
Preface

This book entitled *India: The Challenge of Urban Governance* consists of papers that were written during the years 1993-97, by urban researchers in India who were associated with the activities of a major programme of urban research in the developing countries. This programme, which came to be subsequently known as the Global Urban Research Initiative (GURI), was established in 1992, following an agreement between the Centre for Urban and Community Studies, University of Toronto, Toronto, and the Ford Foundation, New York. The purpose of GURI, in its initial phase, was to undertake an assessment of the state of urban research in the developing countries, primarily to test out the widespread apprehensions that interest in urban research in many countries was on the wane. The assessment undertaken by a core group of urban scholars and institutions in about 50 countries not only dispelled such apprehensions, but showed that cities in the developing countries were faced with new problems, and consequently were confronted with a newer urban agenda, comprising such issues as globalization, poverty, decentralization, finance and the economy of cities, urban environment and sustainability, and urban social structures. Of these issues, the one this group of researchers found to be of foremost importance to the developing countries was urban governance. The core group of researchers accordingly began what turned out to be a four year research programme on issues of governance, broken into two phases: the 1993-96 phase wherein the researchers worked on a general assessment of the problems of governance, and the 1996-97 phase where focus was placed on participatory action research on governance, decentralization and municipal reform. This book consists of the research work conducted in India during the two phases.

Of the eight papers that constitute the book, five are background papers which are focused on the roles of the different actors and stakeholders in the governance of cities and towns, and the efficiency with which they exercise their roles, both independently and in relation

to each other. The background papers are substantive reviews of the existing studies and research work on the subject, and have attempted to define the manner in which the roles of stakeholders in Indian cities and towns have changed, particularly as a result of (i) the changes that have taken place outside their borders, i.e., globalization, (ii) changes that have been prompted by the Constitution (seventy fourth) Amendment Act, 1992, and (iii) changes that have occurred and are continuing to take place in their demographic, social and economic profile. The background papers prepared during the first phase have been synthesised by Om Prakash Mathur, in a paper entitled *Governing Cities: Facing up to the Challenges of Globalization and Poverty*. In addition, the book contains two papers prepared during the second phase, these being a case study on Public Private Participation in the Provision of Infrastructure to Tirupur: A Governance Perspective, and a paper entitled Fiscal Innovations and Urban Governance.

Dinesh Mehta and Pushpa Pathak in their paper titled as *Economic Development, Globalization and Urban Governance in India* have drawn attention to the fact that cities in India are faced with new opportunities as a result of liberal macro-economic policies, and the Constitution (seventy-fourth) Amendment Act, 1992, but the mode of governance that is needed to deal with the new situation is beyond the traditional concerns of municipal management. The severe infrastructural deficiencies, the highly controlled and regulated land and property markets, the limited financial resources of local governments, and inadequate managerial, institutional and technical capacities of local governments are major constraints that limit the ability of cities to adequately handle economic development. To Mehta and Pathak, strengthening of local governments is a pre-requisite if they have to be enabled to perform economic development functions, and to take advantage of new market opportunities.

That the scenario at the level of local governments is far less promising, is also the message of the papers by Abhijit Datta and Asok Mukhopadhyay. In his paper *Institutional Aspects of Urban Governance*, Abhijit Datta speaks of the limits of the existing institutional framework. He writes: "the institutional reality of urban governance in India stands in sharp contrast to the lofty idealism of utilitarian philosophy". According to Datta, the source of the problem lies in the fact that bulk of the important decisions affecting the city's destiny are made externally, at higher levels of polity. Quoting a study by Jones (1994), he points out that governance of a city in India is essentially by

the State government. He reaffirms it by observing that although in a Constitutional sense, all local functions are concurrent in nature, the process of delegation leading up to greater autonomy for local authorities “has not happened in India” as, even when functions are expressly delegated to the municipal authorities, the State governments intrude into their domain and operate in the same functional areas. Asok Mukhapadhyay’s paper on *Politics and Bureaucracy in Urban Governance: The Indian Experience* proffers the same message: effective governance in Indian cities is severely strained on a account of hiatus between political developments and bureaucratic growth, the latter having expanded at the cost of its efficiency.

Meera Mehta’s paper on *Participation and Urban Governance* laments over the growing disenchantment in the country with the role of the government, but then she argues that it should not mean negating or shunning the government, but means “rethinking” the role of the government and mode of governance. The main agenda for urban governance, in her view, should be to transform the role of local governments and public agencies which is possible in a framework that allows for participation, cooperation, and collaboration between civil society, non governmental agencies, and local and higher levels of government. Amitabh Kundu and Shipra Maitra in their paper *Access of Urban Poor to Basic Services: An Analysis in the Context of the Changing Perspective of Urban Governance in India* review the role of the shareholders vis a vis the urban poor, especially the role of the State and municipal governments in poverty alleviation. Governance, regardless of its mode, so runs the theme of their paper, must respond to the needs of the urban poor who stand deprived of basic services.

These five papers have been synthesised by Om Prakash Mathur under the title *Governing Cities: Facing up to the Challenges of Globalization and Poverty*. Mathur defines the subject by observing that the debate on who should manage and govern cities, unlike the earlier debates, is not confined to what the municipal and other governmental institutions should do to manage cities. Nor is the debate restricted to the mechanisms for improved provision and delivery of urban services. The present debate on governance is concerned with the broader capacity of cities to be able to deal with changes that are taking place both within cities, and externally, in the global economy. He asks: “do the institutions, for instance, have the capability of dealing with the growing pressures of poverty and deprivation? Can the cities effectively respond to the challenge of the opening up of economies?” In this

context, he reviews, using the background papers, his own independent research and papers from Nepal and Srilanka, the roles of local governments, the parastatal agencies, the private sector, and the non governmental agencies in the governance of cities and towns. He concludes by saying that the existing state of knowledge is barely sufficient to analyze the institutional base at the level of cities, and places responsibility on the research community to take on upfront this relatively unresearched field.

This book includes a case study of *Public-Private Partnership in the Provision of Infrastructure to Tirupur: A Governance Perspective*. Prepared by Usha P. Raghupathi, it forms a part of the three case studies that were commissioned during the second phase of research where the entire effort was directed to observing and documenting field level initiatives in improving the finances of municipal governments, and assessing their impact on the governance of cities. Usha P. Raghupathi discusses the entire process of bringing together the different stakeholders in planning a Build-Operate-Transfer (BOT) arrangement for the supply of water to Tirupur a medium sized town in southern India. She concludes that commonality of interest is a crucial component in forging Public-Private Partnerships, even in those spheres where the private sector has historically not played any role.

In the concluding paper *Fiscal Innovations and Urban Governance*, Om Prakash Mathur, using this and two other studies on Property Tax Reform in Andhra Pradesh and the Issuance of Municipal Bonds by the Ahmedabad Municipal Corporation, attempts to explore the links between fiscal innovations and governance, by examining such questions as: do actions such as involving the private sector in the provision of infrastructure, reform of property taxes, and issuance of municipal bonds serve revenue-raising goals or also lead to better governance of cities?; and to what extent do the fiscal initiatives lead to or promote accountability, transparency and participation? He draws several lessons from the field-level cases:

- A simple, transparent and undifferentiated tax system has a greater possibility of securing clientele acceptance and of being sustained, even if it entailed a higher tax burden.
- Public sharing of credit rating information is an important input to building alliances and partnerships with the non-governmental sector and other interest groups.

- Commitment and leadership are critical to initiating changes in the local fiscal arrangement.

The eight papers constituting this book have shed light on the roles of different stakeholders in the management and governance of cities and their preparedness to deal with the challenges of globalization and poverty. The papers have also served to explore the links between fiscal initiatives and governance. At the same time, the papers point to the extreme complexity in exploring such roles and linkages, underscoring the need to continue research in this relatively virgin area of urban growth dynamics.

Contributors

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