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INDIAN INSTITUTE FOR  
HUMAN SETTLEMENTS

# Urban governance

13<sup>th</sup> August, 2015

Lal Bahadur Shastri National Academy of Administration

## **Session Outline:**

### **1. Introduction**

1. What is governance? How is governance different from government?
2. Brief overview of the governance structure in India

### **2. Devolution and decentralization**

1. The 3 D's: Deconcentration, Delegation, and Decentralization
2. The implementation of the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts

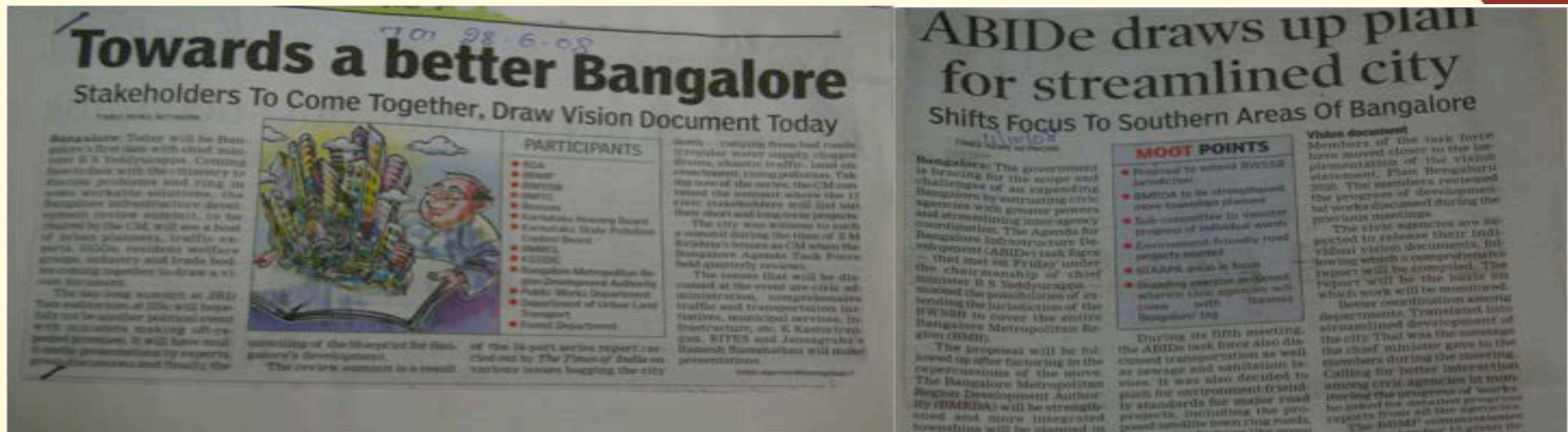
### **3. Challenges and opportunities for urban governance**

1. Gaps and overlaps
2. Coordination
3. New emerging settlements

### **4. Governance cases**

1. International examples: Porto Alegre, Bogota
2. Bangalore
3. Kalyani
4. Surat

# Introduction: What is governance?



## World Bank lauds BATF

PTI, Feb 2, 2004, 09:49pm IST

**BANGALORE:** The World Bank on Monday lauded the Bangalore Agenda Task Force, the public private partnership initiative to improve city infrastructure and services, for its work and said it should be replicated in other metros like Delhi and Mumbai.

"What's happening in Karnataka in BATF should be replicated in New Delhi, Mumbai and other major cities," World Bank senior advisor, Poverty Reduction Group, Deepa Narayan, told reporters here.

She said the success of BATF was due to the accountability of officials of various departments, who not only set milestones, but also review the achievements once in six months.

- 'Governance is the weakest and most crucial link which needs to be repaired to bring about the urban transformation so urgently needed in India'. So, 'good' governance is a pre-requisite for change. (Report on Indian Urban Infrastructure and Services, HPEC Report, 2011)
- Different from government
- Process across multiple scales with many different stakeholders

# **Introduction: What is urban about governance?**

- The urban-rural divide
- Determining the 'urban' is fuzzy
- It matters because:
  - Impacts the kinds of institutions that govern
  - Access to schemes (NREGA, DAY), resources, and programmes
- Urban Governance is the sum of the many ways individuals and institutions, public and private, plan and manage the common affairs of the city. It is a continuing process through which conflicting or diverse interests may be accommodated and cooperative action can be taken. It includes formal institutions as well as informal arrangements and the social capital of citizens.  
<http://www.unhabitat.org/content.asp?typeid=19&catid=25&cid=2097>

## **Political:**

- Mayor, Ward Councillors
  - Kolkata: Mayor in Council
  - Delhi: city-state confusion
  - Chennai: M.K. Stalin, Chennai's first elected mayor
- Parties, MLAs & MPs
- CM and state leadership

## **Administrative**

- Municipal Commissioner
- Courts
- Line Agencies & Parastatals
- Development Authorities

**Land Planning:** Development Authorities, Courts, Directorates of Town and Country Planning

**Fiscal:** Property & other taxes, Municipal Finance Acts, Intergovernmental transfers for major capital works.

# Introduction: India's urban governance structure

- Colonial artifacts
- The role of the “state”
- Power vested in *state* not *local* governments
  - Reasons
  - Implications
- From City Improvement Trusts to Development Authorities, regional development boards and other parastatal agencies

# Decentralization: The 3 D's

- **Deconcentration:**
  - Distribution of functions, but no accountability for actions, no decision-making powers
- **Delegation:**
  - Transfer of specific functions to particular individuals or entities (public or private)
- **Decentralization:**
  - Devolution of the 3 F's: Funds, Functions, & Functionaries
  - Accountability
  - Subsidiarity: can only be governed well at that scale

# Devolution and decentralization: Implementation of the 73<sup>rd</sup> and 74<sup>th</sup> Amendment Acts

- Third tier of government: local elected self government
- Funds, Functions, Functionaries: ‘endow municipalities with such powers and functions so as to enable them to become institutions of self governance’
- Implementation not uniform across the country
  - All powers not devolved to ULBs
  - Ward committees not constituted in all states
  - West Bengal shows highest compliance





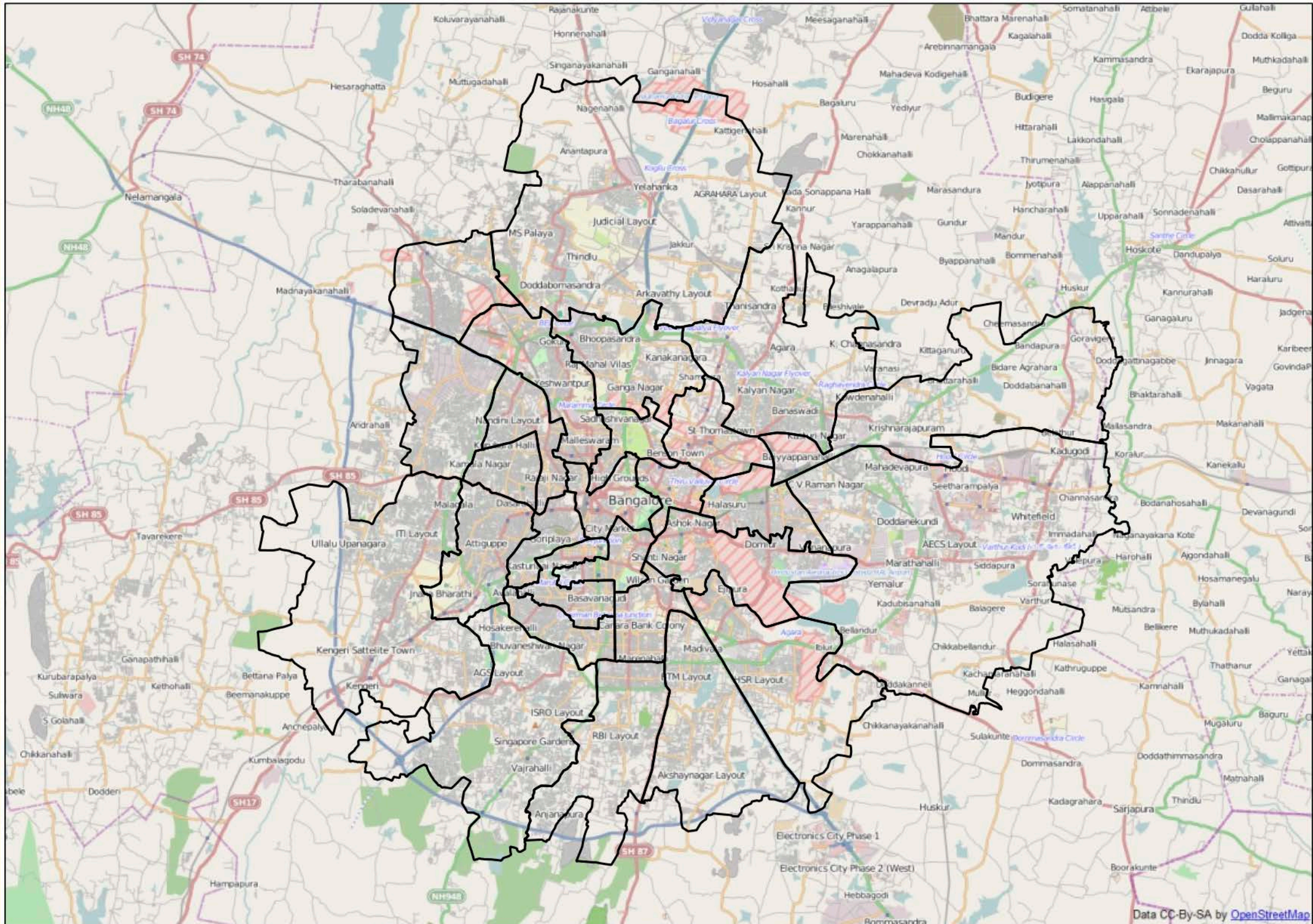
# The 'good governance debates'

- Khichdi = Rule of Law + Politics+ Institutions + Democracy+
- Good Governance= Efficient, management OECD
- Good Governance = democratic outcome could be unjust (i.e. Unconstitutional)
- Good Governance > or more than Government
- Good Governance= valued outcomes differ (religious, State-community, what is modern? Progress)



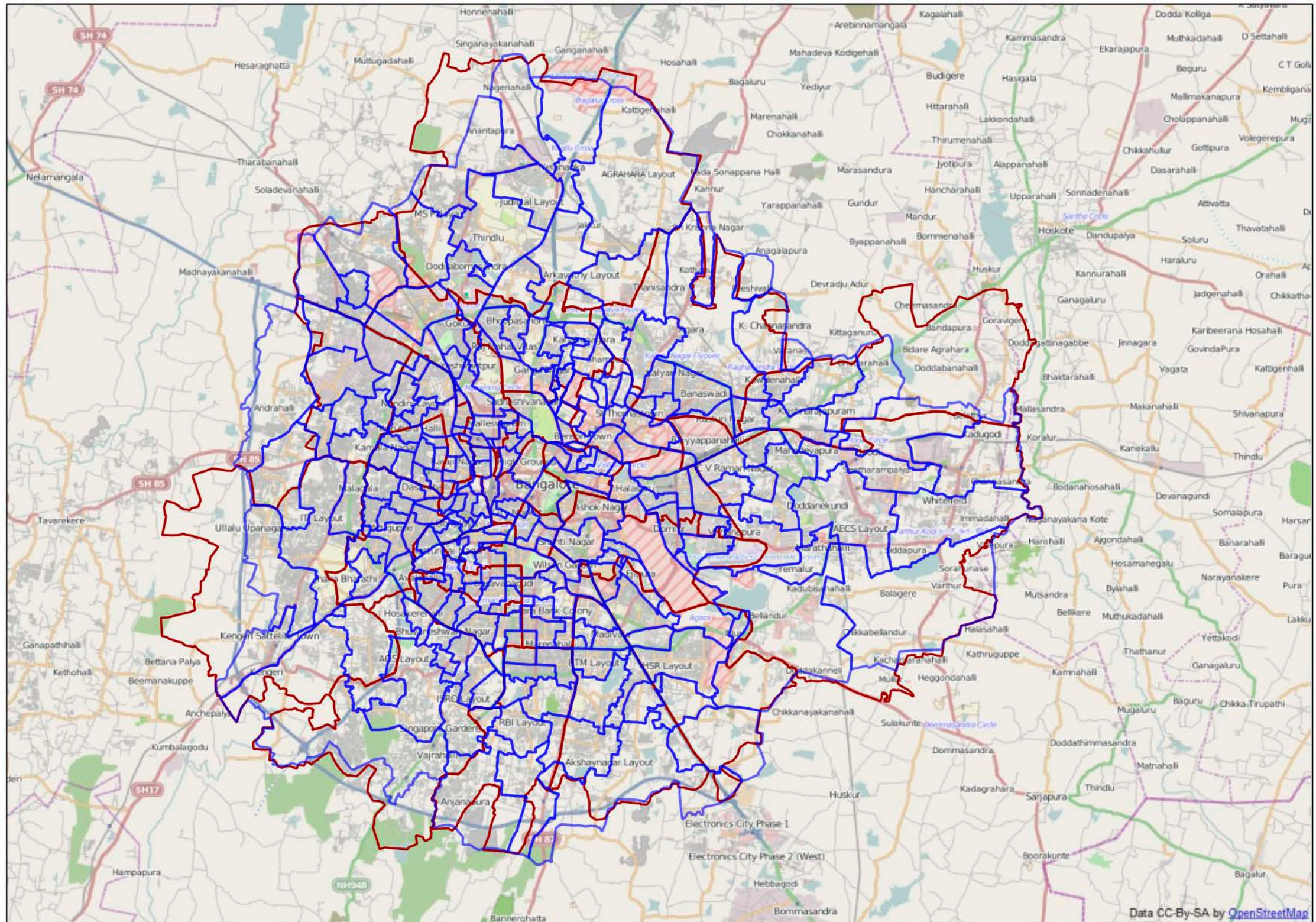
# Challenges & opportunities: Gaps, overlaps, & coordination

## BWSSB Sub-divisions



# Challenges & opportunities: Gaps, overlaps, & coordination

## BWSSB & BBMP jurisdictions



# Challenges & opportunities: Emerging settlements



- SEZs, industrial townships, corridors
- New towns
- Census towns
- Opportunities:
  - New forms of governance
  - Wider range of stakeholders
- Challenges:
  - Lack of democratic institutions/process
  - Privatisation of planning

# International Examples: Porto Alegre, Brazil

- Porto Alegre population: 1.5 million
- Participatory budgeting:
  - Citizen participation in budgetary decisions: citizens decide how to allocate public funds
  - Up to 100% of all new capital spending projects – between 5 & 10% of the total municipal budget
  - Resources have larger impact – focused on providing services to marginalised groups

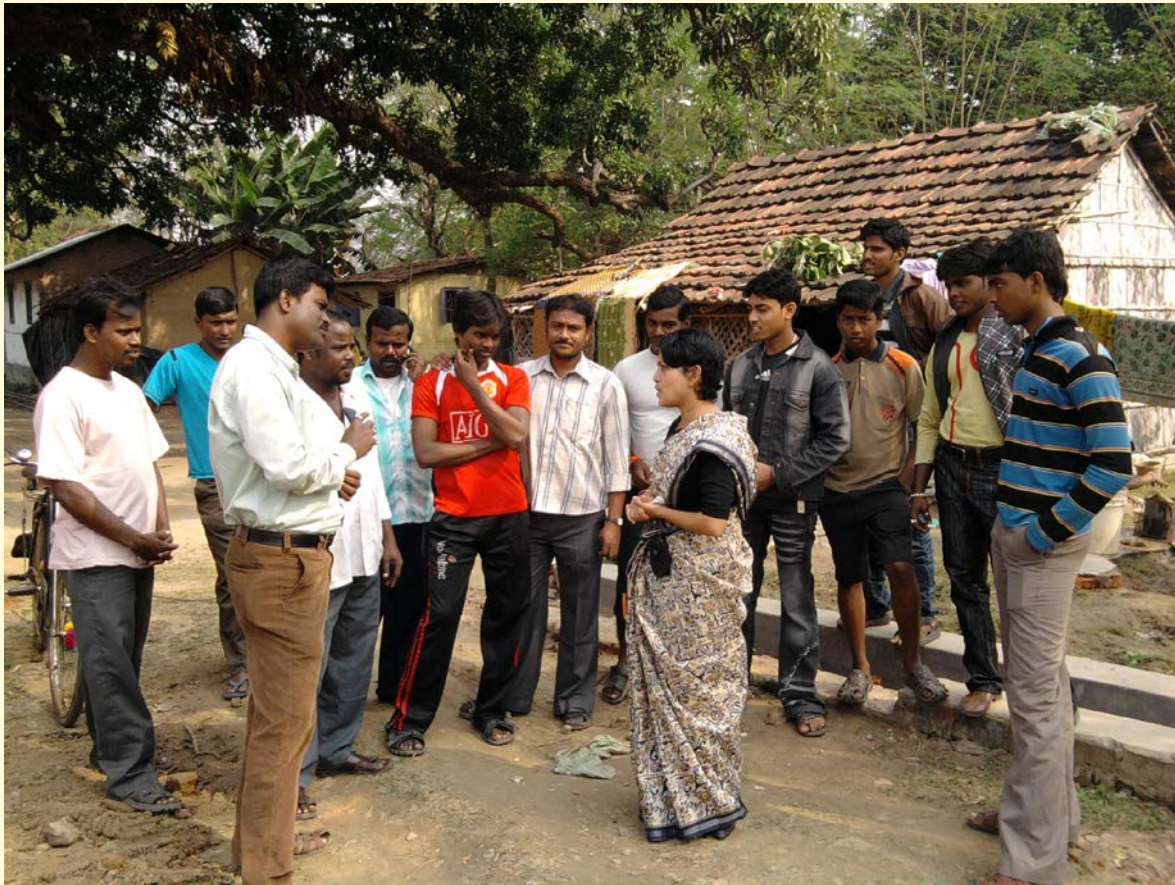


# International Examples: Bogota, Colombia

- Bogota population: 8 million
- Corruption and high crime rates
- Shift to elected mayors in 1990
- Reformed the public transit system: implemented BRT
- Increased safety through the development of public spaces and parks



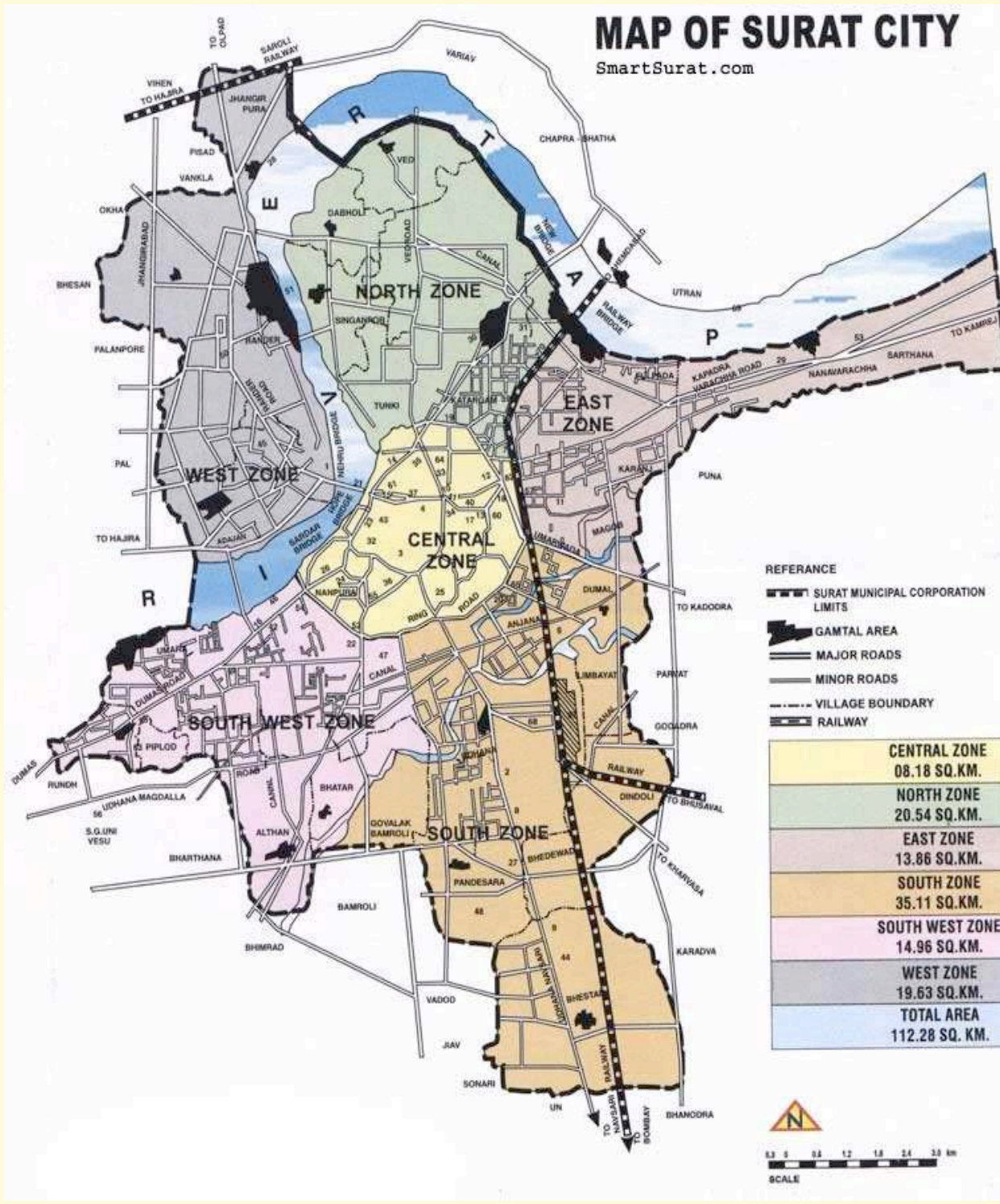
# Domestic Examples: Kalyani, West Bengal



- Sanitation crisis addressed through governance compact between municipal officials & the local community
- Devolution of fiscal resources to local municipal officials
- Emphasis on strong municipal leadership

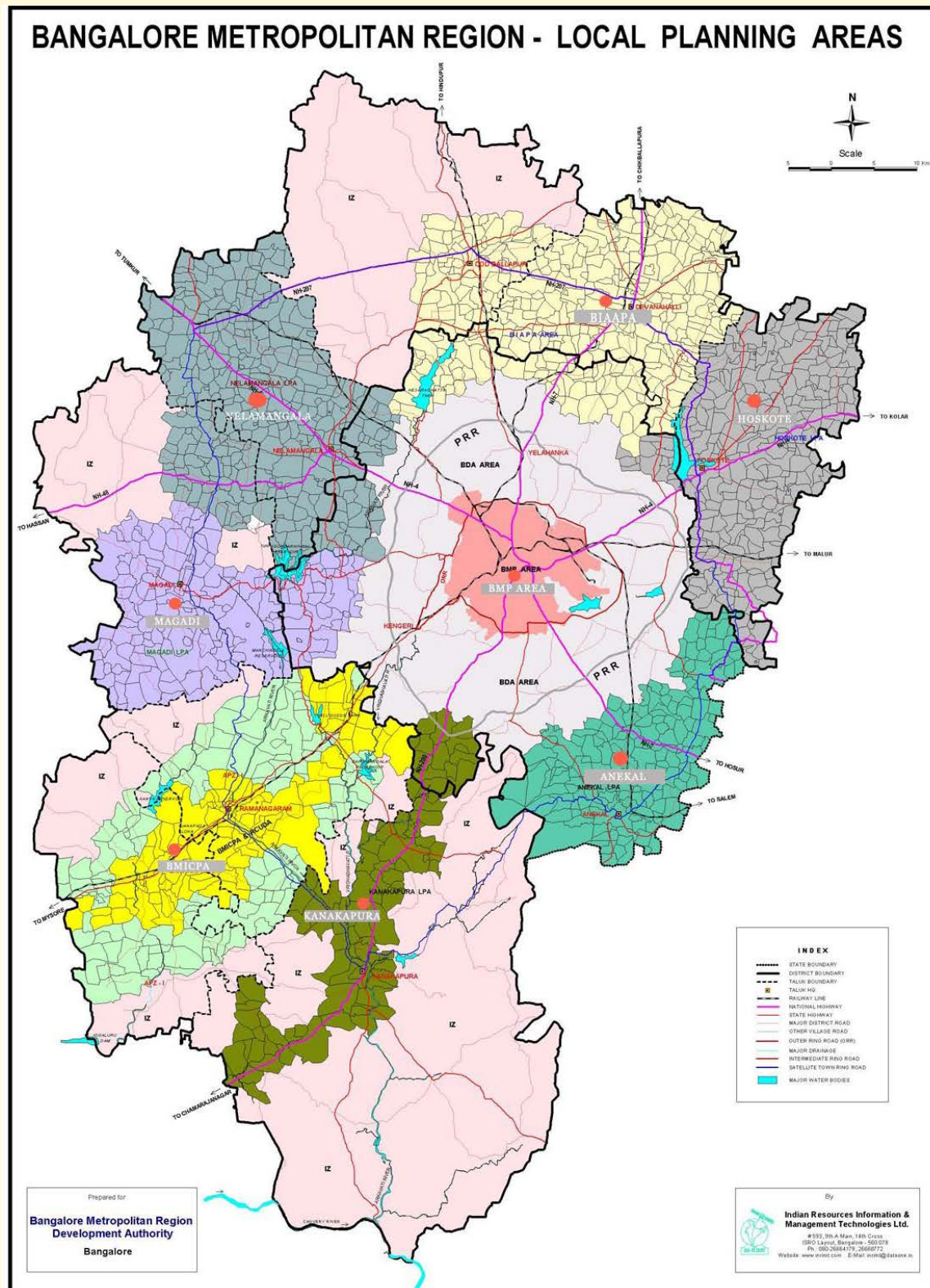


# Domestic Examples: Surat, Gujarat



- Repetitive flooding, public health concerns
- Decentralization within the municipal corporation
- Problem addressed through multiple partnerships with:
  - Private health service providers
  - Academic institutions
  - Business councils
  - Other community groups

# Domestic Examples: Bengaluru, Karnataka

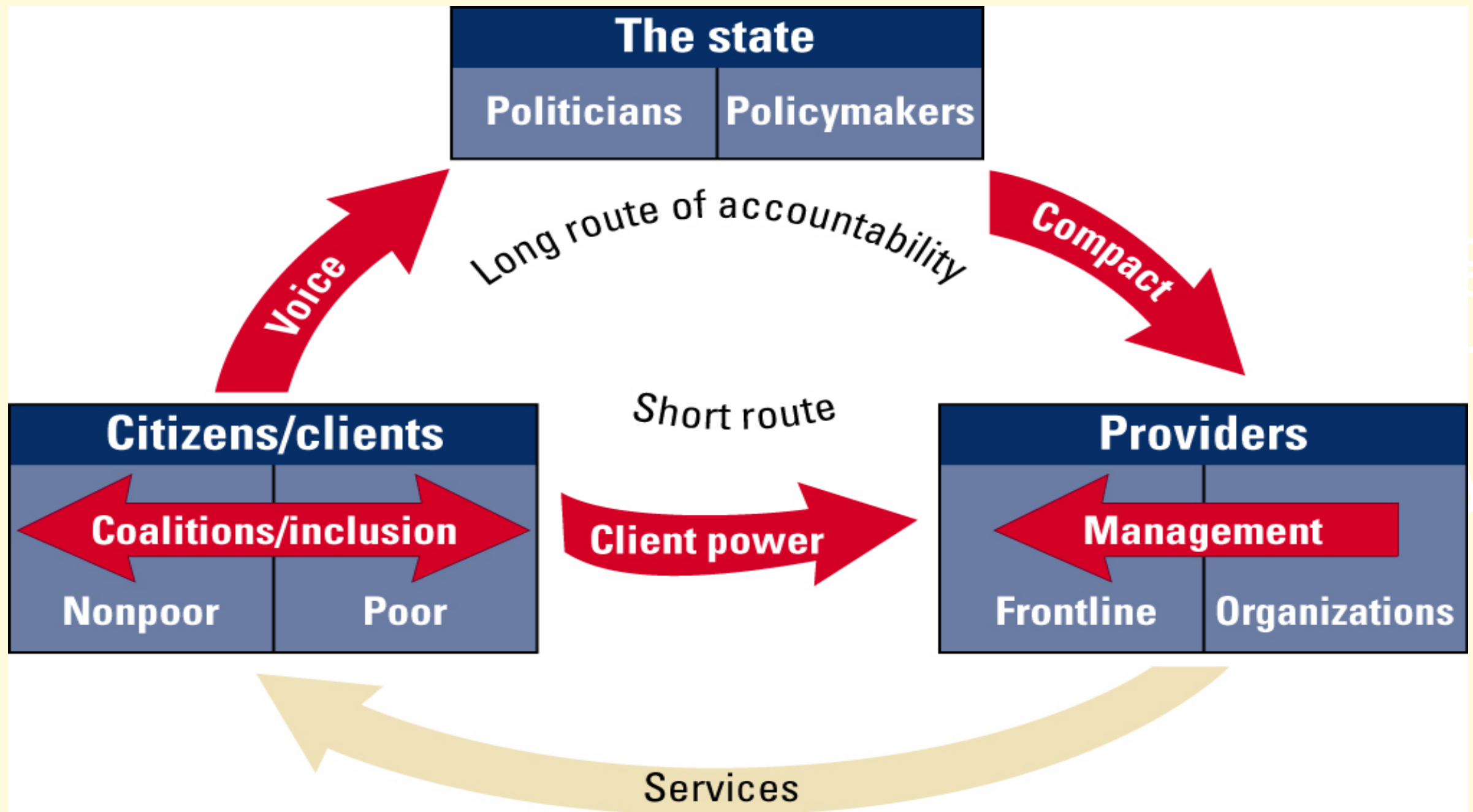


- **BMRDA:**
  - Attempt to create a metropolitan scale of governance & a regional-level services integration
  - Creation of the MPC
- **Failed operationally:**
  - Multiple authorities across planning & development
  - Power concentrated within older institutions like the BDA
  - Little power vested in local authorities

# Urban Governance improvements: What can we do?

- The legislative framework exists
- Different approaches work in different places
  - Need to be aware of the local political, legal, and administrative context, and local customs
  - Need to identify where (in the state government) there is willingness to assist in strengthening local government
  - Need to identify which departments depend on local service delivery

# Short and long routes of accountability



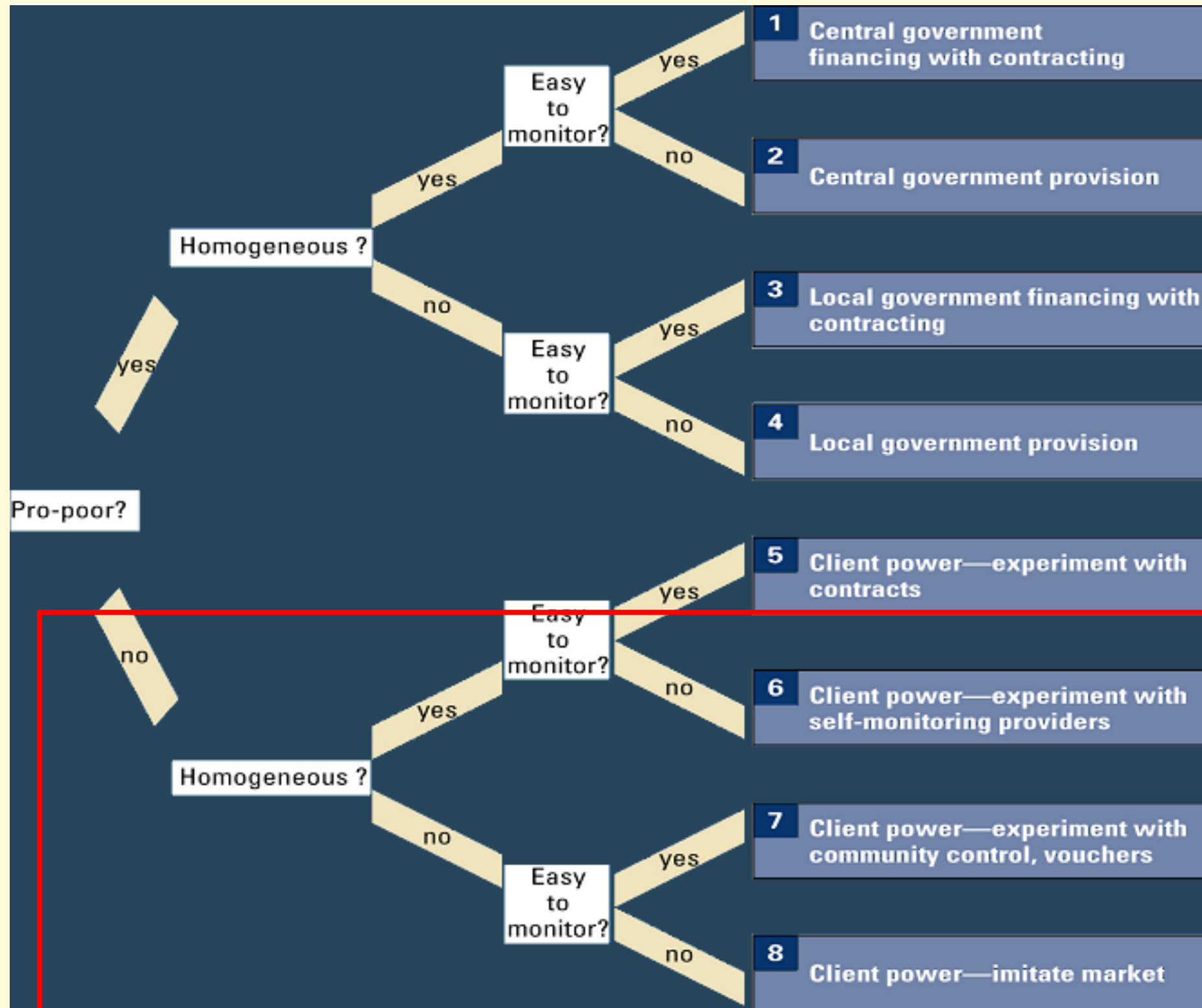
# What are the assumptions of this framework?

- What are the prescriptions?
  - Increasing voice
  - Increasing choice
  - Compacts
- Definition of Poverty
- Technocratic and apolitical analyses and prescription?
  - “Political settlement”
  - Democratization and decentralization? Escaping accountability.....

# Alternatives?

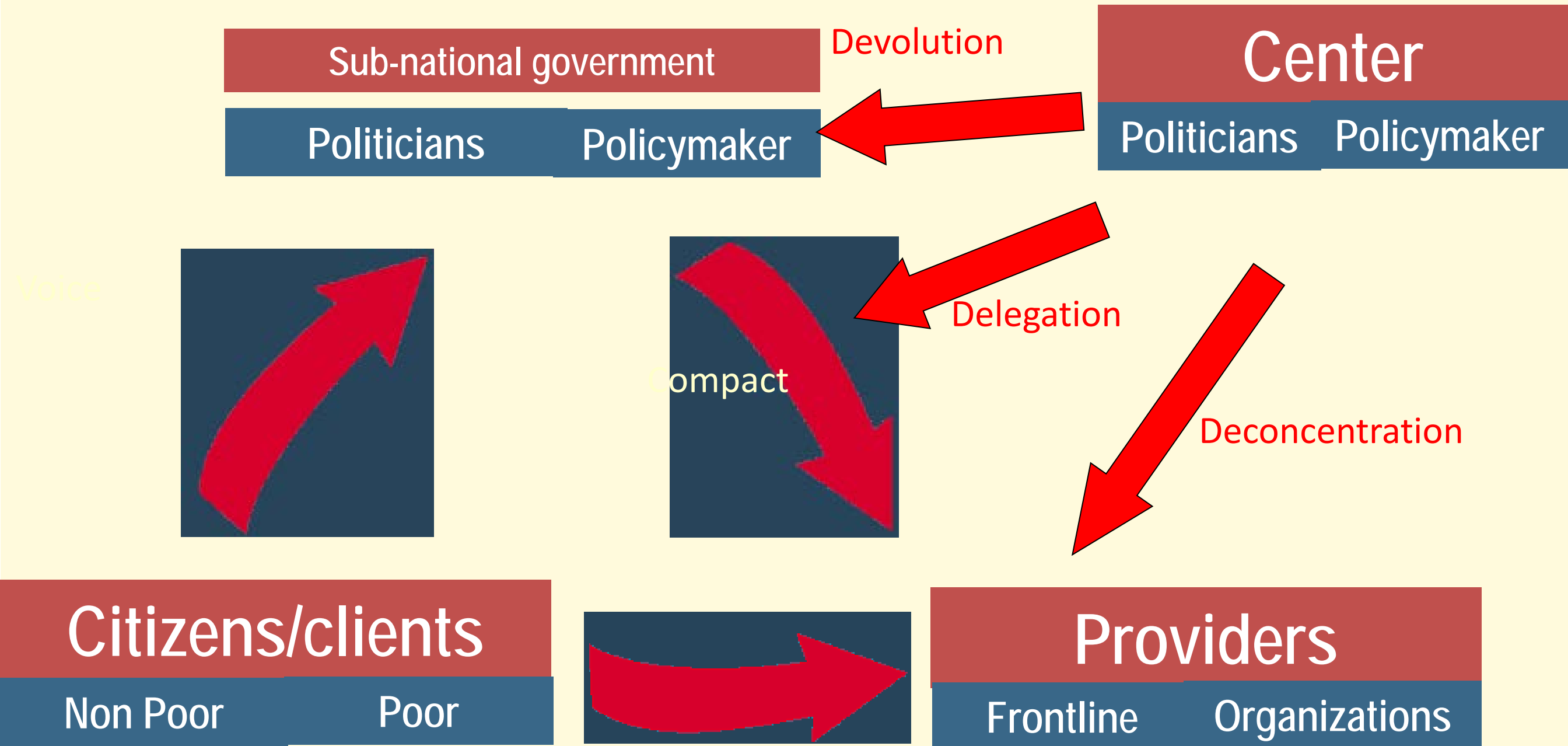
**What are the Alternatives to Improving  
Services?**

# Eight sizes fit all?



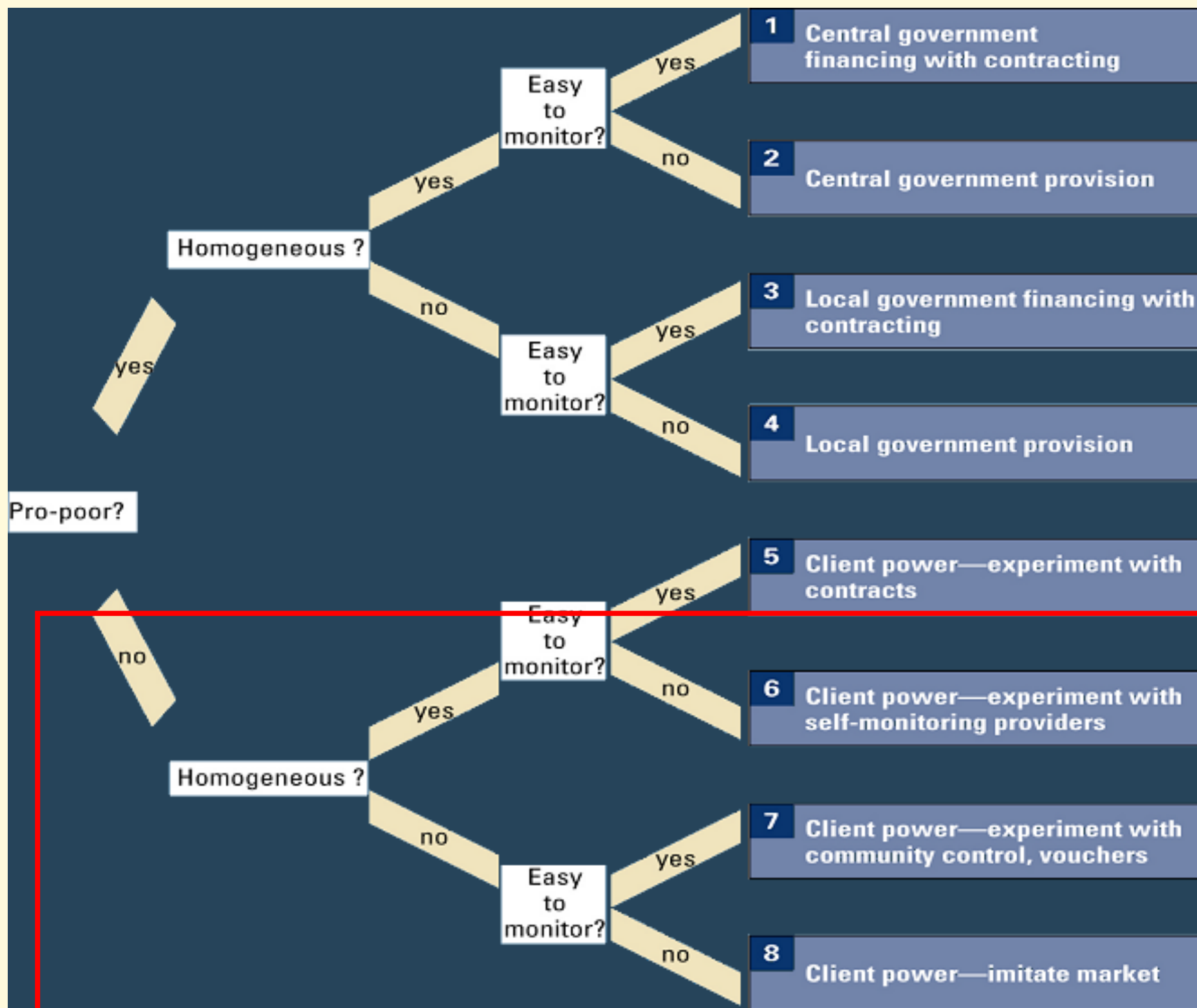
<http://econ.worldbank.org/wdr/wdr2004>

# Decentralization and the service delivery framework





# Eight sizes fit all?



<http://econ.worldbank.org/wdr/wdr2004>

# DELEGATED MANAGEMENT CONTRACT COMPARISONS

	TECHNICAL ASSISTANCE	MANAGEMENT CONTRACT	AFFERMAGE	CONCESSIONS	PRIVATISATION
ASSETS OWNED BY "BOSS"	✓	✓	✓	✓	✗
MANAGEMENT EXPERTISE	Limited	✓	✓	✓	✓
TECHNICAL KNOW HOW	Limited	✓	✓	✓	✓
WORKING CAPITAL	✗	✗	✓	✓	✓
CAPITAL INVESTMENT	✗	✗	✗	✓	✓
TIMESCALE	2 Years	5 Years	15-20 Years	25-30 Years	25 → Years

# Key Points

- Service delivery in urban areas are embedded in structures and processes of urban governance
- Governance arrangements set the framework for roles and responsibilities for services delivery
- Urban India needs considerable investments and capacities for improved services – PPPs provide a mixed experience but potential and opportunities
- Approaches to improved governance of service delivery range from customer feedback and activism to improved management and regulation of services delivery

# Why urban governance is different?

1. You deal with more insecure people. Need to make them feel secure. So, force doesn't work here. They are already forced to the wall.
2. You deal with more impatient people. Time and competition. Hence respond immediately. Trick is how you reduce mistakes or hedge yourself
3. Effects are fast. So use autopilot. Means delegate. Delegate everything except meeting important people/inspections.

# Empowered and connected citizens?

1. The election process is inefficient in 3 counts. Faulty electoral roll. Only 50 vote. Money and muscle power. So need to connect with people directly.
2. But don't be seen as bypassing. Use IT to reach out. Spend time. Build bridges of trust. Councillors will listen to the perception of citizens.
3. Encourage people to participate with you. There is more talent outside your office that includes you!

# Road map?

1. First day itself hit the social media. Seek 1 month for laying participatory road map. Another 6 months to make foundation and then 1 year to show results. Move in a planned manner transparently.
2. After one month have some innovations that bring happiness and laughter in both office and citizenry. No great thing has happened where the stake holders were unhappy!
3. Have two rings of teams around you. Inner core team of less than 10, unseen. Outer team of 15 who are seen and credible.

# Thank you

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