter increased by nearly four times between 2003 and 2013 (ibid). As housing in the area becomes more expensive, saturated with upscale apartment complexes and retail spaces, working-class residents are priced out of the market. Small firms also struggle with rising costs in the area leading them to shut down or relocate to other areas, adversely affecting employment opportunities for some categories of local labour (Coelho et al. 2012).

Other negative externalities include higher costs arising from the private provisioning of transport along the Corridor, public health risks associated with the increase in CO₂ emissions from the spectacular increase in motor vehicles and environmental risks in the form of groundwater depletion and encroachment of water bodies, notably the Pallikaranai Marshland. Located less than five kilometres from the coast, the IT Corridor is vulnerable to extreme weather events, most recently the severe flooding that occurred in 2015 causing loss of life, extensive destruction and forcing the shut down of the IT units for more than a week. Scholars have criticized policy-makers' single-minded pursuit of a growth agenda and wilful neglect of other types of knowledge, including situated knowledge about hydrological systems and

²⁰ This analysis builds on research conducted in Chennai by an international team in the framework of the EU-funded FP7 project 'Chance2Sustain', especially on the City Report (Kennedy *et al.*, 2014).

²¹ For instance, one state-sponsored SEZ, accommodating four firms (WIPRO, HCL Technologies, SATYAM, and Cognizant Technology Solutions), registered 38,700 jobs in 2015 (GoTN, 2015: 6), and at the far end of the IT Corridor the Tata Consultancy Services (TCS) branch at Siruseri was designed for 30,000 employees.

wetland habitats specific to this place (Arabindoo, 2017).

V Conclusion

This chapter started out by examining how economic and political reforms implemented in the 1990s impacted urban politics and space. Rescaling processes put in motion by a series of institutional changes shifted policy-making prerogatives to subnational state scales and opened up opportunities to engage with global actors and capital. As growth became increasingly concentrated in urban space, policy-makers sought to leverage large cities as growth engines. A largely altered representation of cities in the national development narrative in conjunction with strong growth led the central government to launch a national urban renewal mission. The JNNURM provided incentives to state governments to undertake governance reforms in exchange for funds to improve basic urban services. Although significant, such top-down efforts largely missed their mark with regard to empowering municipalities, as regional politicians pushed back against central government interference in their territorial jurisdictions. State governments have remained the dominant protagonists of urban governance, especially in the case of megacities, whilst new actors have arrived on the scene. Public-private partnerships have become more commonplace as new norms took root about private sector participation in service provision and in financing urban transport and housing. However, the drive to extract rents from land management and real estate development, shared by state and private actors, often acting in collusion, have led to a largely speculative form of development in India's megacities. In ways that resonate with middle class aspirations, aggressive redevelopment campaigns and large-scale greenfield projects are reshaping the appearance of the city, as well as the urban experience, through commodification of public spaces. In this context, the urban poor remain largely dependent on patronage politics for protection and access to basic services, even as they exercise their agency through co-optation, activism and resistance. The example of the IT Corridor in Chennai was emblematic of the politics underlying urban megaprojects; although a success at consolidating and growing IT activities, social and environmental risks and costs have been largely ignored. It underscored the fact that in India's megacities, stark income inequalities are coupled with differentiated degrees of urban citizenship, mediated through raw power relations, but also bureaucratic definitions of what is legal or illegal, formal or informal.

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