

## Trajectory of Urban Change in Neo-liberal India The Case of JNNURM

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*“After two years of marriage, my farmer husband and I were on the verge of starvation in Bengal and left for Delhi to find work. My husband used to make murmura, whereas I worked in 5 kothis. We had no money at the time to educate our children, only our older son studied a little in Delhi. However, over the 25 years in Pushta, we were able to save up and make a house with 3 rooms. When finally we were able to afford food and water and a decent life, we were evicted and thrown to the margins of society. Our house was demolished only after a day’s notice! The police notified us just the day before that the demolition would begin at 10 in the morning, which hardly gave us any time to empty our house of all the stuff. We lost our pucca house and belongings, all earned with our sweat and toil of 25 years.”*

- Haleema, a 45-year old woman living in Bawana resettlement colony

*“Nobody should squat upon the land... policy of relocation (is a) premium to unscrupulous elements in the society as on the one hand an honest citizen has to pay for a piece of land or flat and on the other hand on account of illegal occupation on the Government land an encroacher is given premium by giving him a plot in the name of relocation...we direct the removal of jhuggis...Any assistance required by the police shall be provided by the Commissioner of Police.”*

-High Court of Delhi, Case Number - CW 6160/2003. October 2005

In the past one and a half decades or so, since the policies of liberalization, privatisation and globalisation were initiated through the introduction of the Structural Adjustment Programme dictated by the World Bank and the International Monetary Fund, the landscape of Urban India has morphed out of recognition. From mixed neighbourhoods to exclusive elite conclaves, from hundreds of informal markets to a score of glitzy shopping malls, from ‘brick and mortar’ industries to high tech information highways, the change has been rapid and palpable. While a few privileged ones welcome the changing face of the city, for the majority of the poor and working people, people like Haleema and her family, these changes are quite inhospitable, to say the least, and affecting their lives and livelihoods in ways as to make even bare survival a grueling daily struggle for them.

The kind of concerted and orchestrated attack that has been unleashed on the livelihoods and habitats of the working class in the recent past has few parallels in the post independence history of Indian cities. The toiling majority of urban India is being made to bear the burden of giving a minority of ‘citizens’ a taste of what it is like to live in a ‘global’ city. Thus, while massive amount of investment is being poured in ‘state of the art’ projects like the Metro, malls, multiplexes, flyovers, expressways and elite residential complexes, the poor are denied even the basic minimum necessities of life. Be it slum dwellers or rickshaw pullers, hawkers or rag pickers, industrial workers or residents of unauthorized colonies- all are being pushed away from the centre to the periphery of the city, both physically as well as notionally, by the iron hand of the State and the market.

Post liberalization all governments, be it at the center or states, have pursued the so-called reform agenda with hitherto unknown zealotry and urgency. The much talked about lack of political will is nowhere to be seen when it comes to formulating and implementing anti-people and pro-corporate economic reforms. One by one all the sectors of the economy are being opened up for national and international corporate interests. The inclusive nature of Indian constitution and welfarist thrust of post Independence policy architecture is being subverted to make way for the unhindered movement of capital, goods and services. This process is bringing about far reaching changes in the occupational and spatial structure of cities. While the disastrous consequences of these policies in rural areas is a matter of much discussion, the plight of the urban poor has not been given due attention. To have a glimpse of the direction in which our cities are moving let us look at the experience of Delhi.

### **Whither Delhi?**

It is now an accepted fact that India’s urban population is increasing at a rapid pace. According to the 2001 census, about 28.5 per cent of the population of India is living in urban areas. This figure is expected to go over 40 per cent by the year 2021. The defining feature of India’s urban growth is the prevalence of high levels of poverty and insecurities related to shelter, livelihood and access to basic amenities like water, electricity, education, health etc. for a large portion of urban population. Estimates of the percentage share of the urban poor in Indian cities range from one half to three fourths. Furthermore, as a result of the policies of LPG these

insecurities are only increasing. One only has to look at the experience of the working poor of Delhi over the past one decade to figure this out.

The population of Delhi today is about 15 million. Out of these about 3 million are living in slum clusters, 4 million in unauthorized colonies, 2.5 million in resettlement colonies and 0.7 million in notified slum areas. Another one lakh people are pavement dwellers. Thus over two-thirds of the people of Delhi are living in what could be termed as sub-standard settlements. The total area on which the slum clusters are presently established is under 400 hectares. Compare this to the 20,000 hectares and 11,000 hectares set aside by the DDA in the urban area and urban extension area for residential purposes. Instead of coming up with any solution for integrating these 10 million people into the city the government has embarked upon a barbaric drive to rid the city of these people. In the past six years alone over 5 lakh people have been uprooted from their habitat and 'relocated', if at all, to the periphery of the city. In 2004 the Yamuna Pushta, the biggest slum cluster of Delhi, was demolished, uprooting over 30,000 families. Only a quarter of those evicted got alternative plots in the resettlement colonies of Bawana, Holambi Kalan, Madan Pur Khadar, developed on the outskirts of the city. Apart from causing severe hardships in terms of loss of livelihood, these settlements are devoid of even basic amenities like serviced plots, water, electricity, toilets, schools, health facilities and so on.

Delhi had a workforce of 45.27 lakhs in 2001, which constitutes 32.84% of the total population. Out of this 5.7 lakhs were unemployed. It is significant that between 1992 and 2000 the percentage of unemployed workers shot up from 5.67% to 12.73%. The sectoral division of the workforce shows some interesting trends. In 1981 the share of primary, secondary and tertiary sectors in employment was 3.81%, 34.87% and 64.72% respectively, which by 2001 became 1.74%, 28.68% and 69.58% respectively. In the tertiary sector also the services which have shown most growth between 1992 and 1999 are trade, hotels and restaurants (21.01% to 29.05%) and financial and commercial activities (4.69% to 6.40%). On the other hand the percentage of workforce employed in manufacturing, civic administration, health and educational activities has shown a steep downward trend. The decline in employment in manufacturing has been mainly due to the closure of industries from 1996 onwards on the pretext of their being either polluting or functioning in 'non-conforming' areas. The share of organized sector in employment is also going down quite rapidly. There has been an absolute decline in the number of workers employed in the organized sector from 8.5 lakhs in 1994 to 8.41 lakhs in 2001. Thus, whereas, in 1994, 78% of the workers were working in the unorganised sector, the figure rose to 82% by 2001. This clearly shows the direction the city is moving in.

### **The Mandate that was Betrayed**

The UPA government began its innings in May 2004 in the backdrop of one of the biggest and darkest slum eviction drives in the history of India. Between January to May 2004 over 40 hectares of land along the Western bank of the Yamuna in Delhi was 'freed' from 'encroachment' rendering one and half lakh people shelterless. The demolition of the Yamuna Pushta, as this working class settlement was called, symbolized all that was wrong with the NDA's 'India Shining'. With Mr. Jagmohan directly overseeing the demolitions the evictees of Pushta gave a befitting reply both to him and his party by coming back on the day of the general polls and voting in thousands to ensure that Jagmohan loses his seat by a good margin.

It was on the votes of people like the Pushta slum dwellers that the Congress led UPA rode to power. Forced to recognize the nature of its mandate, the Common Minimum Programme (CMP) of the UPA spelt out, in no uncertain terms, its intention to stop forced evictions and evolve a social housing policy for the urban poor. The evictions of course never completely stopped but the promises of the CMP were kept alive by periodic announcements by several government functionaries to the effect that the proposed housing policy was just round the corner.

Less than a year later the Congress government in Maharashtra launched by far the most vicious attack on the slum dwellers of Mumbai by evicting over 4 lakh people. All the talks of putting a moratorium on forced evictions and evolving a housing policy for the urban poor were conveniently forgotten and the true colours of the government claiming to provide succor and relief to the *Aam Aadmi* came to the fore. While most of the evictees of Delhi, Mumbai and other cities continue to live under the open sky the government has gone ahead and showed its 'political will' in pursuing the reform agenda, come whatever may, by announcing the most ambitious and sweeping programme so far for making Indian cities private investment friendly. The said programme is called the Jawahar Lal Nehru National Urban Renewal Mission (JNNURM). Launched by the Prime Minister Mr. Manmohan Singh on December 3, 2005, the JNNURM seeks to transform the 'inefficient' public sector dominated urban governance structures into an 'efficient' private sector driven machine. Moreover the Mission has clearly been prepared at the behest of the WB, the ADB and the USAID who have for long lobbied in favour of investor-friendly reforms in urban governance in Indian cities.

## **Jawahar Lal Nehru National Urban Renewal Mission**

The JNNURM is basically a reform linked incentive scheme for providing assistance to state governments and Urban Local Bodies (ULBs) in selected 63 cities, comprising all cities with over one million population, state capitals and 23 other cities of religious and tourist importance for the purpose of reforming urban governance, facilitating urban infrastructure and providing basic services to the urban poor. With Rs. one lakh crore at stake for a period of seven years the mission is the single largest initiative of the central government in the urban sector.

The JNNURM is the culmination of a process of neo-liberal urban reforms that has been going on for the past 4 years. Its predecessors include Urban Reforms Incentive Fund (URIF) and Model Municipal Law (MML) both of which were formulated on the basis of a set of policy postulates developed by the World Bank (WB), the Asian Development Bank (ADB), the USAID and the UNDP. Moreover several projects in the states of Karnataka, Kerala, Uttaranchal, Gujarat and Delhi are already underway which have been funded by the WB and the ADB and formulated and implemented on the same principles, which the JNNURM upholds. While both URIF and MML are based on a 'carrot and stick' policy, they have a limited scope as compared to the JNNURM. As such the mission has far reaching implications for the direction Indian cities will take in the future.

The broad framework of the Mission is as follows

- Central sponsorship
- Sector-wise project reports to be prepared by identified cities listing projects along with their priorities
- Time bound commitment by state governments and ULBs for carrying out reforms in order to access funds under the Mission
- Funding pattern would be 35:15:50 (between Centre, States/ULBs and financial institutions) for cities with over 4 million population, 50:20:30 for cities with populations between one and four million, and 80:10:10 for other cities.
- Assistance under the Mission, to be given in the form of soft loan or grant-cum-loan or grant, would act as seed money to leverage additional funds from financial institutions/capital markets

The Mission is comprised of two sub missions, namely, Sub-Mission for Urban Infrastructure and Governance and Sub-Mission on Basic Services to the Urban Poor. The admissible components under both these Sub-Missions include urban renewal, water supply and sanitation, sewerage and solid waste management, urban transport, slum improvement and rehabilitation, houses for urban poor, civic amenities in slums and so on. But the Mission document clearly states that (a) funds accessed cannot be used to create wage employment (b) Land costs will not be financed (c) housing to the poor cannot be given free of cost (d) Privatisation or Public Private Partnership will be the preferred mode of implementing projects (e) A 'reasonable' user fee will be charged from the urban poor for services so as to recover at least 25% of the project cost and (f) The onus of minimizing risks for the private investor would be on state governments/ULBs.

Thus we see that the Mission seeks to set in motion a completely market driven urban development process. The intentions of the government become even clearer when we look at the set of reforms that the state governments and ULBs are supposed to carry out if they wish to avail Central assistance. These reforms have been divided into two parts - mandatory reforms and optional reforms.

### **Mandatory Reforms: State Level**

The state governments seeking assistance under the JNNURM would be obliged to carry out the following reforms:

- (i) Effective implementation of decentralization initiatives as envisaged in the Constitution (seventy-fourth) Amendment Act, 1992
- (ii) Repeal of Urban Land (Ceiling and Regulation) Act, 1976
- (iii) Reform of rent control laws
- (iv) Rationalisation of stamp duty to bring it down to no more than 5 percent within seven years
- (v) Enactment of a public disclosure law
- (vi) Enactment of a community participation law, so as to institutionalize citizens' participation in local decision making; and
- (vii) Association of elected municipalities with the city planning function

### **Mandatory Reforms: Municipal Level**

- (i) Adoption of a modern, accrual-based, double entry system of accounting
- (ii) Introduction of a system of e-governance using IT applications, GIS and MIS for various urban services
- (iii) Reform of property tax so as to raise collection efficiency to 85 per cent

- (iv) Levy of user charges to recover full cost of operation and maintenance within seven years
- (v) Internal earmarking of budgets for basic services to the urban poor; and
- (vi) Provision of basic services to the urban poor, including security of tenure at affordable prices

Apart from these there is a set of **optional reforms** common to both state governments and ULBs, any two of which they are supposed to implement each year. These include:

- (i) Revision of bye-laws to streamline the approval process for construction of buildings, development sites etc.
- (ii) Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes
- (iii) Introduction of property title certification
- (iv) Earmarking of at least 20-25 per cent developed land in housing projects for economically weaker sections and low income groups with a system of cross-subsidisation
- (v) Introduction of computerized registration of land and property
- (vi) Administrative reforms including reduction in establishment cost by introducing retirement schemes and surrender of posts falling vacant due to retirement
- (vii) Structural reforms
- (viii) Encouraging public private partnership

### **Urban Renewal or Urban Apartheid**

Even a cursory glance at the reforms proposed under the Mission makes it clear that these are designed to exclusively benefit local and international investors and will surely make life worse for the majority of urban residents in the country. The repeal of Urban Land Ceiling Act (ULCA) gives a free hand to the builder lobby to acquire vast tracts of land in the cities thus driving the poor out of the land market. Similarly, property title certification and computerization of land and property strike at the very root in which the poor stake their claim on the city i.e. de-facto occupation of land for residential and occupational purposes through a variety of informal networks created through the workings of electoral democracy in India. Already the government has permitted 100 per cent FDI in real estate and introduced freehold property rights.

These combined with the reforms proposed under the JNNURM will strengthen privatisation and corporatisation of land and civic amenities. Though the Mission does make some politically correct noises about giving property rights and services to the urban poor they have to be seen in the context of dwindling livelihood opportunities in the cities about which the Mission says nothing and the grossly iniquitous distribution of land in urban areas which the Mission is going to sharpen. In this context, the pious intentions expressed in the Mission seem more like an attempt to ghettoise the poor and working people, along with all the hazardous occupations and substances of the cities, in the meager patches of land in the fringes or back lanes of the formal city- and that too, by charging user fee! And in the name of involving private sector in solving the housing problem of slum dwellers, it sets the stage for selling lucrative public lands to corporate real estate interests, land mafia and contractors.

While these reforms have been offered on the benign platter of decentralization and community participation, it is clear from the way the Mission has been designed that the so called community participation is going to be restricted to the involvement of middle class 'citizens' bodies, which are already functioning as the 'demand side' of economic reforms in the decision making process. Further the reform linked assistance programme of the Mission undermines the principle of federalism in India. The 74<sup>th</sup> Constitutional Amendment did not envisage uniformity at the level of policy formulation and implementation as the Mission is asking for. What kind of a decentralization is this when the states and ULBs have no choice but to carry out economic reforms? The Central government in this scheme of things is thus playing the same coercive role vis a vis state governments and ULBs that the Bretton Wood institutions play vis a vis the Central government. Moreover by introducing such far-reaching changes in the way our cities are going to be governed, without any debate in the parliament or state legislatures, the government has completely subverted the notions of the primacy of electoral democracy and accountability. All this is of course consistent with the efforts of the ruling class to de-link economic policies from democratic politics thus making the role of the only weapon the poor have in the given system i.e. their vote, redundant. It is no wonder then that the Mission has been widely greeted with applause by the corporate media, the real estate lobby, foreign investors, national and international finance capital, international bodies like the WB, the ADB etc. and middle class citizens' groups like the Bangalore Action Task Force (BATF), Janaagraha, Bombay First and so on.

### **The Politics of Globalisation**

Needless to reiterate, the 'reform' agenda of JNNURM is in line with the policies of liberalisation, privatisation and globalisation initiated in the early 90s. The politics of globalisation depends, among other things, on

refashioning and 're-forming' cities in order to make them investment-friendly. Major cities of the Third World are thus sought to be de-linked from real domestic priorities and positioned as nodes in the global circulation of finance and services. Bangalore thus is positioned as the 'Silicon Valley of India', Mumbai as 'Shanghai' and Delhi as 'Singapore'. This puts a heavy strain on urban land and other resources which are increasingly freed from 'less productive uses' such as small scale manufacturing or housing for the poor and deployed for high tech modes of accumulation and consumption, whether material or symbolic, of the affluent. The entire urban space, in this process, becomes a market place where distribution and consumption of global brands takes place in the form of a series of spectacles.

The change in governmental and administrative priorities has been brought about by pressures on the one hand from global finance capital and on the other an increasingly vocal and assertive middle class. Both these forces have attacked the affirmative activities of the welfare state as the root cause of corruption, lawlessness and pollution of city life. The argument goes like this: It is the politicians who have over the years actively encouraged the growth of illegal industries and encroachment on public lands by slum clusters in order to create a captive vote bank and a ready source of income. This has resulted in the law-abiding, tax paying citizens being denied their legitimate rights in the city. Thus the idea of the reclamation of the rights of the 'citizens' has been directly linked to the further dispossession of the already dispossessed. This has serious implications for the rights of the working people for a better life as the consolidation of the middle classes around the vision of a 'Clean and Green City' creates a social force necessary for further delegitimization of the existence of working class in the city.

It becomes important, in this context, to see the connections between changes in urban configurations, spatial or occupational, and changes in modes of accumulation reflected in newer forms of commodity production, circulation and consumption. A praxis of this nature will go a long way in identifying both the sites of resistance as well as the actors of resistance to the hegemonic neo-liberal project of international finance.