

Nehru's beatification

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The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched by Prime Minister Manmohan Singh in December 2005 with the promise of providing Rs 126,000 crores to 63 million-plus cities and towns for a massive and comprehensive programme of urban renewal. The Mission Statement specifies that 30% of the Indian population lives in urban areas and contributes about 50% of GDP. However, since the urban infrastructure is crumbling and the provisions of the 74th Amendment have not been successfully implemented, the Mission has been initiated to promote reforms and sustainable development. The Mission's objectives are, therefore, to develop infrastructure, set up management systems for effective maintenance, provide adequate capital investment, plan urban corridors and expansion, redevelop heritage areas, and provide civic services to the urban poor. It is, of course, not clear how the 'problem' of crumbling infrastructure has been analysed to arrive at the normative 'solution' of urban renewal – particularly in the context of the urban poor.

The confusion is further compounded when the strategy of the Mission is spelt out. This strategy has eight components: rapid preparation of a City Development Plan (CDP) to cover a 20-25 year horizon; memoranda of agreement to be signed between State Governments, Union Government, and Urban Local Bodies (ULBs) to implement reforms; preparation of Detailed Project Reports; definite role for the participation of the private sector in developing infrastructure; direct grants to nominated nodal agencies; raising additional resources from financial institutions, private sector, and capital markets by the nodal agency; transfer of funds from nodal agencies to ULBs through grants or loans; and creation of a revolving fund for management and maintenance of created assets. How such planning, agreements, funds, and private participation will actually ease the pressure on infrastructure while providing services to the poor remains unsaid. Neither has any evidence been provided for the reasons behind the "inefficiency" of the public sector in doing precisely the same tasks that the private sector is now supposed to perform in a spirit of social responsibility.

Which is why it is interesting that the Mission proposes to separate the infrastructure component from the services to the poor by setting up two Sub-Missions under different Ministries. Thus, the Infrastructure component, that will address the issues of renewal, water supply and sanitation, solid waste management, drains and sewers, urban transport, parking, heritage conservation, and protection of water bodies, is delegated to the Urban Development Ministry. While the Basic Services (to the Poor) component, including integrated development of slums, slum clearance and improvement, provision of civic services, affordable housing, sanitation and waste management, maintenance, and coordination between health, education, and social security is under the Ministry of Poverty Alleviation. How these two Ministries will come up with a coordinated and integrated effort is a question that is not answered in the document. And implicit in the division is the understanding that the development of "infrastructure" (including such critical issues as water, sanitation, and wastes) is not going to be for the poor!

Some enlightenment about the real purpose of the Mission emerges when one looks at the proposed Reforms under the Project, which will enable ULBs to access funds from the capital markets and promote public-private partnerships. Two kinds of Reforms are proposed – those that are 'mandatory', and others that are 'voluntary'. To remove all doubts, the 'mandatory' measures are spelt out at both the level of the ULBs as well as the State Governments. The former are supposed to adopt modern double-accounting systems, e-governance, user fees to recover full costs, budgetary allocations by the ULBs to provide affordable basic services for the poor, and reform property taxes. The latter have to conduct elections to the ULBs under the 74th Amendment, repeal the Urban Land Ceiling Act, reform the Rent Control Act, bring down Stamp Duties to 5%, put in place a public disclosure law, and involve ULBs in urban planning and management. Thus, these mandatory reforms are clearly designed to aid in improving the "efficiency" of the money market, not necessarily that of services.

It turns out that there is nothing voluntary about the 'voluntary' reforms either – they have to be carried out within the space of seven years earmarked for the Mission. They include modifying the rules to make construction and land development easier, simplifying the procedures to convert agricultural land for non-agricultural purposes, implementing property title certificate schemes, providing 20-25% of land for EWS and LIG housing against matching grants and aid, computerising land and property registration, and promoting public-private partnerships. At first glance, all these reforms appear to be benevolently designed to improve governance and delivery mechanisms. However, a closer reading shows that, in fact, they are all targeted at benefiting those who own money, land, and property and making property transactions easier, particularly for the large private builders and developers. Even electronic systems of keeping records and providing access to information favour this class above all others.

This suspicion is further strengthened when one studies the proposed financial structure for the Mission. For four million-plus cities the Union Government will provide 35% of the capital investment, while the State Governments' share is 15%. For million-plus towns, the shares go up to 50% and 20% respectively. The remaining 30-40% has to be raised from the financial markets. Even of the public capital provided by governments, 25% is earmarked for a revolving fund while 10% is for capacity building and administration. In other words, the real financial clout will remain within the hands of the big market players and infrastructure companies, and the money will not flow through the elected local bodies but through unaccountable nodal agencies nominated by the government. Even the administrative and supervisory structure is dominated by bureaucrats and technocrats, with specific instructions to give priority to private sector participation, and without direct interface with the citizens.

The supreme irony is that this Mission, explicitly favouring the private owner of capital, has been blessed with the name of Jawaharlal Nehru, one of the foremost proponents of socialist development through the agency of an active public sector. What is probably even less appreciated, though, is that the JNNURM does not stand alone. In fact, it is part of a larger package of programmes that includes the Master Plans, the Small and Medium Town Development Project (SMTDP), the Urban Environment and Infrastructure Improvement Projects (UEIIP), the New Economic Policy (NEP), the National Transport Policy (NTP), the series of agreements under the World Trade Organisation (WTO) negotiations, particularly the Non Agricultural Market Access (NAMA) that permits foreign corporations to invest in infrastructure projects, and the Tenth Plan – all of which promote public-private partnerships and user charges as self-evident truths. It also shares the same genealogy of state intervention as the National Slum Development Programme (NSDP), the Swarna Jayanti Urban Employment Programme (SJSRY), and the Valmiki-Ambedkar Housing Scheme (VAMBAY).

So why was the JNNURM necessary? The aggregate money appears huge, but when distributed over 63 cities and towns over 7 years it comes to an average of Rs 285 crores per year per city. Many city budgets are already larger than the NURM component and are going to receive much less from the JNNURM than what they have asked for. Hence, clearly money is not the driving force. The second aspect is the emphasis given to the "efficient" private sector. Urban services are targeted at being provided by special agencies with private sector participation, not by municipalities. But, given the fact that the major investment is going to be in infrastructure, which has notoriously low returns, the likelihood is that it is the financial institutions and markets that will provide the investment, and that, in turn, will increase the debt liabilities. Hence, recovery can only be from the sale of land and property and from increased taxes. This is where the real interest of the private corporations will lie, with the added advantage of cost-sharing being spread over the entire urban population in the name of decentralisation.

At the core of the JNNURM, therefore, is the new model of governance that is emerging. The "world class" mega projects of infrastructure can only be taken up with financial support and subsidies to the corporations. These will be facilitated by the setting up of new institutions for promoting reforms, such as Special Purpose Vehicles, Project Management Units, Non Government Organisations etc, which are all designed to bypass the existing democratic

institutions that are accountable to the people. Centralisation of decision-making, while decentralising the debt burdens, and encouraging market-based financing and control, can only add to the influence of elite sections of consultants, bureaucrats, and business interests. Thus, planning of these projects (including the CDP) will be done with such haste and under such conditions of secrecy, that it cannot be based on verifiable data. The repeal of the Urban Land Ceiling Act is being done in the name of making more land available in the market, but will actually only favour the real estate lobby and the big builders. The city will go upwards, both in physical and economic terms, squeezing out the urban poor and even the lower middle class.

All these processes are already visible in cities and towns across India. Almost every urban conglomeration now has a Development Authority, which supersedes the elected Municipality. In tandem with a more-than-willing judiciary, these Authorities are dispossessing people of land and dreaming up vast “beautification” schemes. In Mumbai, for instance, 53 lakh square metres of land has been taken from industrial closures and dereserved for commercial exploitation, while workers have been steadily thrown out from the formal into the informal sector. Slums are being cleared with appalling violence to make way for the powerful real estate lobby. In Delhi, slum evictions over the last five years have displaced over 5 lakh people and the land turned over for “public purpose” – which covers hotels, malls, parks, flyovers, and office complexes, but does not include public housing for the poor. Bangalore has devised an innovative collusion between bureaucrats, companies, politicians, and “citizens” to push through a mode of e-governance that makes land records available to the corporate and real estate lobby for easy purchase and commercialisation, using Transferable Development Rights (TDRs) as the instrument for raising funds from the market.

In Chennai, 69,000 families have been identified to be living on government land and they are to be relocated to areas far removed from the city. The areas they vacate will be taken over by railway tracks, hotel resorts, commercial and residential complexes, and modern businesses. The same notions of “environmental improvement” are prevailing in Kolkata where Operation Sunshine was launched ten years ago to evict over 50,000 hawkers from the city’s main streets. At the same time, lavish commercial and residential complexes are coming up unhindered along the Metropolitan Bye Pass, where the real estate prices rival those in the elite areas of South Calcutta. Hyderabad was distributing land titles and housing loans to the urban poor in 1977 but is now merrily leasing large tracts of land at heavily subsidised prices to business groups, international airports, cinema halls, shopping complexes, hotels, corporate hospitals, and railway tracks. Over 10,000 houses of the “weaker sections” have been demolished to make way for the new face of the city. Ahmedabad is not far behind with its “slum upgradation” scheme complementing architecturally bizarre housing blocks. But the ruling class there has been innovative in using communal frenzy as a means of evicting large sections of the “unwanted” and taking over their land and property.

Three trends become apparent when we look at this recent history of urban renewal. Firstly, large sections of the urban poor are being displaced from space that they have occupied for many years by every government – regardless of political affiliations. These sections are often the ones who have been employed in the formal sector or are self-employed in the tertiary services sector. Secondly, the geographical and occupational space that they occupied is being transferred to larger private corporate entities or wealthier groups, such as commercial complexes and residential layouts. These units are also often coupled up with labour-replacing devices ranging from automatic tellers and computer-aided machines to vacuum cleaners and home delivery services. Thirdly, while the driving force behind these changes is manifestly the new globalised economy, it is offered on an environmental platter of “cleanliness” and “beautification”. This environmental activism, in turn, is the bread and butter of those professional “non-government organisations” that are taking up the “public cause”, as well as the judicial, legislative, administrative, and commercial apparatuses – including a very pliable media – that provide them with legitimacy and political support.

It should be remembered that the attack on work coincided with the early 90s when India fell into the trap of structural adjustment laid by the global multi-lateral funding institutions. It was

in 1985 that an NGO filed a “public interest” petition in the Supreme Court against the limestone mines in the Mussoorie hills. After a series of hearings and investigations, the Court eventually ordered the closure of the mines on the grounds that the Right to Clean Environment flowed from Article 21 of the Constitution (Right to Life). However, when the workers in the mines protested that they would be deprived of the Right to Livelihood, the Court held that the Right to Clean Environment was “superior” to the Right to Livelihood. In this manner, of two children emanating from the same parent, the highest court in the land held that one was more important. In the last fifteen years, the same line of “environmental” reasoning has been used by various vested interest groups who have urged the courts to demolish the livelihoods of many millions of ordinary working people. Since 1995, when the first “green” judgements were handed down, the judges have led the charge against the urban working class.

The attack on urban shelter began much earlier, and the climax was reached during the late 70s when the declaration of a National Emergency by the government suspended all human rights and the administration had a free hand to demolish and recast as they pleased. But now the judiciary itself has ordained that slum dwellers have no rights to what is being euphemistically called “free” shelter. Political concern can be assessed by the fact that, on Independence Day in 2001, the then Prime Minister announced his Government’s intention to provide every urban poor family with a house to live in by 2010. Six weeks later, on World Habitat Day, the Union Cabinet cleared the Valmiki Ambedkar Awas Yojana with a munificent grant of Rs 2000 crores for the period of the next Five-Year Plan. Next, the Union Minister for Urban Development declared that 4 lakh houses would be built every year by public sector institutions for the urban poor. However, spread over 5161 towns and cities, and at the rate of Rs 50,000 per house, the number of houses built would average out to 15.5 per urban centre!

The present Prime Minister’s beatification of Nehru in JNNURM follows in the same tradition of obfuscation and blatant misinformation about “renewal”. The added promise of services to the urban poor at “reasonable” user charges – without, in sharp contrast, providing anything for livelihoods – is merely an elaboration of the farce that is being enacted to erode democracy. The same farce plays itself out in the courts, where misinformation is being freely bandied around as the truth, the affected parties are not being heard, and the biases of individual judges express themselves freely in “observations” that have nothing to do with rational orders. And as the urban poor struggle for a home and work on the streets of the cities with golden pavements, a mass discontent is brewing across the urban landscape that does not bode well for the future of an increasingly uncivilised society.

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