

3-5 RMLNLUJ (2011-2013) 118

Improving Urban Governance: Role of The State in The Changing Paradigm

by
—Prof. Amar Pal Singh*

I. INTRODUCTION

The Aam Adami Party (AAP) experiment in Delhi has proved many people wrong and has initiated a different kind of political process taking the issues of corruption and VIP culture head on, in the face of which most of the urban population felt almost helpless. While this has de-settled the established citadels of power and has led to a churning in the entire socio-economic system. It has also drawn the attention of the nation on the issues of urban governance in general and of public service delivery in particular. The problems of urban governance in fact has been neglected for a long while as the rural sector served as the main agenda of political parties vying for vote bank politics. In the aftermath of economic reforms, urban governance has slowly been emerging as an important agenda on the national scene. May it be noted that urbanization process is the cutting edge of economic growth and development and within next three decades or so, half of our population shall be living in urban centers and, therefore, it is obvious that problems of urban governance could no more be relegated to the background in the electoral politics. An effort shall be made in this article to highlight the crises of governance emerging in the contemporary governance processes from the point of view of urban governance. Accordingly the article shall be divided into four parts. Part-I begins with the introductory observations. Part II shall try to unravel the meaning of governance and the need of good governance with special reference to urban governance processes. Part-III shall try to articulate some of the emerging issues of urban governance and part-IV shall try to present an analytical



Page: 119

standpoint so as to prepare the ground for presenting certain conclusions and well meaning suggestions on the point in Part V.

II. MEANING AND PROCESSES OF GOVERNANCE

To govern means to steer, guide, direct, control, regulate, influence or determine. In particular, it is to rule with or exercise authority and to administer the affairs of a given system. In the context of political governance, therefore, Government would refer to the formal institutional structures and locations of authoritative decision making process¹ embracing the legislative and executive branches of the state apparatus and those who control them. Governance, therefore, would mean the action, manner or system of governance in which the boundary between organisations and public and private sectors has become permeable... "The essence of governance is the interactive relationship between and within government and non-governmental forces"². It implies, Stoker asserts, joint action and thus a common purpose, a shared framework of values and rules, continuous interaction, and the desire to achieve a collective benefit which cannot be achieved by either acting separately or in an isolated manner. It is about relationships between the state and 'civil society', rulers and the ruled, government and the governed. It implies interdependence but does not prejudge the locus or character of real decisional authority, instead being concerned to

disentangle the relationships and practices involved in governing. Governance is about the way the power structures of the day and 'civil society' inter-relate to produce a civic public realm.

In the changed paradigm of governance which this author prefers to call the 'paradigm of democratic consolidation', the State has an essential role in empowering their citizens by creating capacities in individuals and civil society associations, providing equal opportunities and ensuring social, economic, and political inclusion and access to resources. It must be noted in this context that there are three differentiated spheres of governance in the state systems at the moment, political, economic and social spheres. The political sphere is characterized by high level of organization and legitimacy of authority, the economic sphere is characterized by compulsive associational values and it is the third which is left for mediatory roles. The private sector is, at least in the theoretical free-market model, the job-generating, income-producing arm of this trinity. It uses the market to better the economic position of the citizenry. States, in the current neo-liberal global market environment, have taken on the role of facilitating private sector development. And, therefore, the role of the social sector, as the main mediatory sphere of civil society organizations, assumes much more significance



Page: 120

today than ever before. It is necessary to note in this context that for variety of reasons like lack of budget, financing, monopolistic approaches to regulating society and corruption, governmental structures are not able to cope with the functions assigned to them³. Therefore there are obvious reasons for an emphasis on the role of civil society in governance processes.

For the purpose of understanding the dynamics of urban governance in the changed scenario, one has to keep in mind that the State has been taking a backseat in terms of providing number of urban services to the citizens earlier. The gap that has been created by the shrinking state functions of the erstwhile Welfare State, now is being occupied by the private sector. This takeover is not a hostile, rather the State system itself has been instrumental and promoting these tendencies and the State has been facilitating this takeover, either for the purpose of concentrating on more important issues of statecraft and thereby improving the quality of core governance sectors or because of the pressure of economic pressure groupings within the governance structures themselves. However this process presents a very perplexing pictures of contrast and complexities. In this scene the State is now no more just the facilitator, but many times a competitor in the service market as well. Urban transport, telephone and insurance sectors are just few examples to quote in this context.

Turning to the issues of quality urban governance, one can fruitfully note the UNDP definition of good governance, which is defined as a participatory, transparent and accountable, effective and equitable process that promotes the rule of law. It ensures that political, social and economic priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources. Good governance defines the processes and structures that guide political and socio-economic relationships. The UNDP lists nine characteristics of good governance: participation,⁴ rule of law,⁵ transparency,⁶ responsiveness,⁷ consensus orientation,⁸ equity,⁹ effectiveness and



Page: 121

efficiency,¹⁰ accountability,¹¹ and strategic vision.¹² Another important point that is required to be noted is that for the purposes of good governance, it is important to ensure that all sectors of the population are represented, not just the elite or powerful in civil society. Good governance links governance and development, an especially complex interaction considering the roles of the different sectors. As former secretary general of United Nations Organisation, Mr. Kofi Annan, observed sometime back that, it is now widely accepted that country's economic success depends in large measure on the quality of governance it enjoys.¹³ Good governance comprises the rule of law, effective state institutions, transparency and accountability in the management of public affairs, respect for human rights, and the participation of all citizens in the decisions that affect their lives. One last point that needs to be noted is that that existence of civil society organizations is not the guarantees of good governance. For that purpose institutional structures are required to be in place to ensure that the civil society has the opportunities to effectively participate in decision making process and thereby ensure good governance. It is in this respect that one can look towards structures initiated by the Constitution (Seventy-fourth Amendment) Act, 1992 which can be used for ensuring the participation of civil society groups, apart from the individual, in decision making processes of governance structures.

III. COMPLEX SCENE OF URBAN GOVERNANCE

With this understanding of governance processes when one turns to the scene of urban governance in the country, the picture that one notices is of very perplexing kind of contrasts and complexities. However in view of what we have seen above, three main issues can be sorted out: firstly, the structures of urban governance has to be seen in functional terms concerning the processes of governance, autonomy of local bodies within the federal system; secondly, the involvement of citizens and civil society organisations is something which makes the urban governance participative, transparent and accountable and, therefore, within the given structures the inclusion of citizens and civil society organisations has to be ensured,




and thirdly, the incorporation of private sector in essential urban services and the public private partnership issues have to be seen from functional efficiency point of view. In this context the role of State and Central Government, regional agencies, private and non-governmental organization becomes crucial.

The first thing that is necessary is the basic element of governing process, i.e. political process, citizens' participation, organizational structures and autonomy, must find a due place in the concept of urban governance. It is a democratically organized system of guidance or steering by which collectivity of citizens on a local scale operate. It must enhance their welfare, meet common needs and furthers social justice either directly or through elected officials exercising public authority and leadership on their behalf. Local public organisations are the mechanisms of this governing process to the extent that they are accountable to and draw their legitimacy from all citizens subject to the authority.¹⁴ To be specific, responding to discrete local problems, providing a vision of the future, by devising policies and programmes for the welfare of the local community, providing municipal services and amenities, fostering local economic development etc. are the prime responsibilities of urban governance process and their structures.

What can be said about this particular element is that though the 74th

Constitutional Amendment has ensured that the structures for the said process are available. However to what extent the democratic ideals have been achieved by this constitutional contrivance is not a very encouraging matter. The autonomy of funds, functions and functionaries continues to be a chimera for these local urban governing bodies. It is either the centrally sponsored schemes supervised by central bodies or funds flown through single purpose agencies who are seldom answerable to local governing bodies, or loan projects like the Asian Development Bank projects or World Bank projects. These projects are invariably supervised by designated agencies which are not at all answerable to local bodies. Take, for example, the two phase Rajasthan Urban Infrastructure Development Project (RUIDP). This project has been being implemented in two phases and the second phase is now in the process of completion. The goal was to encourage sustainable economic growth in cities and tourist centers within the State of Rajasthan. The objective of the Project was to ensure that the quality of urban infrastructure and municipal service delivery were improved in a sustainable manner. It was to enable the economic growth and poverty reduction to occur in 15 urban towns of the State. The Project financed urban infrastructure development in the sectors of water supply, sewerage and drainage, solid waste management, city roads and transport and other infrastructure related to heritage,

 Page: 123

medical, fire fighting and tourism development in these cities.¹⁵ The project was implemented through the project management unit of the RUIDP, which in turn has been supervised by the Central Government, because it has given guarantee of the loan to ADB.

What is the moral of the story, neither the governments, governmental agencies within the system nor, for that purpose, the outside donor agencies have any faith and belief in the urban governance bodies and they still rely on their own implementing agencies and bureaucratic machinery. This does not bode well for the future of the urban governance. If the charity is to begin at home, we shall have to create a certain confidence levels not only within the system as to these agencies, but also amongst the functionaries of these bodies as to their abilities to handle their affairs at that level. This appears to be one of the biggest challenges of 'democratic consolidation' process.

IV. FRAGMENTATION OF AUTHORITY V. PUBLIC CHOICE

Over-reliance over the existing bureaucratic structures or creation of new bodies, in the form of single purpose agencies or otherwise, leads to what one school of theorists would argue, the fragmentation of authority. It in turn confusion in responsibility for service supervision, duplication of efforts, inconsistency in sectoral investments, inefficiencies in the delivery of services, higher per unit costs involving larger government outlays, parochialism of local governments leading to unstable policy making and lack of a single unit with concern for overall development of the region. The argument thus moves towards centralization which is expected to not only overcome these problems but also would lead to improved urban services delivery through greater coordination, application of economies of scale and reduction in inequities.

The counter argument to this would be raised by the other school of thought who are more commonly known as public choice theorists, they would argue that more number of governmental units provide a competitive and efficient government market place. This would also lead to enhancement or improvement of participative role of the


citizens. The dialogue over fragmentation though basically centers around political and other ideological factors, of late, this problem is being analyzed empirically. For example the question: whether local government fragmentation leads to significantly higher costs of government? Apart from this, fragmentation disallows integrated approach among the urban agencies to achieve sustainable urban development involving complex social, economic, political and spatial

 Page: 124

issues, demanding even structural and attitudinal changes. This requires that such urban government systems should be created with required power, resources to reconcile and achieve economic, social and environmental objectives in an integrated perspective. A network of inter-organizational linkages must be established at different levels, viz, policy formulation, planning and implementation to achieve coordinated and integrated development¹⁶.

In this context the mention of Jawaharlal Nehru National Urban Renewal Mission (JnNURM), launched for the period of 2005-2012 was an exemplary scheme. This project, intending to invest 22,000 crores of rupees in national urban renewal mission, provided basic services to the urban poor involving construction of over a million dwelling units for urban poor. The project also concentrated on improvement of urban infrastructure and improving basic services. The project was spread over 63 major urban centers in the country. It was supposedly, one of the most important urban centered projects during post-independence phase in the country.¹⁷ However the project was no different from other centrally sponsored schemes wherein the execution and supervision remained largely in the hands of, either single purpose agencies or project implementation monitoring authority, leaving little space for the local people to have a say. A expert estimates projected not more than 30 percent of the urban population has benefited by it. The project implementation should ideally be in the hands of the state government and the Urban Local Bodies and the interventionist role of the Central Government should be only confined to equity and distribution aspects.

Let us understand the problem in the right perspective. Broadly speaking urban population can be classified into three groups. Usually slums are called informal settlements and the rest of the city is called formal city. There is a third category of population which constitutes a sizeable part of urban poor, i.e. De-Notified and Nomadic Tribes category of urban poor. While the slums get notified or regularized in a legal or semi-legal status and people belonging to this category would possess the voter's card, ration card and other legal identification documents, that turn them into a political/electoral constituency. On the other hand, the denotified/nomadic tribe category people, who are not part of such 'formal' slum settlements and who do not possess legal status in the form of voter's card, ration card or other legal identifications, do not form a political constituency and do not exist for the system at all. Thus among the urban poor, denotified/nomadic tribe category people are the most informal and politically unrepresented group of people. They would be the group which shall not be covered by any scheme of

 Page: 125

urban renewal. They are also the most un-informed people, and therefore have no knowledge of such government schemes.

While the developmental schemes have got to be handed over to the local authorities as has been argued elsewhere in this article, the interventionist role of the Central Government should be concentrated in this sector, i.e. devising schemes for the un-recorded, not available on record kind of people in the urban sectors. That shall go a long way in improving the urban governance in the country. We must not forget that these unidentified, unrecorded people in the urban sectors fall into the hands of the now very active terror recruiting outfits and become a major source of urban terrorism.

Closely associated with this have been the calls for decentralization, based on the assumption that decentralized government is able to coordinate sectoral activities, more knowledgeable about local conditions, more accountable to local populations and so better able to match resources to local needs and priorities. In towns and cities, recognition of the important role of non-state actors and civil society organisations in the production and management of the urban built environment, filling gaps in state provision of services, and holding formal democratic structures to account was coupled with renewed attention to democratic decentralization leading to democratic consolidation.

The second issue that needs immediate attention is what would popularly be called the public private partnership. Until 1980s the dominant thinking was that government had the authority and capacity to govern: to formulate and implement policy, and to realize development goals. Translated into an urban context, the State-led approach to development implied that public sector organisations could plan and manage urban development and the debate focused on an appropriate allocation of roles and responsibilities between central and local government and between the administrative departments of government and semi-autonomous public sector agencies. However, by 1990s, two changes had started challenging the state-led view of urban management. The first was the influence of neo-liberal economic thinking, expressed in the macro-economic policies associated with structural adjustment and a desire to reduce the role of the State to the minimum enabling functions necessary to support the operation of markets. These ideas have strongly influenced thinking about appropriate approaches to urban infrastructure and service provision. The other was rooted in dissatisfaction with the ability of existing political systems to respond to the views and needs of all social groups, whether in well-established systems of representative democracy; formal democracies in which power is actually concentrated in the hands of a few; or authoritarian, bureaucratic and one-party states.



Public-Private partnership concept is not something new. In fact there are examples of it as far back as 16th and 17th century in France, Brazil, Britain and United States in sectors like roads and bridges, electricity utilities, water works etc. Private-Public partnership is gaining importance world wide as it has been adopted in several regions in various sectors. Interestingly, in a country like China, which is still one party rule of Communist type of regime, there is significant amount of public-private partnership in public utility services. In India, such partnership, though have been fairly successful, in sectors like infrastructure, roads and highways much remains to be done.

What is important to be noted in terms of public-private partnership is that this kind of a developmental model does not reduce the responsibility and accountability of the government. The government remains accountable for service, quality, price

certainty and cost effectiveness. In fact the role of the government gets re-defined as one of facilitator and enabler, while private sector plays the role of financier, builder and operator of services. Under such a system, the skills, expertise and experience of both public and private sector get combined to deliver higher standard of services to the consumers.¹⁸ This also may involve the consumers in the entirety of governance process, making the governance truly inclusive, responsive, transparent and accountable. It may be noted in this context that the emergence of broad social movements, the proliferation of new forms of social organization and demands for increased political participation has led to dramatic dynamic of the 'democratic consolidation'. The AAP experiment is just one manifest example of that. This has also led to a re-focusing of attention from formal political structures and governments as the locus of decision making authority to the role of civil society in exercising democratic rights and functions. How AAP experiment materializes what it has promised in its manifestoes in terms of constituency-wise manifestoes remains to be seen. However, the experiment needs close watch by observers of this democratic experiment happening for the first time at this scale in India.

Coupled with this is the fact that there is always a likelihood of public sector agencies, including both local and higher levels of government, bureaucracies and their staff tending to promote their own agendas and self interests, resisting or subverting local political decision making; and coordinating actions is often hindered by competition between agencies. The division of responsibilities, power and resources between central and local government is an important determinant of the latter's ability to respond to local priorities and needs, as is the extent to which semi-autonomous bodies within the paradigm of private public partnership, are responsible for the delivery of essential services. NGOs on the other hand may undertake their



own developmental initiatives, generally on a small scale and with limited impact on wider decision making; provide services for the government, potentially sacrificing their independence to access funds; act as intermediaries between residents and public sector agencies; support local associations of residents or micro-entrepreneurs; or campaign for civil rights and political movements having local bearing, thus enhancing the capacities of the people to govern themselves.

V. CONCLUSIONS

In the changed scenario of 21st century when India is raring to emerge as the economic powerhouse of the Afro-Asian region, improving urban governance by emphasizing on inclusive, participative, transparent and accountable governance; by providing more space to civil society organizations in the governance process and by recognizing the role of local self governance bodies, with a role demarcated for private sector as well in the developmental process and in providing better services to urban consumers would provide a vibrant social base in urban sectors for the economies to flourish and thus make urban sectors as the real cutting edge of the developmental and growth process. Political society will have to not only recognize but help the development of a civil society where the contributions of independent and collective initiatives are valued and countervailing institutions respected. Ordinary people should be seen as citizens, not clients. Such a shift will, in my opinion, help evolve urban governance institutions as institution of local self-government. The social terrain in India today, particularly in urban sectors is very encouraging, a vigilant public, vigorous press, vibrant voluntary organizations and the unutilized and underutilized energies of younger men and women, willing and waiting, is more than ready. A new

paradigm of development politics has to emerge and respond to this social reality.

— — —

* M.A. English, (Meerut Univ), LL.B. (Poona Univ), LL.M. (Constitution), M.D.S. University, Ajmer, Ph.D. (Rajasthan Univ), LL.M. (Legal Theory), European Academy of Legal Theory, Brussels (Belgium), Professor (Law), Dr. Ram Manohar Lohiya National Law University, Lucknow (UP).

¹ Stoker, as quoted in "Politics and Performance" Carole Rakodi, 1998.

² *Ibid.*

³ Dr. A.P. Singh, "Civil Society and Good Governance: Emerging challenges" *Journal of Indian Law Institute*, New Delhi, Vol-50, No. 1 2008.

⁴ United Nations Development Programme, *Governance for Sustainable Development: A UNDP policy document* Ch. 1 (1997). All men and women should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

⁵ *Ibid*, f.n. 5, Legal frameworks should be fair and enforced impartially, particularly the laws on human rights.

⁶ *Ibid*, f.n. 5, Transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

⁷ *Ibid*, f.n. 5, Institutions and processes try to serve all stakeholders.

⁸ Good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group and, where possible, on policies and procedures.

⁹ All men and women have opportunities to improve or maintain their well-being.

¹⁰ Processes and institutions produce results that meet needs while making the best use of resources.

¹¹ Decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external to an organisation.

¹² Leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

¹³ Kofi A. Annan, *We the Peoples: The Role of the United Nations in the 21st Century* 7, G.A. Res. 2000, U.N. GAOR, 54th Sess., at 22, U.N. Doc. A/54/2000.

¹⁴ Robert Warren, Mark S. Rosentrarb and Louiss F Weschier "Building Urban Governance: An agenda for 1990s" *Journal of Urban affairs*, Vol. 14, no-3-4.p/401.

¹⁵ *Rajasthan Patrika*, Jodhpur edition, 17 Nov. 2008.

¹⁶ V. Gnaneshwar, *Sustainable Urban Development: The Metropolitan Challenges*, *Nagarlok* Vol. XXIV, No-4, Oct-Dec 1992.

¹⁷ *Times of India*, Jaipur Edition, 12 Feb 2009.

¹⁸ Nand Dhameja, *Public Private Partnership for infrastructure development: Cross country scenario*, *IJPA*, Vol. LIV, No. 1, 2008.

Disclaimer: While every effort is made to avoid any mistake or omission, this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification is being circulated on the condition and understanding that the publisher would not be liable in any manner by reason of any mistake or omission or for any action taken or omitted to be taken or advice rendered or accepted on the basis of this casenote/ headnote/ judgment/ act/ rule/ regulation/ circular/ notification. All disputes will be subject exclusively to jurisdiction of courts, tribunals and forums at Lucknow only. The authenticity of this text must be verified from the original source.