



ACCUMULATION BY DISPOSSESSION

TRANSFORMATIVE CITIES
IN THE NEW GLOBAL ORDER

Edited by
Swapna Banerjee-Guha



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*Transformative Cities in the
New Global Order*

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www.sagepublications.com
Los Angeles • London • New Delhi • Singapore • Washington DC

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First published in 2010 by



SAGE Publications India Pvt Ltd

B1/I-1 Mohan Cooperative Industrial Area
Mathura Road, New Delhi 110 044, India
www.sagepub.in

SAGE Publications Inc

2455 Teller Road
Thousand Oaks, California 91320, USA

SAGE Publications Ltd

1 Oliver's Yard, 55 City Road
London EC1Y 1SP, United Kingdom

SAGE Publications Asia-Pacific Pte Ltd

33 Pekin Street
#02-01 Far East Square
Singapore 048763

Published by Vivek Mehra for SAGE Publications India Pvt Ltd, typeset in 10/12 pt Times New Roman by Star Compugraphics Private Limited, Delhi and printed at Chaman Enterprises, New Delhi.

Library of Congress Cataloging-in-Publication Data

Accumulation by dispossession: transformative cities in the new global order/edited by Swapna Banerjee-Guha.

p. cm.

Includes bibliographical references and index.

1. Urbanization—Social aspects. 2. Globalization—Social aspects. 3. Sociology, Urban. I. Banerjee, Swapna.

HT361.A33

307.76—dc22

2010

2010009920

ISBN: 978-81-321-0313-4 (HB)

The SAGE Team: Elina Majumdar, Sushmita Banerjee, Mathew, PJ and Trinankur Banerjee

To the best of times: 1978–2004

Contents

<i>Acknowledgements</i>	ix
1 Introduction: Transformative Cities in the New Global Order	1
<i>Swapna Banerjee-Guha</i>	
2 The Right to the City: From Capital Surplus to Accumulation by Dispossession	17
<i>David Harvey</i>	
3 The Global City: Strategic Site, New Frontier	33
<i>Saskia Sassen</i>	
4 Global Capital, Neoliberal Politics and Terrains of Resistance in Vienna	55
<i>Heinz Nissel</i>	
5 Globalisation and Transformation of Dhaka City	74
<i>Nazrul Islam and Salma A. Shafi</i>	
6 Manufacturing Neoliberalism: Lifestyling Indian Urbanity	92
<i>Solomon Benjamin</i>	
7 Hi-tech Hyderabad and the Urban Poor: Reformed Out of the System	125
<i>Umesh Varma Pakalapati</i>	
8 Reconfiguring Power Relationships: Policies towards Urban Services in Mumbai	151
<i>Marie-Hélène Zérah</i>	
9 Urban Transport Projects in a Globalised Scenario	169
<i>Darryl D'Monte</i>	

10	Urban Public Space and the Urban Poor	182
	<i>Sharit K. Bhowmik</i>	
11	Revisiting Accumulation by Dispossession: Neoliberalising Mumbai	198
	<i>Swapna Banerjee-Guha</i>	
	<i>About the Editor and Contributors</i>	227
	<i>Index</i>	230

Acknowledgements

Several cities located in different parts of the world are undergoing huge transformations as a part of the worldwide regime of neoliberalism that is drastically shaping the urban form, space and even the modalities of governance. In the Global South, cities are getting re-modelled as 'world-class' centres in order to function as nodes of circulation of global capital. The disturbing reality is that these cities are also the key sites of concentration and devalorisation of a disproportionately large number of poor and marginalised that takes the issue of urban restructuring to a level of universal criticality. Looking at the realities in different settings, some of us (including a few with longstanding experience in the field) researching and writing on cities, started contemplating to come together and discuss issues at cross-country level to have a clearer idea about the tensions and contradictions that arise out of the process. It culminated into an international conference on 'Accumulation and Dispossession, Claims and Counter-Claims: Transformative Cities in the New Global Order', held in Mumbai University on 12–13 October 2006, which helped in making this volume possible.

I thank the University of Mumbai for its generous support to the Conference that was a part of its sesquicentennial celebrations. I thank authors and participants for taking part in discussions particularly on South Asian cities that proved to be very useful; colleagues and friends for their support, particularly Smita Gandhi, Prasad Gogate, Aparna Phadke and, of course, Abhay Pethe for the financial support from his Unit of Urban Economics.

My association with Mumbai University dates back to early 1981. It almost became my second home where I experimented with utmost freedom the interdisciplinary approach in the practice of Human Geography and developed the Marxian perspective in my teaching, writings and research. This conference was the final academic event that I organised in this institution following which I joined the Tata Institute of Social Sciences in November 2006. It will be hard to forget the appreciation and support I had received all through from friends and associates in the University, both academic and administrative, most particularly during a deep personal crisis in 2004.

For the book, I want to thank Sugata Ghosh, Vice President, Commissioning, SAGE Publications for showing a keen interest in the project since we started interacting on the topic. My very special thanks to Elina Majumdar, Commissioning Editor, SAGE, for her personal involvement in making the book, a rarity by itself, but more for making me feel at ease even during the difficult times of deadlines.

Finally, all my affection and love go to Sambuddha with whom sharing feelings and thoughts have been great experiences in life that I could never have achieved alone.

1

Introduction: Transformative Cities in the New Global Order

Swapna Banerjee-Guha

Contemporary Globalisation and Cities

A new global order has come to rule post 1970s, coinciding with the crises of the Fordist–Keynesian accumulation regime and breakdown of the Bretton Woods system. It was a time when the world capitalist system became increasingly neoliberalised, subsequently taking a dominant form, impacting social and economic spaces of countries across the world, especially those of the Global South and finally their entire developmental system. Having a multi-faceted and multi-scalar framework, it was characterised by universal backtracking of the welfare state, dismantling of institutional constraints upon marketisation, increased commodification, shrinking of organised jobs and hyper-exploitation of workers, downgrading of democratic rights earned through long drawn struggles and a tremendous economic uncertainty. Simultaneously, despite deregulation and privatisation of state-owned and state-provided services, a new kind of state intervention with a larger entrepreneurial capacity was brought in to roll forward new forms of governance that ostensibly suited to a market-driven globalising economy.¹ The pattern, imposed at a range of spatial scales, varied substantially from country to country depending on their historical process of development, politico-economic structures and standing in the international economy.² The specificity of the current neoliberal practices largely lies in the discursive and organisational frameworks that arose out of the developments of the above nature.

Given the disjuncture between the ideology of neoliberalism and its everyday political practices and societal effects,³ neoliberal projects,

pursued at diverse scales, are often found tangled with the contradictions and tensions of everyday life. On the one hand, while its ideology creates a 'utopia' of free markets, liberated from all kinds of state interference, in practice it entails a coercive form of state intervention to facilitate market rule⁴ over a wider socio-spatial spectrum.

At city level, it is characterised by increasing constraints in planning and the political capacity of elected municipal governments, privatisation of basic services, withdrawal of state from urban development, escalating support for public–private partnerships, especially in infrastructure projects, increasing gentrification to expand space for elitist consumption, and a growing exposure to global competition reflecting the power of a disciplinary finance regime and a hegemonic cultural framework. Accordingly, cities have become crucially interrelated to the process of reproduction, reconstitution and mutation of neoliberalism as an ideology⁵ across the world. Following the above logic, several large cities located in different countries are undergoing huge transformations in their urbanscape. Metropolises, located in countries peripheral to the world economy, deserve special mention in this regard as they show signs of intense spatial crisis due to the said transformations, reflecting contradictory processes of integration and segmentation—a typical characteristic of the global city space that takes on a much critical nature in the South. Crisis of the urban space in such cities is essentially related to their placement in the world city system and the limitations in their global–local networks. Restructuring their space also leads to differentiated and contradictory processes that may not concern the city as a whole, for which 'first worlding'⁶ of such cities tends to be a fragmented praxis. Not all quarters of their population are affected equally and the process benefits sections of the society and, therefore, parts of the city space too. Centre and periphery reflecting the differentiation between global society and segmented localities, thus, stand spatially anchored, face to face, creating a background of intense urban conflicts. What needs special mention is that not all of these cities emerge as nodes of transnational flows of capital and information.⁷ Logic of globalisation presupposes that integration of cities in the world system (whereby specific cities are upgraded to a global status) operates in a hierarchical set-up in which upgrading or downgrading of the nation-states is a determining factor.⁸

Flow of globalisation, thus, is organised around selective command and control centres distributed all over the world, capable of co-ordinating the complex network system. Because of the enormous advancement in technology and telecommunication in recent decades, these cities may

have scattered location around the globe. But, as stated earlier, not all of these cities emerge as nodes of transnational flows of capital and information⁹ in equal terms. Logic of globalisation, working on inclusion and exclusion, presupposes that integration of cities in the global system would operate in a hierarchical set-up leading to polarisation and not necessarily, to homogenisation.¹⁰ Expansion of global networks due to globalisation, thus, has a substantial effect on the transformation of the internal geography of the world's large cities, characterised by changing notions of centrality and marginality.¹¹ The intra-city space, in this process, tends to become a contradictory space, characterised by contestation and internal differentiation, reflecting an urban 'spatial fix'¹² and becoming an integral part of the contemporary politics of urban space and built environment. As mentioned, contradictory processes of segmentation and integration interlock with the above politics and take the spatial crisis to a much critical level.¹³ As a result, economic regeneration and face-lift occur in selected areas with corporate funds financing redevelopment and renewal projects, while a large number of areas degenerate to form the basis of conversion of surplus value into new variable capital through labour and space flexibilisation. Centre and periphery, reflecting the differentiation between the global society and segmented localities, stand spatially anchored in this situation creating a background of intense urban conflicts and increasing social polarisation. The overall result is fragmentation of territories¹⁴ into autonomous functional units, linking the latter to far-away places representing global networks and their simultaneous delinking from the surrounding contiguous areas. The 'spaces of difference'¹⁵ thereby created, reflect the spatial imbalances at local levels intertwined with economic decline, social inequality and fragmentation at wider territorial scales. The above territorialities of a shifting nature, act as the conduit of interaction between globalisation and the local urban systems of less developed countries. The resultant spatial forms, as mentioned, exposit a deep interaction between the local and the global, featuring systematic selection of modern urban functions in specific areas, relocation of poor people and less profitable activities to periphery and their replacement by newer functions, mega-structures and modern infrastructure. Reproduction of a space in this manner represents the concrete geographical images that these cities are developing in contemporary times, which produce two conflicting forms representing inter alia the contradiction of globalisation.¹⁶ The first is the network of interactions and flows that does not represent any specific urban unit. This is the hyper-modern urban form representing modern capitalism, market

economy and a system of expansive ‘horizontal’ relationship among many mega cities. The second is characterised by gigantic forms and specific structures like, huge office buildings, shopping malls, flyovers, etc. It represents an extreme locality and segmentation of communities of the underclass, amidst increasing poverty like slums and shanties housing majority of the cities’ population. The dominant value system, although, claims to upgrade all local realities to the global scale, the above localities, in reality, slide downward, precluding any possibility of participation in the global network of exchange. It essentially reflects the contradictions of economic globalisation at the local scale¹⁷ that partly rests on the existing inequalities, but largely on the reproduction of newer areas of decline and growth based on the contemporary forms of economic momentum.

Such cities of hyper-forms have started dominating the urban scenario of the countries in which both modernity and postmodernity are marked with ephemerality and chaotic flux,¹⁸ having a given spatiality at a given point of time. The deep structural imbalance that they reflect, essentially indicates a wider restructuring of the society and economy at national and global levels that is intrinsically associated with the contemporary globalisation process and the neoliberal order.

Globalisation: An Overview

Over the last two decades, globalisation has become a key word, enjoying an overwhelming currency to get conceptualised as an omnipresent phenomenon. Increasingly, the term is getting related to the weakening status of nation-states and elevated status of the market. It is also being associated with a huge change in the global economic organisations, technological development and simultaneously with an intensification of spatial and social inequality across the world. In spite of its projected ‘human face’, many have identified it as, essentially, a postmodern expression of the historical process of capitalist expansion for which there arises a need for trenchant understanding of the process as a circular framework, and its political, economic and cultural implications with the given spatial attributes.

The process of globalisation, thus, emerges as a significant area of investigation for researchers working on sectors and society as well as space for mainly two reasons. It is primarily because the construction of globalisation, since its inception, has largely depended on reorganisation of economic activities and cultural attributes. Essentially, the above reorganisation, in the form of expansion or intensification, has always acted

as a partial solution to the crises and impasses of capitalism, its begetter. It is also significant because the socio-economic trajectory of globalisation through history, has been found to build and rebuild geography of regions and countries in its own image, giving rise to distinct social and economic landscapes with a produced space of transport and communications, of infrastructure and territorial organisations in order to facilitate capital accumulation.¹⁹ The contemporary globalisation process resting on the above schema of space–time convergence incorporates space-specific as well as time-specific organisations and consequences. Discourses produced by the social science academia—conservative, neoliberal and radical—on the above all-round nature of globalisation are plenty and being produced almost everyday. Hence, it becomes extremely important to examine the process of globalisation with a spatio-social dialectical perspective, and bring out the facets of its political economy in related forms and structures of space, economy and society. In recent times, two related aspects, uneven development at macro scales and flexibilisation of the urban order at local scales—each intertwined with the other—have emerged as key issues. The book concerns itself with the second issue as its underlying theme. However, as the macro process lays down the basis, it is being briefly discussed first as a preamble.

Globalisation, embedded in the process of socio-spatial reorganisation, has been traced back to the larger history of capitalism by various authors.²⁰ In various phases of history, through the production, reproduction and expansion of space, globalisation has materialised as a basic process by which life and economic activities of people have been shaped and reshaped all over the world. In recent decades, the demise of social contract, increasing withdrawal of the public sector from social sector investment or from employment generation, privatisation/corporatisation of the economy and infrastructure,²¹ increasing disparity at spatial and social scales have surfaced as outcomes of this process. Through its socially and spatially expansive operational framework, the contemporary process of globalisation exploits the possibilities of using spatially distributed patterns of differentiated social reproduction costs causing crisis in social sectors like education, health and housing, with long ranging implications, incorporating joblessness and job relocation across countries and regions. On the one hand, this leads to ‘annihilation of space’ and elimination of all spatial barriers for movements of goods, services and selective manpower, while on the other, it accentuates disintegration of space and exploitation of country or region-specific attributes based on their disparate levels of development.²² Globalisation, thus, can be

seen building, rebuilding, fragmenting and carving out²³ specific spatial configurations not just on the basis of prevailing human practices but also on the basis of specific circumstances. Its spatiality is, however, shaped by the geographies of cultural forms and practices of the countries and regions and hence, may vary from one spatial framework to the other. It can be the sweat shops in Tijuana in the Mexico–US border or 100 per cent export-oriented units in India running on contract labour, or even the urban redevelopment projects in cities located in countries across the world. In the process, politics of place and related disparate patterns of development assumes a critical significance taking the struggle between time and space, and the increasing vulnerability of people and place to a much critical level, especially in the South.

The fragmented landscape on which globalisation works, is found to be integrally associated with spatial patterns of uneven development. It includes territorial organisation with specific sets of rules, laws and practices, space relations, and built environment and systems of places linked with global division of labour and functions. Increasing transnationalisation and relocation of economic activities in recent times, have further lent a flavour of placelessness to the aforementioned spatial schema²⁴ that rests simultaneously on the phenomena of inclusion and exclusion. It involves integration of selective regions and societies in the globalised framework with a *pari-passu* division of market, technology and labour to facilitate exploitation of region-specific characteristics at a global scale. Absolute and relative spaces intertwine in this arrangement, and the associated spatial division of labour becomes more an attribute of international price and wage differentials, levels of disparity and underdevelopment, than of mere division of work. Space in this construct is used and ‘abused’ in divergent ways giving rise to contradictory tendencies of concentration, dispersal and inequality.²⁵ The associated shifts of this process can be seen in: (a) financial fluidity and deregulation, (b) profound technological change, (c) reduction of cost and time in the movement of goods and people, and (d) introduction of information revolution leading to significant changes in production organisation (at material level) and definition of wants and needs (at conceptual level). The synergistic interactions between them are more important than their individual configurations.

What are the related features of globalisation with distinct spatial articulation, varying from one place to the other in terms of scale, content and forms of uneven development? It is crucial to take note of these features (some of them already mentioned) as they have created profound

impact on the socio-spatial reorganisation of cities and regions to a large scale in contemporary times. These are: (a) geographical dispersal and fragmentation of production systems, disaggregation and spatial division of labour along with a rigid corporate control and centralisation of corporate power. The spatial 'see-saw' of closing down production at one place and opening it up elsewhere, leading simultaneously, to cumulative causation and backwash are its associative features; (b) increased migration flows at regional, national and international levels. Increasing availability of cheaper and quicker modes of transport has provided enormous mobility to professionals from countries of North America, Europe, Gulf and the wealthier parts of southern continents and a fillip to labour migration to a disproportionate scale which, however, remains extremely selective. Actually the latter has become a hallmark of the current neoliberal order whereby poorer countries find themselves pitted against global corporations having necessary technological advantages of negotiating distance and locating economic activities anywhere while they only have a huge reserve of workers, that is less mobile and with extremely low wage rate compared to the prevailing rate in the North.²⁶ This has certainly resulted in a sort of annihilation of space but in a distorted manner and not without a simultaneous division and reconstruction of many absolute spaces, disjointed from one another in terms of wage, price and quality of life variations. Global capital's operational strategy of fragmenting production at differential spaces of development, engaging unorganised labour or outsourcing production, rests on the above schema that has become a tremendous source of profit as well as a factor towards exacerbating immiserisation of labour who perennially remains out of the 'growth' orbit.²⁷ Poverty and the related wage rates of these areas, at times, along with their natural/mineral resource potential, work as decisive locational factors for being identified as global economic regions. The above identity does not eliminate the prevailing elements of locality of these regions, rather along with the same, binds them to a larger global network; (c) sky rocketing of urbanisation into hyper-urbanisation²⁸ with a very large percentage of urban population living in mega cities and the pace of urbanisation accelerating to create major ecological, political, social and economic repercussions on the spatial organisation of the world's population; (d) profound change in the territorialisation of the world and disciplining of state operations by money capital and finance; (e) withdrawal of state from employment generation and social sector operation along with its increasing entrepreneurial and interventionist role to facilitate the operation of global capital; (f) reterritorialisation and

emergence of new local–global formations with focus on hyper-urban forms and flexibilisation of the urban economy; (g) increasing global operations of resource extraction, and mobilisation and production leading to new sets of displacement and environmental problems featuring loss of agricultural land, increasing pollution, environmental degradation and unsustainable development; (h) increasing complexity in producing and preserving cultural diversities and distinctive ways of life of various linguistic, religious and ethnic communities. The entire panorama gets more and more complex and does not reflect homogenisation as popularly projected, rather it leads to an increasingly contradictory relationship among the ensuing socio-economic forms, local resource and cultural base.²⁹ The ‘postmodern’ hype about a globalised common culture and a simultaneous marketing of cultural differences and distinctiveness essentially to promote cultural hegemony at global-local levels are also a part of the above complexity. The ideology of homogenisation and associated ‘inclusion’ has, in fact, led to a drastic flattening of political consciousness covertly implying a rough equivalence³⁰ amongst all forms of all the orders—political, cultural or even environmental. Interestingly, the politics of inclusion has been, inter alia, found systematically consistent with the conservative ideologies of ‘multi-culturalism’ (in practising hegemony) and the functional strategies of international financial institutions like World Bank, IMF and others. The inherent contradiction of ‘concentration’ and ‘dispersal’ that underlies the above process is also associated with uneven development as a premise and as a product, exemplified by the creation of specific set of central places and regions and simultaneously towards equalising geographical differences over a much larger expanded space. It is actually a levelling of the globe at the behest of capital exacting, in every sphere of production, equality in the conditions of the exploitation of labour.³¹ The clichés begotten from such levelling like ‘global village’ or ‘shrinking world’ essentially reconstruct a one-dimensional geography of sameness in which all facets of human experience are essentially degraded and equalised downward.³² What is not naturally projected by these clichés is that the premise of this equalisation rests on innumerable divisions of relative space into myriad absolute spaces tuned to the requirement of international capital. The resultant global space, thereby created, is characterised by a highly divergent use of space and spatial attributes reflecting a place-specific valorisation and devalorisation. Thus, on the one hand, it can produce technologically modern and efficient production complexes and central places³³ with skilled labour and developed infrastructure and, on the other, peripheries³⁴

with operations organised on flexible terms. Both are the necessary spatial correlates of globalisation and neoliberalism, giving rise to territorial differentiation as a corollary of uneven development.³⁵ In fact, it is the dialectical reflection of equalisation and differentiation—the mutual opposition of the contradictory tendencies—that has been found underlying any unevenness in development. Annihilation of space and removal of all spatial barriers, thus, fix their parameter on the above process of space differentiation to exploit region- and country-specific characteristics, viz., levels of income, wage, social and cultural disparities, etc. Location decision of industries, their nature and scale and methods of production become part and parcel of this process. As a consequence, the economic landscape experiences a tension between forces of concentration and dispersal, leading to an increased socio-economic distance of the periphery from the centre. It works directly towards a narrow sectoral development of a high-technology and information based order thwarting redistribution of income and economic benefits over an expanded space.³⁶

Impact of all these processes on the space, economies of different countries and regions is varied. But it uniformly points at the phenomenon of increasing polarisation and gap between the rich and the poor, at all levels. According to World Bank reports, in the past two decades, the ratio of per capita income in the richest versus the poorest countries has increased by a factor of six and the standard deviation of GDP (Gross Domestic Product) per capita has increased between 60 and 100 per cent. In much of the world the geographical disparity in the creation or appropriation of wealth has also increased tremendously. This has been made possible by a huge rise in labour productivity, contributed largely by the unorganised sector. Ruthless exploitation of labour has become the source of increased corporate profit as well as international price competitiveness in a globalised world.³⁷ Between mid-1960s and mid-1990s, the poorest 20 per cent of the world's people's share of global income has declined from 2.3 per cent to 1.4 per cent, while the share of the richest 20 per cent has risen from 70 per cent to 85 per cent. The ratio of the share of the richest over the poorest also has got doubled, from 30:1 to 61:1. Gap in the per capita income between the industrialised and less developed nations has tripled.³⁸ Intra-country or intra-regional inequality has also increased, with variations from one region/country to the other. At intra-country level, it has further led to increased centralisation and metropolitan hegemony due to the selective locations of organised globalised activities. Settlement primacy is no longer bound by point locations. Due to the expansive operational need, it has got reconstructed

into metropolis-oriented supremacy, encroaching into the peripheral areas to reconstruct poverty as a part of an internationally operative system. Geographical fixation of use value and fluidity has got translated by the above process into tendencies towards differentiation in one case and equalisation in another, internalising, *inter alia*, the tension between fixity and movement.³⁹

Globalisation, thus, can be characterised as a producer of extremely divergent trajectories of development and underdevelopment and simultaneously as a begetter of a changing global system that is giving rise to a changing urban order. By the logic of centrality and marginality, it is not only cities like London, New York, Chicago, Tokyo, in other words, the global financial command centres that are important, but given the current operational strategy of global capital, it is also the cities of the Global South, in Asia, Africa, Latin America that are considerably, if not equally important, for the functioning of this order. Several cities are assigned specific roles in the hierarchical system for making the capital accumulation process more efficient. Cities like Mumbai, São Paulo, Bangkok, Taipei or Mexico City thus become an integral part of the global urban chain albeit with a sharpening inequity in their hierarchical status *vis-à-vis* the cities of the North.⁴⁰ In order to respond to the need of the economics of globalisation and related cultural attributes, all these cities from different countries, however, have been undergoing a drastic transformation in their internal economic and spatial framework in recent years.

Right to the City in New Urbanism

The book brings together some of the most distinguished urban scholars and researchers from different countries to focus our attention on the ‘unstable’ nature of cities as a contemporary problematic. As we find that the urban world in the last two decades has changed forever, the question that is recurrently raised in different forums of academics and activists is about the impact of globalisation and neoliberalism on urban form and space, in general, and the associated displacement and dispossession of the large mass of urban poor, in particular. The state of cities is becoming exceedingly uncertain as the world suffers from the onslaught of corporate globalism at various scales. All the chapters in the book focus on the instability of the ‘urban’ of the above nature in the contemporary globalised scenario, at both discursive and empirical levels. While David Harvey and Saskia Sassen address the basic issues of new urbanism and

the contradictions in the making of global cities as centres of capital accumulation in general, the other chapters concentrate on theorising the process of urban neoliberalism, nature of urban transformation and the resultant impact on the poor in specific cities.

In Chapter Two, David Harvey focuses on people's right to the city in the face of increasing capital accumulation and heightening dispossession. Drawing from works of Engels, Simmel and Park, Harvey argues that the right to the city is something more than the access to city's resources, it is also the right to change the city to the needs and desire of the larger section of the society. Drawing examples from Paris of Bonaparte's time, New York in early 1940s and Seoul in early 1900s, Harvey goes on to exposit the historical design of the capital to change the face of cities by investing surplus capital in grandiose infrastructure projects that has systematically led to large-scale displacement and dispossession of the poor. Urbanisation, according to him, has played a crucial role in the absorption of surplus capital at the price of a burgeoning intensity of 'creative destruction' that entails dispossession of the urban masses and rejects their right to the city in all possible forms. Saskia Sassen, in Chapter Three, focuses on the processes of hypermobility and neutralisation of place as master images of economic globalisation. Sassen specifically puts stress on large cities in this regard as they, according to her, reflect the multiplicity of the economies and the work culture of the global society. Large cities, she argues, are the epitomes of the changing processes of centrality and marginality where multiplicity of globalisation assumes a concrete localised form that engages in place-marketing of these cities as strategic sites for intensifying the contradictions of globalisation of capital. Concentration of a disproportionate share of corporate power as well as of the disadvantaged, she suggests, makes these cities terrains of contest. Sassen opines that the cities in the contemporary era not only express the claims of global capital over urban space that uses the cities as an 'organisational commodity', but also of the disadvantaged among whom a large section is constituted by the immigrants. The urban space thus, gets de-nationalised too.

Chapter Four onwards the chapters concentrate on specific cities. Heinz Nissel, in Chapter Four, examines the process of transformation in Vienna while Nazrul Islam and Salma A. Shafi, in Chapter Five, depict the nature of transformation of Dhaka city in Bangladesh. The two cities hail from two diametrically opposite backgrounds and socio-structural characteristics. Because of Vienna's location as Europe's Gateway to its eastern parts, the most challenging task for the city in contemporary times

has been to tackle the influx of immigrants from countries like Yugoslavia and Turkey. According to Nissel, Vienna still suffers from the impact of the operation of speculative capital in various ways including weakening of social capital and increase of disparity. In contrast, Dhaka, the capital of Bangladesh, like any major city of the Global South, has become a seat for cheap, flexibilised labour serving transnational corporations that operate primarily in the garment sector. Increasing number of Export Promotion Zones (EPZ), drastic conversion of land-use from residential to up-scale commercial, swelling of slums and shanty settlements and, last but not the least, mounting occurrences of environmental degradation, are the associated features that link Dhaka with other globalising cities.

Indian Scenario

Chapter Six onwards the chapters focus on Indian cities. In recent times, Indian cities of various order, are being transformed into ‘world-class’ cities, to function as nodes of global capital. To achieve the above, a unified vision of modernisation of cities is being projected that is associated with large-scale gentrification of the urban space and form and recasting of the entire structure of urban governance. In Chapter Six, Solomon Benjamin focuses on the diverse efforts of the Indian elites to reshape the urbanscape according to their own class agenda. Taking Bangalore as a case study, Benjamin meticulously exposits the complex interface of stakeholders constituted by political party personnel, several NGOs and finally, the state in occupying and appropriating urban space. Benjamin calls for intervention by the actors of ‘resistant urbanism’ to subvert the elite-orchestrated lifestyling efforts that may not necessarily be politically/ideologically bonded. Umesh Varma Pakalapati, in Chapter Seven, presents a critique of the projects of the Hyderabad Urban Development Authority, especially the programmes that are pushing out the poor from the city’s development orbit. He narrates how in Hyderabad’s fringes farmers’ lands are being acquired at a lower price to be sold subsequently by the Development Authority to reap profit. He brings out the significance of urban land in the process of capital accumulation and suggests that it is also a means towards dispossessing the poor.

Chapter Eight onwards, the four chapters concentrate on contemporary Mumbai. In Chapter Eight, Marie-Hélène Zérah discusses the new geometry of powers that has shaped the reform agenda of provision of urban services in Mumbai. She travels through the complex terrain of changing forms of urban governance and service delivery mechanisms,

and brings out the growing significance of both corporatisation and subcontracting in the public sector to bring in reform in service provision in the metropolis. According to Zérah, it helps maintain a patronage at the realm of the middle class that on its turn subverts the collective claim of the poor in the city. Darryl D'Monte, in Chapter Nine, takes up the case of Mumbai's transport sector and concentrates on the increasing importance of personalised vehicular transport in the city's contemporary transport planning scenario. The latter, D'Monte states, does not benefit the majority of 87 per cent who use public transport. He presents a sharp critique of Mumbai's current transport policies and exposes the growing threat to environment by their implementation. More and more cities, he states, in different parts of the world, especially Europe, are critically looking at such policies and slowing down the personalised traffic volume. In the same vein, Sharit K. Bhowmik, in Chapter Ten, focuses on the urban poor's right to public spaces. Taking Mumbai as a case study, Bhowmik argues that the perception of urban public space is class-based in which the urban poor is systematically placed in the periphery. Citing Mumbai's case, he argues that various slum improvement and redevelopment programmes, beautification and recreational projects have pushed out the poor from the domain of public space that has reached a crucial state in current times. He calls for immediate recasting of urban planning to make the whole system more inclusive. In Chapter Eleven, the conclusive chapter of the book, Swapna Banerjee-Guha argues that the contemporary transformation of cities of various size class are integrally related to the process of economic globalisation and the contemporary neoliberal order. The trajectory of the cities turning global, according to her, is through a process of 'creative destruction' that works towards accumulation by dispossessing and displacing a huge majority of the urban poor. She expositis the actual practice of contemporary urban neoliberalism in the current planning mechanism in India, in general and in Mumbai, in particular. By examining the neoliberal urban policy of the Central Government in the 'outfit' of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), she argues that exclusion of the poor from the current urban planning agenda essentially constitutes the fundamental core of the policy and formulates the underlying logic of the contemporary urban planning vision. By placing the current transformation process of cities, and upscaling of the forms of urban governance in the backdrop of the exclusionist process of contemporary globalisation and disciplinary neoliberal order, she brings back the disturbing truth that the residents of all these cities are negotiating at the present—a game of simultaneous destruction and

reconstruction at the same time, ephemerality of everything—buildings, land-use, community, neighbourhood, people⁴¹—every single element is becoming expendable and replaceable. Cities are becoming beautiful and slumfree through expulsion of the poor. And finally, the panacea called ‘privatisation’ brought in by the postmodern neoliberal order is deciding who will be the winners or the losers, in other words, the people’s right to the city. The most disturbing of all is the widespread erosion of public sympathy for the citizenship rights of the dispossessed.⁴²

Whether the cities become spaces for new politics and the powerful contradictions inherent in the interaction between the claims and counterclaims of the rich and the poor lead to a more progressive, radical and democratic use of the city space⁴³ or neoliberalism sits deeper, are among the questions raised in the following pages. These are not the questions raised by only a few academics in the process of their intellectual inquiry, rather these are the questions coming out from the heart of the cities, all over the world, that they are trying to articulate and make a part of a social, ethical and political discourse.

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2

The Right to the City: From Capital Surplus to Accumulation by Dispossession

David Harvey

We live in an era when ideals of human rights have moved centre stage both politically and ethically. A lot of political energy is put into promoting, protecting and articulating their significance in the construction of a better world. For the most part the circulating concepts are individualistic and property-based and, as such, do nothing to challenge hegemonic liberal and neoliberal market logics, and neoliberal modes of legality and state action. But there are occasions when the ideal takes a collective turn, as, when the rights of women, gays and minorities come to the fore (a legacy of the 1960s Civil Rights movement in the United States that was collective and had a global resonance). I here want to explore another kind of collective right, that to the city. This is important because there is a revival of interest in Henri Lefebvre's ideas on the topic as articulated in relation to the movement of 1968 in France, at the same time there are various social movements around the world that are now demanding the right to the city as their goal.¹ So what might the right to the city mean?

The city, as the noted urban sociologist Robert Park once wrote, is:

...man's most consistent and on the whole, his most successful attempt to remake the world he lives in more after his heart's desire. But, if the city is the world which man created, it is the world in which he is henceforth condemned to live. Thus, indirectly, and without any clear sense of the nature of his task, in making the city man has remade himself.²

If Park is correct, then the question of the right to the city cannot be divorced from the question of what kind of people we want to be, what kinds of social relations we seek, what relations to nature we cherish, what style of life we desire, what aesthetic values we hold. The right to the city is, therefore, far more than a right of individual access to the resources that the city embodies—it is a right to change the city more according to our heart's desire. It is, moreover, a collective rather than an individual right since changing the city inevitably depends upon the exercise of a collective power over the processes of urbanisation. The freedom to make and remake ourselves and our cities is, I want to argue, one of the most precious yet most neglected of our human rights.

Since, as Park avers, we have hitherto lacked any clear sense of the nature of our task, we must first reflect on how we have been made and re-made throughout history by an urban process impelled forward by powerful social forces. The astonishing pace and scale of urbanisation over the last 100 years means we have been re-made several times over without knowing why, how or wherefore. Has this contributed to human well-being? Has it made us into better people or left us dangling in a world of anomie and alienation, anger and frustration? Have we become mere monads tossed around in an urban sea? These were the sorts of questions that preoccupied all manner of 19th century commentators, such as Engels and Simmel, who offered perceptive critiques of the urban personas then emerging in response to rapid urbanisation.³ These days it is not hard to enumerate all manner of urban discontents in the midst of even more rapid urban transformations, yet we seem to lack the stomach for systematic critique. What, for example, are we to make of the immense concentrations of wealth, privilege and consumerism in almost all the cities of the world in the midst of what even the United Nations depicts as an exploding 'planet of slums'?⁴

To claim the right to the city in the sense I mean it here, is to claim some kind of shaping power over the processes of urbanisation, over the ways in which our cities are made and re-made and to do so in a fundamental and radical way. From their very inception, cities have arisen through the geographical and social concentrations of a surplus product. Urbanisation has always been, therefore, a class phenomenon of some sort, since surpluses have been extracted from somewhere and from somebody while the control over the disbursement of the surplus typically lies in a few hands. This general situation persists under capitalism, of course, but in this case there is an intimate connection with the perpetual search for surplus value that drives the capitalist dynamic. To produce surplus value,

capitalists have to produce a surplus product. Since urbanisation depends on the mobilisation of a surplus product, an inner connection emerges between the development of capitalism and urbanisation.

Let us look more closely at what capitalists do. They begin the day with a certain amount of money and end the day with more of it. The next day they wake up and have to decide what to do with the extra money they gained the day before. They face a Faustian dilemma—reinvest to get even more money or consume their surplus away in pleasures. The coercive laws of competition force them to reinvest because if one does not reinvest then another surely will. To remain a capitalist, some surplus must be reinvested to make even more surplus. Successful capitalists usually make more than enough surplus to satisfy their lust for pleasure too. But the result of perpetual reinvestment is the expansion of surplus production at a compound rate (hence all the logistical growth curves of capital accumulation observable and the parallel logistical growth path of urbanisation under capitalism).

The politics of capitalism are affected by the perpetual need to find profitable terrains for capital surplus production and absorption. In this, the capitalist faces a number of obstacles to continuous and trouble-free expansion. If there is a scarcity of labour and wages are too high then either existing labour has to be disciplined (technologically induced unemployment or an assault on organised working class power are two prime methods) or fresh labour forces must be found (by immigration, export of capital or proletarianisation of hitherto independent elements in the population). New means of production in general and new natural resources in particular, must be found. This puts increasing pressure on the natural environment to yield up the necessary raw materials and absorb the inevitable wastes. The coercive laws of competition also force new technologies and organisational forms to come on line all the time, since capitalists with higher productivity can out-compete those using inferior methods. Innovations define new wants and needs, reduce the turnover time of capital through speed-up and reduce the friction of distance that limits the geographical range within which the capitalist is free to search for expanded labour supplies, raw materials. If there is not enough purchasing power in the market then new markets must be found by expanding foreign trade, promoting new products and lifestyles, creating new credit instruments and debt-financed state expenditures. If, finally, the profit rate is too low, then state regulation of 'ruinous competition', monopolisation (mergers and acquisitions) and capital exports to fresh pastures provide ways out.

If any one of the above mentioned requirements for continuous capital circulation and expansion becomes blocked, then capitalists face a crisis. Capital cannot be profitably re-invested. Capital accumulation stagnates or ceases and capital is devalued (lost) and in some instances, even physically destroyed. Devaluation can take a number of forms. Surplus commodities can be devalued or destroyed, productive capacity and the value of assets can be written down in value and left unemployed, or money itself can be devalued through inflation. And in a crisis, of course, labour stands to be devalued through massive unemployment. In what ways, then, has capitalist urbanisation been driven by the need to confront these difficulties and to expand the terrain of profitable capitalist activity? I here argue that it plays a particularly active role (along with other phenomenon such as military expenditures) in absorbing the surplus product that capitalists are perpetually producing in their search for surplus value.

Consider, first, the case of Second Empire Paris. The crisis of 1848 was one of the first clear crises of unemployed surplus capital and surplus labour side-by-side and it occurred throughout Europe. It struck particularly hard in Paris and the result was an abortive revolution on the part of unemployed workers and those bourgeois utopians who saw a social republic as the antidote to capitalist greed and inequality. The republican bourgeoisie violently repressed the revolutionaries but failed to resolve the crisis. The result was the ascent to power of Napoleon Bonaparte, who engineered a coup in 1851 and proclaimed himself the Emperor in 1852. To survive politically, the authoritarian Emperor resorted to widespread political repression of alternative political movements but he also knew that he had to deal with the capital surplus problem and this he did by announcing a vast programme of infrastructural investment both at home and abroad. Abroad, this meant the construction of railroads throughout Europe and down into the Orient as well as support for grand works such as the Suez Canal. At home, it meant consolidating the railway network, building ports and harbours, draining marshes, and the like. But above all, it entailed the reconfiguration of the urban infrastructure of Paris. Bonaparte brought Haussmann to Paris to take charge of the public works in 1853.

Haussmann clearly understood that his mission was to help solve the surplus capital and unemployment problem by way of urbanisation. The rebuilding of Paris absorbed huge quantities of labour and of capital by the standards of the time, coupled with authoritarian suppression of the aspirations of the Parisian labour force, was a primary vehicle of social stabilisation. Haussmann drew upon the utopian plans (by Fourierists

and Saint-Simonians) for re-shaping Paris that had been debated in the 1840s, but with one big difference. He transformed the scale at which the urban process was imagined. When the architect Hittorf, showed Haussmann his plans for a new boulevard, Haussmann threw them back at him saying ‘not wide enough...you have it 40 meters wide and I want it 120’. Haussmann thought of the city on a grander scale, annexed the suburbs, redesigned whole neighbourhoods (such as Les Halles) rather than just bits and pieces of the urban fabric. He changed the city wholesale rather than retail. To do this he needed new financial institutions and debt instruments which were constructed on Saint-Simonian lines. What he did, in effect, was to help resolve the capital surplus disposal problem by setting up a Keynesian system of debt-financed infrastructural urban improvements. The system worked very well for some 15 years and it entailed not only a transformation of urban infrastructures but the construction of a whole new urban way of life and the construction of a new kind of urban persona. Paris became ‘the city of light’ the great centre of consumption, tourism and pleasure—the cafés, the department stores, the fashion industry, the grand expositions—all changed the urban way of life in ways that could absorb vast surpluses through crass consumerism (that offended traditionalists and marginalised workers alike). But then the financial system and credit structures on which this was based crashed in 1868. Haussmann was forced to step down from power, Napoleon III in desperation went to war against Bismarck’s Germany and lost, and in the vacuum that followed arose the Paris Commune, one of the greatest revolutionary episodes in capitalist urban history.⁵

Fast forward to 1942 in the United States. The capital surplus disposal problem that had seemed so intractable in the 1930s (and the unemployment that went with it) was temporarily resolved by the huge mobilisation for the war effort. But everyone was fearful as to what would happen after the war. Politically, the situation was dangerous. The Federal Government was, in effect, running a nationalised economy and was in alliance with the communist Soviet Union. Strong social movements with socialist inclinations had emerged in the 1930s. We all know the subsequent history of the politics of McCarthyism and the Cold War (abundant signs of which were there in 1942). Like Louis Bonaparte, a hefty dose of political repression was evidently called for by the ruling classes of the time. But what of the capital surplus disposal problem? In 1942 there appeared a lengthy evaluation of Haussmann’s efforts in an architectural journal. It documented in detail what he has done that was so compelling and attempted an analysis of his mistakes. The article was by none other

than Robert Moses who after World War II did to the whole New York metropolitan region, what Haussmann had done to Paris.⁶ That is, Moses changed the scale of thinking about the urban process and through the system of (debt-financed) highways and infrastructural transformations, through suburbanisation and total re-engineering not just of the city but of the whole metropolitan region, absorbed the surplus product and thereby helped resolve the capital surplus absorption problem. This process, when taken nation-wide, as it was in all the major metropolitan centres of the United States (yet another transformation of scale), played a crucial role in the stabilisation of global capitalism after World War II (this was a period when the US could afford to power the whole global non-communist economy through running trade deficits). The suburbanisation of the United States was not merely a matter of new infrastructures. As happened in the Second Empire Paris, it entailed a radical transformation in lifestyles and produced a whole new way of life in which new products from housing to refrigerators and air conditioners as well as two cars in the driveway and an enormous increase in the consumption of oil, all played their part in the absorption of the surplus. This project succeeded until the end of the 1960s when, as happened to Haussmann, a different kind of crisis began to unfold such that Moses fell from grace and his solutions came to be seen as inappropriate and unacceptable. Traditionalists rallied around Jane Jacobs and sought to counter the brutal modernism of Moses' projects. But the suburbs had been built and the radical transformation in lifestyle that this betokened, had all manners of social consequences, leading the first wave feminists, for example, to proclaim the suburb and its lifestyle as the locus of all their primary discontents. And if the Haussmanisation of Paris had a role in explaining the dynamics of the Paris Commune, so did the soulless qualities of suburban living played a critical role in the dramatic movements of 1968, as discontented white middle class students went into a phase of revolt, seeking alliances with other marginalised groups and rallying against US imperialism to create a movement to build another kind of world including a different kind of urban experience. In Paris where the movements to stop the left bank expressway and the invasion of central Paris and the destruction of traditional neighbourhoods by the 'high rise giants' of which the Place d'Italie and the Tour Montparnasse were exemplary, played an important role in animating the grander processes of the 1968 revolt. It was in this context that Lefebvre wrote his prescient text in which he predicted, among other things, not only that the urban process was crucial to the survival of capitalism and, therefore, bound to become a crucial focus of political and class struggle, but that this process

was step by step obliterating the distinctions between town and country through the production of spaces that were more clearly integrated into each other. The right to the city had to mean the right to command the whole urban process that was increasingly dominating the countryside (everything from agribusiness to second homes).

Along with the 1968 revolt, part nostalgia for what had been lost and part forward-looking appeal for the construction of a different kind of urban experience, occurred a financial crisis in the credit institutions that had powered the property boom through debt-financing. This crisis gathered momentum at the end of the 1960s until the whole capitalist system crashed into a major global crisis, led by the bursting of the global property market bubble in 1973, followed by the fiscal bankruptcy of New York City in 1975. The dark days of the 1970s were upon us and, as had happened many times before, the question now was how to rescue capitalism from its own contradictions and in this, if history was to be a guide, the urban process was bound to play a significant role. In this case, as I have shown elsewhere, working through the New York fiscal crisis of 1975 pioneered the way towards the construction of a neoliberal answer to the problem.⁷

Now, fast forward to our current conjuncture. International capitalism has been on a roller coaster of regional crises and crashes (East and South-East Asia in 1997–98; Russia in 1998; Argentina in 2001, and so on) but has so far avoided a global crash even in the face of a chronic capital surplus disposal problem. What has been the role of urbanisation in the stabilisation of this situation? In the United States it is accepted wisdom that the housing market has been an important stabiliser of the economy, particularly since 2000 or so (after the high-tech crash of the late 1990s). It has absorbed a great deal of the surplus capital directly through new construction (both inner city and suburban) while the rapid inflation of housing asset prices backed by a profligate wave of mortgage refinancing at historically low rates of interest boosted the US internal market for consumer goods and services. The global market has in part been stabilised as the US runs huge trade deficits with the rest of the world, borrowing around \$ 2 billion a day to fuel its insatiable consumerism and the debt-financed war in Afghanistan and Iraq.

But the urban process has undergone another transformation of scale. It has, in short, gone global. So we cannot focus merely on the United States. Similar property market booms in Britain and Spain, as well as in many other countries, have helped power the capitalist dynamic in ways that have broadly paralleled what has happened in the United States. The urbanisation of China over the last 20 years, has been of a

different character (with its heavy focus on building infrastructures) but even more important than that of the US. Its pace picked up enormously after a brief recession around 1997, such that China has absorbed nearly half of the world's cement supplies since 2000. More than a 100 cities have passed the 1 million population mark in the last 20 years and small villages, like Shenzhen, have become huge metropolises with 6 to 10 million people. Vast infrastructural projects, such as dams and highways—again, all debt-financed—are transforming the landscape.⁸ The consequences for the global economy and the absorption of surplus capital have been significant: Chile booms because of the demand for copper, Australia thrives and even Brazil and Argentina recover in part because of the strength of demand from China for raw materials. Is the urbanisation of China the primary stabiliser of global capitalism? The answer has to be a partial yes. But China is only the epicentre for an urbanisation process that has now become genuinely global in part through the astonishing global integration of financial markets that use their flexibility to debt-finance urban projects from Dubai to São Paulo and from Mumbai to Hong Kong and London. The Chinese central bank, for example, has been active in the secondary mortgage market in the US while Goldman Sachs has been heavily involved in the surging property market in Mumbai, and Hong Kong capital has invested in Baltimore. Every urban area in the world has its building boom in full swing in the midst of a flood of impoverished migrants that is simultaneously creating a planet of slums. The building booms are evident in Mexico City, Santiago in Chile, Mumbai, Johannesburg, Seoul, Taipei, Moscow and all over Europe (Spain being the most dramatic) as well as in the cities of the core capitalist countries such as London, Los Angeles, San Diego and New York (where more large-scale urban projects are in motion than ever before). Astonishing and in some respects absurd urbanisation projects have emerged in the Middle East in places like Dubai and Abu Dhabi as a way of mopping up the surpluses arising from oil wealth in the most conspicuous, socially unjust and environmentally wasteful ways possible (like an indoor ski slope). We are here looking at yet another transformation in scale, one that makes it hard to grasp that what may be going on globally is in principle similar to the processes that Haussmann managed so expertly for a while in Second Empire Paris.

This urbanisation boom has depended, as did all the others before it, on the construction of new financial institutions and arrangements to organise the credit required to sustain it. Financial innovations set in train in the 1980s, particularly the securitisation and packaging of local mortgages for

sale to investors worldwide, has played a crucial role. The benefits of this were legion: it spread risk and permitted surplus savings to be coordinated with unfulfilled housing demand and also, by virtue of its coordination, brought aggregate interest rates down (while generating immense fortunes for the financial intermediaries who worked these wonders). But spreading risk does not eliminate risk. Furthermore, the fact that risk can be spread so widely encourages even riskier local behaviours because the risk can be transferred elsewhere. Without adequate risk assessment controls, the mortgage market got out of hand and what happened to the Pereire Brothers in 1867–68 and to the fiscal profligacy of New York City in the early 1970s, has now turned into a so-called sub-prime mortgage and housing asset-value crisis, concentrated in the first instance, in and around US cities with particularly serious implications for low-income African Americans and single head-of-household women. This crisis with vicious local impacts on urban life and infrastructures also threatens the whole architecture of the global financial system and may trigger a major recession to boot. The parallels with the 1970s are, to put it mildly, uncanny (including the easy-money response of the US Federal Reserve in 2008 which is almost certain to generate strong currents of uncontrollable inflation—as happened in the 1970s through similar moves—in the not too distant future). But the situation is far more complex now and it is an open question as to whether a serious crash in the United States can be compensated for elsewhere (for example, by China, although even here the pace of urbanisation seems to be slowing down) and the financial system is also much more tightly coupled than it ever was before. Computer-driven split-second trading, once it does go off track, always threatens to create some great divergence in the market (it is already producing incredible volatility in stock markets) that will produce a massive crisis requiring a total re-think of how finance capital and money markets work, including in relation to urbanisation processes.

As in all the preceding phases, this most recent radical expansion of the urban process has brought with it, incredible transformations of lifestyle. Quality of urban life has become a commodity as has the city itself, in a world where consumerism and tourism have become major aspects of urban political economy. The postmodernist penchant for encouraging the formation of market niches, both in urban lifestyle choices and in consumer habits, surrounds the contemporary urban experience with an aura of freedom of choice in the market, provided you have the money. Shopping malls, multiplexes and box stores proliferate (the production of each has become big business) as do fast food and artisanal market

places, boutique cultures and, as Sharon Zukin cutely puts it, ‘pacification by cappuccino’. Even the incoherent, bland and monotonous suburban tract development that continues to dominate in many areas, now gets its antidote in a ‘new urbanism’ movement that touts the sale of community and a boutique lifestyle as a developer product to fulfil urban dreams. This is a world in which the neoliberal ethic of intense possessive individualism can become the template for human personality socialisation.

We also increasingly live in divided, fragmented and conflict-prone cities. How we view the world and define possibilities depends on which side of the tracks we are on and to what kinds of consumerism we have access to. In the past decades, the neoliberal turn has restored class power to rich elites.⁹ Fourteen billionaires have emerged in Mexico since the neoliberal turn and Mexico, now, boasts of the richest man on earth, Carlos Slim, at the same time as the incomes of the poor have either stagnated or diminished. The results are indelibly etched into the spatial forms of our cities which increasingly become cities of fortified fragments, of gated communities and privatised public spaces kept under constant surveillance. Particularly in the developing world, the city

...is splitting into different separated parts, with the apparent formation of many ‘microstates’. Wealthy neighborhoods provided with all kinds of services, such as exclusive schools, golf courses, tennis courts and private police patrolling the area around the clock intertwine with illegal settlements where water is available only at public fountains, no sanitation system exists, electricity is pirated by a privileged few, the roads become mud streams whenever it rains, and where house-sharing is the norm. Each fragment appears to live and function autonomously, sticking firmly to what it has been able to grab in the daily fight for survival.¹⁰

Under these conditions, ideals of urban identity, citizenship and belonging, already threatened by the spreading malaise of the neoliberal ethic, become much harder to sustain. Even the idea that the city might function as a collective body politic, a site within and from which progressive social movements might emanate, appears increasingly implausible. Yet, there are, in fact, all manner of urban social movements in evidence seeking to overcome the isolations and to re-shape the city in a different social image to that given by the powers of developers backed by finance, corporate capital, and an increasingly entrepreneurially minded local state apparatus.

But surplus absorption through urban transformation has an even darker aspect. It has entailed repeated bouts of urban restructuring through

‘creative destruction’. This nearly always has a class dimension since it is usually the poor, the underprivileged and those marginalised from political power that suffer first and foremost from this process. Violence is required to achieve a new urban world on the wreckage of the old. Haussmann tore through the old Parisian slums, using powers of expropriation for supposedly public benefit and did so in the name of civic improvement and renovation. He deliberately engineered the removal of much of the working class and other unruly elements from Paris’ city centre where they constituted a threat to public order and political power. He created an urban form where it was believed (incorrectly, as it turned out in 1871) sufficient levels of surveillance and military control were possible so as to ensure that revolutionary movements could easily be controlled by military power. But, as Engels pointed out in 1872:

In reality, the bourgeoisie has only one method of solving the housing question after its fashion—that is to say, of solving it in such a way that the solution perpetually renews the question anew. This method is called ‘Haussmann’ (by which) I mean the practice that has now become general of making breaches in the working class quarters of our big towns, and particularly in areas which are centrally situated, quite apart from whether this is done from considerations of public health or for beautifying the town, or owing to the demand for big centrally situated business premises, or, owing to traffic requirements, such as the laying down of railways, streets (which sometimes seem to have the aim of making barricade fighting more difficult)... No matter how different the reasons may be, the result is always the same; the scandalous alleys disappear to the accompaniment of lavish self-praise by the bourgeoisie on account of this tremendous success, but they appear again immediately somewhere else.... The breeding places of disease, the infamous holes and cellars in which the capitalist mode of production confines our workers night after night, are not abolished; they are merely *shifted elsewhere!* The same economic necessity that produced them in the first place, produces them in the next place.¹¹

Actually, it took more than a 100 years to complete the embourgeoisment of central Paris with the consequences that we have seen in recent years of uprisings and mayhem in those isolated suburbs within which the marginalised immigrants and the unemployed workers and youth are increasingly trapped. The sad point here, of course, is that the processes Engels described recur frequently in capitalist urban history. Robert Moses ‘took a meat axe to the Bronx’ (in his infamous words) and long and loud were the lamentations of neighbourhood groups and movements, that eventually coalesced around the rhetoric of Jane Jacobs,

at both the unimaginable destruction of valued urban fabric but also of whole communities of residents and their long-established networks of social integration.¹² But in the New York and Parisian cases, once the brutal power of state expropriations had been successfully resisted and contained, a far more insidious and cancerous process of transformation occurred through fiscal disciplining of democratic urban governments, land markets, property speculation and the sorting of land to those uses that generated the highest possible financial rate of return under the land's 'highest and best use'. Engels understood all too well what this process was about:

The growth of the big modern cities gives the land in certain areas, particularly in those areas which are centrally situated, an artificially and colossally increasing value; the buildings erected on these areas depress this value instead of increasing it, because they no longer belong to the changed circumstances. They are pulled down and replaced by others. This takes place above all with worker's houses which are situated centrally and whose rents, even with the greatest overcrowding, can never, or only very slowly, increase above a certain maximum. They are pulled down and in their stead shops, warehouses and public building are erected.¹³

It is depressing to think that all of this was written in 1872, for Engels' description applies directly to contemporary urban processes in much of Asia (Delhi, Seoul, Mumbai) as well as to the contemporary gentrification of Harlem in New York. A process of displacement and dispossession, in short, also lies at the core of the urban process under capitalism and it is the mirror image of capital absorption through urban redevelopment. Consider the case of Mumbai where there are 6 million people considered officially as slum dwellers settled on the land without legal title (the places they live are left blank on all maps of the city). With the attempt to turn Mumbai into a global financial centre to rival Shanghai, the property development boom gathers pace and the land the slum dwellers occupy appears increasingly valuable. Financial powers backed by the state engage in forcible slum clearance, in some cases violently taking possession of a terrain occupied for a whole generation by the slum dwellers. Capital accumulation on the land through real estate activity booms as land is acquired at almost no cost. Do the people get compensation? The lucky ones get a bit. But while the Indian constitution specifies that the state has the obligation to protect the lives and well-being of the whole population irrespective of caste and class, and to guarantee rights to livelihood housing and shelter, the Indian Supreme Court has issued both non-judgements

and judgements that re-write this constitutional requirement. Since the slum dwellers are illegal occupants and many cannot definitively prove their long-term residence on the land, they have no right to compensation. To concede that right, says the Supreme Court, would be tantamount to rewarding pickpockets for their actions. So the slum-dwellers either resist and fight or move with their few belongings to camp out on the highway margins or wherever they can find a tiny space.¹⁴ Similar examples of dispossession (though less brutal and more legalistic) can be found in the United States through the abuse of rights of eminent domain to displace long-term residents in reasonable housing in favour of higher order land uses (such as condominiums and box stores). Challenged in the US Supreme Court, the liberal justices carried the day in saying it was perfectly constitutional for local jurisdictions to behave in this way in order to increase their property tax base.

In Seoul, in the 1990s, the construction companies and developers hired goon squads of sumo wrestler types to invade whole neighbourhoods and smash down with sledgehammers, not only the housing but also all the possessions of those who had built their own housing on the hillsides of the city in the 1950s, on what had become by the 1990s high value land. Most of those hillsides are now covered with high-rise towers that show no trace of the brutal processes of land clearance that permitted their construction. In China, millions are being dispossessed of the spaces they have long occupied. Lacking private property rights, the state can simply remove them from the land by fiat offering a minor cash payment to help them on their way (before turning the land over to developers at a high rate of profit). In some instances people move willingly but widespread resistances are also reported, the usual response to which is brutal repression by the Communist party. In the Chinese case it is often populations on the rural margins who are displaced illustrating the significance of Lefebvre's argument, presciently laid out in the 1960s, that the clear distinction that once existed between the urban and the rural was gradually fading into a set of porous spaces of uneven geographical development under the hegemonic command of capital and the state. This is the case also in India, where the special economic development zones policy now favoured by central and state governments is leading to violence against agricultural producers, the grossest of which was the massacre at Nandigram in West Bengal, orchestrated by the ruling Marxist political party, to make way for large scale Indonesian capital that is as much interested in urban property development as it is in industrial development. Private property rights in this case provided no protection.

And so it is with the seemingly progressive proposal of awarding private property rights to squatter populations in order to offer them the assets that will permit them to emerge out of poverty. This is the sort of proposal now mooted for Rio's favelas, but the problem is that the poor, beset with insecurity of income and frequent financial difficulties, can easily be persuaded to trade in that asset for a cash payment at a relatively low price (the rich typically refuse to give up their valued assets at any price which is why Moses could take a meat axe to the Bronx but not to Park Avenue). My bet is that, if present trends continue, within 15 years all those hillsides now occupied by favelas will be covered by high-rise condominiums with fabulous views over Rio's bay while the erstwhile favela dwellers will have filtered off to live in some remote periphery.

Urbanisation, we may conclude, has played a crucial role in the absorption of capital surpluses and has done so at every increasing geographical scales but at the price of burgeoning processes of creative destruction that entail the dispossession of the urban masses of any right to the city whatsoever. Periodically this ends in revolt, as the dispossessed in Paris rose up in 1871, seeking to reclaim the city they had lost. The urban social movements of the 1960s (in the US after the assassination of Martin Luther King in 1968) likewise sought to define a different way of urban living from that which was being imposed upon them by capitalist developers and the state. If as seems likely, the fiscal difficulties in the current conjuncture mount and the hitherto successful neoliberal, postmodernist and consumerist phase of capitalist absorption of the surplus through urbanisation is at an end and a broader crisis ensues, then the question arises—where is our 1968 or, even more dramatically, our version of the Commune? As with the fiscal system, the answer is bound to be much more complex precisely because the urban process is now global in scope. Signs of revolt are everywhere (the unrest in China and India is chronic, civil wars rage in Africa, Latin America is in ferment, autonomy movements are emerging all over the place, and even in the United States the political signs suggest that most of the population is saying 'enough is enough' with respect to the rabid inequalities). Any of these revolts could suddenly become contagious. Unlike the fiscal system, however, the urban and peri-urban social movements of opposition, of which there are many around the world, are not tightly coupled at all. Indeed many have no connection to each other. But if they did, somehow, come together then what should they demand?

The answer to the last question is simple enough—greater democratic control over the production and use of the surplus. Since the urban

process is a major channel of use, then the right to the city is constituted by establishing democratic control over the deployment of the surpluses through urbanisation. To have a surplus product is not a bad thing—indeed, in many situations a surplus is crucial to adequate survival. Throughout capitalist history, some of the surplus value created has been taxed away by the state and in social democratic phases that proportion rose significantly putting much of the surplus under state control. The whole neoliberal project over the last 30 years has been oriented towards privatisation of control over the surplus. The data for all OECD countries show, however, that the share of gross output taken by the state has been roughly constant since the 1970s. The main achievement of the neoliberal assault, then, has been to prevent the state share expanding in the way it was in the 1960s. One further response has been to create new systems of governance that integrate state and corporate interests and, through the application of money power, assure that control over the disbursement of the surplus through the state apparatus favours corporate capital and the upper classes. Increasing the share of the surplus under state control will only work if the state itself is brought back under democratic control.

But increasingly, we see the right to the city falling into the hands of private or quasi-private interests. In New York City, for example, we have a billionaire mayor, Michael Bloomberg, who is re-shaping the city along lines favourable to Wall Street and transnational capitalist class elements while continuing to sell the city as an optimal location for high value businesses and a fantastic destination for tourists, thus, turning Manhattan in effect into one vast gated community for the rich. In Seattle, a billionaire like Paul Allen calls the shots and in Mexico City Carlos Slim has the downtown streets re-cobbled to suit the tourist gaze. And it is not only affluent individuals that exercise direct power. In the town of New Haven, strapped for any resources for urban reinvestment of its own, it is Yale University, one of the wealthiest universities in the world that is redesigning much of the urban fabric to suit its needs. Johns Hopkins is doing the same for East Baltimore and Columbia University plans to do so for areas of New York (sparking neighbourhood resistance movements in both cases). The right to the city, as it is now constituted, is far too narrowly confined, in most cases in the hands of a small political and economic elite who are in the position to shape the city more and more after their own heart's desire.

We have yet to see a coherent oppositional movement in the 21st century with the singular aim of gaining greater control over the uses of the surplus (let alone over the conditions of its production). The right

to the city must be articulated as a demand and brought back centre stage, precisely because it focuses on who it is that commands the inner connection that has prevailed from time immemorial between urbanisation and surplus production and use. The democratisation of the right to the city and the construction of a broad social movement to enforce its will are imperative. In January 2008, a large banner hung in the Plaza de las Tres Culturas in Mexico City, scene of the tragic student massacre of 1968. It quoted Andre Breton:

‘Change the world’ said Marx; ‘change life’ said Rimbaud; for us, these two tasks are identical.

Sounds a pretty good rallying cry for a movement of the dispossessed to begin to take back the city from which they have, for so long, been excluded.

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3

The Global City: Strategic Site, New Frontier

Saskia Sassen

The master images in the currently dominant account of economic globalisation emphasise hypermobility, global communications and the neutralisation of place and distance. There is a tendency to take the existence of a global economic system as a given, a function of the power of transnational corporations and global communications.

But the capabilities for global operation, coordination and control contained in the new information technologies and in the power of transnational corporations, need to be produced. By focusing on the production of these capabilities, we add a neglected dimension to the familiar issue of the power of large corporations and the new technologies. The emphasis shifts to the practices that constitute what we call 'economic globalisation' and 'global control': the work of producing and reproducing, the organisation and management of a global production system and a global marketplace for finance, both under conditions of economic concentration. A focus on practices draws the categories of place and production process into the analysis of economic globalisation. These are two categories easily overlooked in accounts centred on the hypermobility of capital and the power of transnationals. Developing categories such as, place and production process, do not negate the centrality of hypermobility and power. Rather, they bring to the fore the fact that many of the resources necessary for global economic activities are not hypermobile and are, indeed, deeply embedded in place, often global cities and export processing zones.

Why is it important to recover place and production in analyses of the global economy, particularly as these are constituted in major cities?

Because they allow us to see the multiplicity of economies and work cultures in which the global information economy is embedded. They also allow us to recover the concrete, localised processes through which globalisation exists and to argue that much of the multi-culturalism in large cities is as much a part of globalisation as is international finance. Finally, focusing on cities allows us to specify a geography of strategic places at the global scale, places bound to each other by the dynamics of economic globalisation. I refer to this as a ‘new geography of centrality’, and one of the questions it engenders is whether this new transnational geography also is the space for new transnational politics. Insofar as my economic analysis of the global city recovers the broad array of jobs and work cultures that are part of the global economy though typically not marked as such, it allows me to examine the possibility of a new politics of traditionally disadvantaged actors operating in this transnational economic geography. This is a politics that lies at the intersection of economic participation in the global economy and the politics of the disadvantaged, and in that sense would add an economic dimension, specifically through those who hold the other jobs in the global economy—whether factory workers in export processing zones in Asia, garment sweatshop workers in Los Angeles or janitors in Wall Street.

These are the subjects addressed in this chapter. The first section examines the role of production and place in analyses of the global economy. The second section posits the formation of new geographies of centrality and marginality constituted by these processes of globalisation. The third section discusses some of the elements that suggest the formation of a new socio-spatial order in global cities. The fourth section discusses some of the localisations of the global by focusing particularly on immigrant women in global cities. In the final section, I discuss the global city as a nexus where these various trends come together and produce new political alignments.

Place and Production in the Global Economy

Globalisation can be deconstructed in terms of the strategic sites where global processes and the linkages that bind them, materialise. Among these sites are export processing zones, offshore banking centres and on a far more complex level, global cities. This produces a specific geography of globalisation and underlines the extent to which it is not a planetary event encompassing the entire world.¹ It is, furthermore, a changing geography, one that has transformed over the last few centuries and over the last

few decades.² Most recently, this changing geography has come to include electronic space. The geography of globalisation contains both a dynamic of dispersal and of centralisation, a condition that is only now beginning to receive recognition.³ The massive trends towards the spatial dispersal of economic activities at the metropolitan, national and global levels that we associate with globalisation have contributed to a demand for new forms of territorial centralisation of top-level management and control operations. The spatial dispersal of economic activity made possible by telematics contributes to an expansion of central functions if this dispersal is to take place under the continuing concentration in control, ownership and profit appropriation that characterises the current economic system.⁴ National and global markets as well as globally integrated organisations require central places where the work of globalisation gets done.⁵ Furthermore, information industries also require a vast physical infrastructure containing strategic nodes with a hyper concentration of facilities; we need to distinguish between the capacity for global transmission and communication and the material conditions that make this possible. Finally, even the most advanced information industries have a production process that is at least partly bound to place because of the combination of resources it requires even when the outputs are hypermobile.

The vast new economic topography that is being implemented through electronic space is one moment, one fragment, of an even more vast economic chain that is in good part embedded in non-electronic spaces. There is no entirely dematerialised firm or industry. Even the most advanced information industries, such as finance, are installed only partly in electronic space. And so are industries that produce digital products, such as software designers. The growing digitalisation of economic activities has not eliminated the need for major international business and financial centres and all the material resources they concentrate, from state of the art telematics infrastructure to brain talent.⁶

In my research, I have conceptualised cities as production sites for the leading information industries of our time in order to recover the infrastructure of activities, firms and jobs that is necessary to run the advanced corporate economy, including its globalised sectors.⁷ These industries are typically conceptualised in terms of the hypermobility of their outputs and the high levels of expertise of their professionals rather than in terms of the production process involved, and the requisite infrastructure of facilities and non-expert jobs that are also part of these industries. A detailed analysis of service-based urban economies shows that there is a considerable articulation of firms, sectors and workers who may appear as though they have little connection to an urban economy dominated by finance and specialised services but, in fact, fulfil a

series of functions that are an integral part of that economy. They do so, however, under conditions of sharp social, earnings, and often racial/ethnic segmentation.

In the day-to-day work of the leading services complex dominated by finance, a large share of the jobs involved is low-paid and manual, many held by women and immigrants. Although these types of workers and jobs are never represented as part of the global economy, they are in fact part of the infrastructure of jobs involved in running and implementing the global economic system, including such an advanced form as international finance.⁸ The top end of the corporate economy—the corporate towers that project engineering expertise, precision, ‘techne’—is far easier to mark as necessary for an advanced economic system than are truckers and other industrial service workers, even though these are a necessary ingredient.⁹ We see here a dynamic of valorisation at work that has sharply increased the distance between the devalorised and the valorised, indeed over-valorised, sectors of the economy.

For me as a political economist, addressing these issues has meant working in several systems of representation and constructing spaces of intersection. There are analytic moments when two systems of representation intersect. Such analytic moments are easily experienced as spaces of silence, of absence. One challenge is to see what happens in those spaces or what operations—analytic, of power, of meaning—take place there. One version of these spaces of intersection is what I have called ‘analytic borderlands’.¹⁰ Why borderlands? Because they are spaces that are constituted in terms of discontinuities—discontinuities which are given a terrain rather than reduced to a dividing line. Much of my work on economic globalisation and cities has focused on these discontinuities and has sought to reconstitute them analytically as borderlands rather than dividing lines. This produces a terrain within which these discontinuities can be reconstituted in terms of economic operations whose properties are not merely a function of the spaces on each side (i.e., a reduction to the condition of dividing line) but also, and most centrally, of the discontinuity itself, the argument being that discontinuities are an integral part, a component, of the economic system.

A New Geography of Centres and Margins

The ascendance of information industries and the growth of a global economy, both inextricably linked, have contributed to a new geography of

centrality and marginality. This new geography partly reproduces existing inequalities but is also the outcome of a dynamic specific to current forms of economic growth. It assumes many forms and operates in many arenas, from the distribution of telecommunication facilities to the structure of the economy and of employment.

Global cities accumulate immense concentrations of economic power while cities that were once major manufacturing centres suffer inordinate declines; the downtowns of cities and business centres in metropolitan areas receive massive investments in real estate and telecommunications while low-income urban and metropolitan areas are starved for resources; highly educated workers in the corporate sector see their incomes rise to unusually high levels while low- or medium-skilled workers see theirs sink. Financial services produce superprofits while industrial services barely survive.¹¹

The most powerful of these new geographies of centrality at the global level binds the major international financial and business centres: New York, London, Tokyo, Paris, Frankfurt, Zurich, Amsterdam, Los Angeles, Sydney, Hong Kong, among others. But this geography now also includes cities such as Bangkok, Taipei, São Paulo and Mexico City. The intensity of transactions among these cities, particularly through the financial markets, trade in services and investment has increased sharply, and so have the orders of magnitude involved.¹² At the same time, there has been a sharpening inequality in the concentration of strategic resources and activities in each of these cities compared to that of other cities in the same country.¹³ Along with these new global and regional hierarchies of cities, is a vast territory that has become increasingly peripheral and increasingly excluded from the major economic processes that are seen as fuelling economic growth in the new global economy. Formerly, important manufacturing centres and port cities have lost functions and are in decline, not only in the less developed countries but also in the most advanced economies. Similarly, in the valuation of labour inputs, the over-valorisation of specialised services and professional workers has marked many of the 'other' types of economic activities and workers as unnecessary or irrelevant to an advanced economy.

There are other forms of this segmented marking of what is and what is not an instance of the new global economy. For example, the mainstream account on globalisation recognises that there is an international professional class of workers and highly internationalised business environments due to the presence of foreign firms and personnel. What has not been recognised is the possibility that we are seeing an internationalised

labour market for low-wage manual and service workers; or that there is an internationalised business environment in many immigrant communities. These processes continue to be couched in terms of immigration, a narrative rooted in an earlier historical period.

This signals that there are representations of the global or the transnational that have not been recognised as such or are contested. Among these is the question of immigration, as well as the multiplicity of work environments it contributes in large cities, often subsumed under the notion of the ethnic economy and the informal economy. Much of what we still narrate in the language of immigration and ethnicity, I would argue, is actually a series of processes having to do with (a) the globalisation of economic activity, of cultural activity, of identity formation, and (b) the increasingly marked racialisation of labour market segmentation so that the components of the production process in the advanced global information economy, taking place in immigrant work environments, are components not recognised as part of that global information economy. Immigration and ethnicity are constituted as otherness. Understanding them as a set of processes whereby global elements are localised, international labour markets are constituted and cultures from all over the world are de- and re-territorialised, puts them right there at the centre along with the internationalisation of capital as a fundamental aspect of globalisation.¹⁴

How have these new processes of valorisation and devalorisation and the inequalities they produce come about? This is the subject addressed in the next section.

Elements of a New Socio-spatial Order

The implantation of global processes and markets in major cities has meant that the internationalised sector of the urban economy has expanded sharply and has imposed a new set of criteria for valuing or pricing various economic activities and outcomes. This has had devastating effects on large sectors of the urban economy. It is not simply a quantitative transformation; we see here the elements for a new economic regime.

These tendencies towards polarisation assume distinct forms in (a) the spatial organisation of the urban economy, (b) the structures for social reproduction, and (c) the organisation of the labour process. In these trends towards multiple forms of polarisation lie conditions for the creation of employment-centred urban poverty and marginality and for new class formations.

The ascendance of the specialised services-led economy, particularly the new finance and services complex, engenders what may be regarded as a new economic regime, because although this sector may account for only a fraction of the economy of a city, it imposes itself on that larger economy. One of these pressures is towards polarisation, as is the case with the possibility for superprofits in finance, which contributes to devalorise manufacturing and low-value-added services insofar as these sectors cannot generate the superprofits typical of much financial activity. The superprofit-making capacity of many of the leading industries is embedded in a complex combination of new trends: technologies that make possible the hypermobility of capital at a global scale and the deregulation of multiple markets that allows for implementing that hypermobility; financial inventions such as securitisation which liquefy hitherto illiquid capital and allow it to circulate and hence make additional profits, the growing demand for services in all industries along with the increasing complexity and specialisation of many of these inputs which has contributed to their valorisation and often over-valorisation, as illustrated in the unusually high salary increases beginning in the 1980s for top level professionals and CEOs. Globalisation further adds to the complexity of these services, their strategic character, their glamour and therewith to their over-valorisation.

The presence of a critical mass of firms with extremely high profit-making capabilities contributes to bid up the prices of commercial space, industrial services and other business needs, thereby making survival for firms with moderate profit-making capabilities increasingly precarious. And while the latter are essential to the operation of the urban economy and the daily needs of residents, their economic viability is threatened in a situation where finance and specialised services can earn superprofits. High prices and profit levels in the internationalised sector and its ancillary activities, such as top-of-the-line restaurants and hotels, make it increasingly difficult for other sectors to compete for space and investments. Many of these other sectors have experienced considerable downgrading and/or displacement, for example, the replacement of neighbourhood shops tailored to local needs by upscale boutiques and restaurants catering to new high-income urban elites.

Inequality in the profit-making capabilities of different sectors of the economy has always existed. But what we see happening today takes place on another order of magnitude and is engendering massive distortions in the operations of various markets, from housing to labour. For example, the polarisation of firms and households in the spatial organisation of

the economy, in my reading, contribute towards the informalisation of a growing array of economic activities in advanced urban economies. When firms with low or modest profit-making capacities experience an ongoing, if not increasing, demand for their goods and services from households and other firms in a context where a significant sector of the economy makes superprofits, they often cannot compete even though there is an effective demand for what they produce. Operating informally is often one of the few ways in which such firms can survive, for example, using spaces not zoned for commercial or manufacturing uses, such as basements in residential areas, or space that is not up to code in terms of health, fire and other such standards. Similarly, new firms in low-profit industries entering a strong market for their goods and services may only be able to do so informally. Another option for firms with limited profit-making capabilities is to subcontract part of their work to informal operations.¹⁵ The recomposition of the sources of growth and profit-making entailed by these transformations also contribute to a reorganisation of some components of social reproduction or consumption. While the middle strata still constitute the majority, the conditions that contributed to their expansion and politico-economic power in the post-war decades—the centrality of mass production and mass consumption in economic growth and profit realisation—have been displaced by new sources of growth.

The rapid growth of industries with strong concentrations of high and low-income jobs has assumed distinct forms in the consumption structure, which in turn, has a feedback effect on the organisation of work and the types of jobs being created. The expansion of the high-income work force in conjunction with the emergence of new cultural forms has led to a process of high-income gentrification that rests, in the last analysis, on the availability of a vast supply of low-wage workers. In good part, the consumption needs of the low-income population in large cities are met by manufacturing and retail establishments, which are small, rely on family labour, and often fall below minimum safety and health standards. Cheap, locally produced sweatshop garments, for example, can compete with low-cost Asian imports. A growing range of products and services, from low-cost furniture made in basements to ‘gypsy cabs’ and family daycare, is available to meet the demand of the growing low-income population.

One way of conceptualising informalisation in advanced urban economies today is to posit it as the systemic equivalent of what we call deregulation at the top of the economy. Both the deregulation of a growing number of leading information industries and the informalisation of a

growing number of sectors with low profit-making capacities can be conceptualised as adjustments under conditions where new economic developments and old regulations enter in growing tension.¹⁶ ‘Regulatory fractures’ is one concept I have used to capture this condition.

We can think of these developments as constituting new geographies of centrality and marginality that cut across the old divide between poor and rich countries, and new geographies of marginality that have become increasingly evident not only in the less developed world but within highly developed countries. Inside major cities in both the developed and developing world we see a new geography of centres and margins that not only contributes to strengthen existing inequalities but also sets in motion a whole series of new dynamics of inequality.

The Localisations of the Global

Economic globalisation, then, needs to be understood also in its multiple localisations, rather than only in terms of the broad, overarching macro-level processes that dominate the mainstream account. Further, we need to see that some of these localisations do not generally get coded as having anything to do with the global economy. The global city can be seen as one strategic instantiation of such multiple localisations.

Here I want to focus on localisations of the global marked by these two features. Many of these localisations are embedded in the demographic transition evident in cities where a majority of resident workers today are immigrants and women, often women of colour. These cities are seeing an expansion of low-wage jobs that do not fit the master images about globalisation, yet, are part of it. Their being embedded in the demographic transition evident in all these cities, and their consequent invisibility, contribute to the devalorisation of these types of workers and work cultures, and to the ‘legitimacy’ of that devalorisation.

This can be read as a rupture of the traditional dynamic whereby membership in leading economic sectors contributes conditions towards the formation of a labour aristocracy—a process long evident in western industrialised economies. ‘Women and immigrants’ come to replace the Fordist/family-wage category of ‘women and children’.¹⁷ One of the localisations of the dynamics of globalisation is the process of economic restructuring in global cities. The associated socio-economic polarisation has generated a large growth in the demand for low-wage workers and for jobs that offer few advancement possibilities. This, amidst an explosion

in the wealth and power concentrated in these cities—that is to say, in conditions where there is also a visible expansion in high-income jobs and high-priced urban space.

‘Women and immigrants’ emerge as the labour supply that facilitates the imposition of low-wages and powerlessness under conditions of high demand for those workers, and the location of those jobs in high-growth sectors. It breaks the historic nexus that would have led to empowering workers and legitimates this break culturally. Another localisation which is rarely associated with globalisation—informalisation—re-introduces the community and the household as an important economic space in global cities. I see informalisation in this setting as the low-cost—and often feminised—equivalent of deregulation at the top of the system. As with deregulation (for example, financial deregulation), informalisation introduces flexibility, reduces the ‘burdens’ of regulation and lowers costs, in this case, especially the costs of labour. Informalisation in major cities of highly developed countries—whether New York, London, Paris or Berlin—can be seen as a downgrading of a variety of activities for which there is not only an effective demand in these cities but also a devaluing and enormous competition, given low entry costs and few alternative forms of employment. Going informal is one way of producing and distributing goods and services at a lower cost and with greater flexibility. This further devalues these types of activities. Immigrants and women are important actors in the new informal economies of these cities. They absorb the costs of informalising these activities.

The reconfiguration of economic spaces associated with globalisation in major cities has had differential impacts on women and men, on male and female work cultures, on male- and female-centred forms of power and empowerment. The restructuring of the labour market brings with it a shift of labour market functions to the household or community. Women and households emerge as sites that should be part of the theorisation of the particular forms that these elements in labour market dynamics assume today.

These transformations contain possibilities, even if limited, for the autonomy and empowerment of women. For instance, we might ask whether the growth of informalisation in advanced urban economies reconfigures some types of economic relations between men and women? With informalisation, the neighbourhood and the household re-emerge as sites for economic activity. This condition has its own dynamic possibilities for women. Economic downgrading through informalisation creates ‘opportunities’ for low-income women entrepreneurs and workers,

and therewith reconfigures some of the work and household hierarchies that women find themselves in. This becomes particularly clear in the case of immigrant women who come from countries with rather traditional male-centred cultures.

There is a large literature showing that immigrant women's regular-wage work and improved access to other public realms have an impact on their gender relations. Women gain greater personal autonomy and independence while men lose ground. Women gain more control over budgeting and other domestic decisions and greater leverage in requesting help from men in domestic chores. Also, their access to public services and other public resources gives them a chance to become incorporated in the mainstream society—they are often the ones in the household who mediate this process. It is likely that some women benefit more than others from these circumstances; we need more research to establish the impact of class, education and income on these gendered outcomes. Besides the relatively greater empowerment of women in the household associated with waged employment, there is a second important outcome: their greater participation in the public sphere and their possible emergence as public actors.

There are two arenas where immigrant women are active: institutions for public and private assistance, and the immigrant/ethnic community. The incorporation of women in the migration process strengthens the settlement likelihood and contributes to greater immigrant participation in their communities and vis-à-vis the state. For example, Hondagneu-Sotelo found immigrant women coming to assume more active public and social roles which further reinforces their status in the household and the settlement process.¹⁸ Women are more active in community-building and community-activism, and they are positioned differently from men regarding the broader economy and the state. They are the ones who most likely handle the legal vulnerability of their families in the process of seeking public and social services for their families. This greater participation by women suggests the possibility that they may emerge as more forceful and visible actors and make their role in the labour market more visible as well. There is, to some extent, a joining of two different dynamics in the condition of women in global cities described above.

On the one hand, they are constituted as an invisible and disempowered class of workers in the service of the strategic sectors constituting the global economy. This invisibility keeps them from emerging as whatever would be the contemporary equivalent of the 'labour aristocracy' of earlier forms of economic organisation, when a low-wage worker's position in leading

sectors had the effect of empowering that worker (i.e., the possibility of unionising). On the other hand, the access to—albeit low—wages and salaries, the growing feminisation of the job supply and the growing feminisation of business opportunities brought about with informalisation do alter the gender hierarchies in which they find themselves.¹⁹

The Global City: A Nexus for New Politico-economic Alignments

What makes the localisation of the processes described above strategic, even though they involve powerless and often invisible workers, potentially constitutive of a new kind of transnational politics, is that these same cities are also the strategic sites for the valorisation of the new forms of global corporate capital as described in the first section of this chapter.

Typically, the analysis about the globalisation of the economy privileges the reconstitution of capital as an internationalised presence; it emphasises the vanguard character of this reconstitution. At the same time, it remains absolutely silent about another crucial element of this transnationalisation, one that some, like myself, see as the counterpart of that capital, the transnationalisation of labour. We are still using the language of immigration to describe this process.²⁰ Second, that analysis overlooks the transnationalisation in the formation of identities and loyalties among various population segments that explicitly reject the imagined community of the nation. With this come new solidarities and notions of membership. Major cities have emerged as a strategic site for both the transnationalisation of labour and the formation of transnational identities. In this regard, they form a site for new types of political operations.

Cities are the terrain where people from many different countries are most likely to meet and a multiplicity of cultures can come together. The international character of major cities lies not only in their telecommunication infrastructure and international firms, but it lies also in the many different cultural environments in which these workers exist. One can no longer think of centres for international business and finance simply in terms of the corporate towers and corporate culture at its centre. Today's global cities are in part the spaces of post-colonialism and indeed contain conditions for the formation of a post-colonialist discourse.²¹

The large Western city of today concentrates diversity. Its spaces are inscribed not only with the dominant corporate culture but also with

a multiplicity of other cultures and identities. The slippage is evident; the dominant culture can encompass only part of the city.²² And while corporate power inscribes these cultures and identities with 'otherness', thereby devaluing them, they are present everywhere. For example, through immigration a proliferation of originally highly localised cultures now have become presences in many large cities, cities whose elites think of themselves as 'cosmopolitan', or transcending any locality. An immense array of cultures from around the world, each rooted in a particular country or village, now are re-territorialised in a few single places, places such as New York, Los Angeles, Paris, London, and most recently Tokyo.²³

Immigration and ethnicity are too often constituted as 'otherness'. Understanding them as a set of processes whereby global elements are localised, international labour markets are constituted and cultures from all over the world are de-territorialised, puts them right there at the centre of the stage along with the internationalisation of capital as a fundamental aspect of globalisation today. Further, this way of narrating the migration events of the post-war era captures the ongoing weight of colonialism and post-colonial forms of empire on major processes of globalisation today and specifically those binding emigration and immigration countries.²⁴ While the specific genesis and contents of their responsibility will vary from case to case and period to period, none of the major immigration countries are innocent bystanders. The centrality of place in a context of global processes engenders a transnational economic and political opening in the formation of new claims and hence in the constitution of entitlements, notably rights to place and, at the limit, in the constitution of 'citizenship'. The city has indeed emerged as a site for new claims by global capital which not only uses the city as an 'organizational commodity' but also, by disadvantaged sectors of the urban population, frequently as internationalised a presence in large cities as capital.

I see this as a type of political opening that contains unifying capacities across national boundaries and sharpening conflicts within such boundaries. Global capital and the new immigrant workforce are two major instances of transnationalised categories that have unifying properties internally and find themselves in contestation with each other in global cities. Global cities are the sites for the overvalorisation of corporate capital and the devalorisation of disadvantaged workers. The leading sectors of corporate capital are now global in both their organisation and operations. And many of the disadvantaged workers in global cities are women, immigrants and people of colour. All these groups find in the global city a strategic site for their economic and political operations.

The linkage of people to territory as constituted in global cities is far less likely to be intermediated by the national state or 'national culture'. We are seeing a loosening of identities from what have been the traditional sources of identity, such as the nation or the village.²⁵ This unmooring in the process of identity formation engenders new notions of community of membership and of entitlement.

Yet another way of thinking about the political implications of this strategic transnational space is the notion of the formation of new claims on that space. Has economic globalisation at least partly shaped the formation of claims?²⁶ There are indeed major new actors making claims on these cities, notably foreign firms who have been increasingly entitled to do business through progressive deregulation of national economies, and there has been large increase over the last decade in international business people. These are among the new 'city users'. They have profoundly marked the urban landscape. Perhaps at the other extreme are those who use urban political violence to make their claims on the city, claims that lack the *de facto* legitimacy enjoyed by the new city users. These are claims made by actors struggling for recognition, entitlement and to claim their rights to the city.²⁷

There is something to be captured here—a distinction between powerlessness and a condition of being an actor or political subject even though one lacks power. I use the term 'presence' to name this condition. In the context of a strategic space such as the global city, the types of disadvantaged people described here are not simply marginal; they acquire presence in a broader political process that escapes the boundaries of the formal polity. This presence signals the possibility of a politics.

What this politics will be, will depend on the specific projects and practices of various communities. Insofar as the sense of membership of these communities is not subsumed under the national, it may well signal the possibility of a transnational politics centred in concrete localities.

Conclusion

Large cities around the world are the terrain where a multiplicity of globalisation processes assumes concrete, localised forms. These localised forms are, in good part, what globalisation is about. If we consider further that large cities also concentrate a growing share of disadvantaged populations—immigrants in Europe and the United States, African-Americans and Latinos in the United States, masses of shanty dwellers in the mega-cities of the developing world—then we can see that cities have become a strategic terrain for a whole series of conflicts and contradictions.

We can then think of cities also as one of the sites for the contradictions of the globalisation of capital. On one hand, they concentrate a disproportionate share of corporate power and are one of the key sites for the over-valorisation of the corporate economy; on the other hand, they concentrate a disproportionate share of the disadvantaged and are one of the key sites for their devalorisation. This joint presence happens in a context where (a) the transnationalisation of economies has grown sharply and cities have become increasingly strategic for global capital and (b) marginalised people have found their voice and are making claims on the city as well. This joint presence is further brought into focus by the sharpening of the distance between the two.

These joint presences have made cities a contested terrain. The global city concentrates diversity. Its spaces are inscribed not only with the dominant corporate culture but also with a multiplicity of other cultures and identities, notably through immigration. The slippage is evident: the dominant culture can encompass only part of the city. And while corporate power inscribes non-corporate cultures and identities with 'otherness', thereby devaluing them, they are present everywhere. The immigrant communities and informal economy in cities such as New York and Los Angeles are only two instances.

The space constituted by the global grid of global cities, a space with new economic and political potentialities, is perhaps one of the most strategic spaces for the formation of new types, including transnational identities and communities. This is a space that is both place-centred in the sense that it is embedded in particular and strategic sites, and it is transterritorial because it connects sites that are not geographically proximate yet intensely connected to each other. It is not only the transmigration of capital that takes place in this global grid, but also that of people both rich (i.e., the new transnational professional workforce) and poor (i.e., most migrant workers), and it is a space for the transmigration of cultural forms or the re-territorialisation of 'local' subcultures. An important question is whether it is also a space for a new politics, one going beyond the politics of culture and identity, though at least partly likely to be embedded in these. The analysis presented in this chapter suggests that it is.

The centrality of place in a context of global processes engenders a transnational economic and political opening in the formation of new claims and hence in the constitution of entitlements, notably rights to place and ultimately, in the constitution of new forms of 'citizenship' and a diversity of citizenship practices. The global city has emerged as a site for new claims: by global capital which uses the city as an 'organizational

commodity?; but also by disadvantaged sectors of the urban population, frequently as internationalised presence in large cities as capital. The denationalising of urban space and the formation of new claims centred in transnational actors and involving contestation constitute the global city as a frontier zone for a new type of engagement.

Notes and References

1. Globalisation also produces differentiation; the alignment of differences is of a very different kind from that associated with such differentiating notions as national character, national culture and national society. For example, the corporate world today has a global geography but it does not exist everywhere in the world: in fact, it has highly defined and structured spaces; second, it also is increasingly differentiated from non-corporate segments in the economies or countries where it operates.
2. We need to recognise the specific historical conditions for different conceptions of the 'international' or the 'global' For instance, see Abu-Lughod, J.L. 1989. *Before European Hegemony: The World System A.D. 1250–1350*. New York/Oxford: Oxford University Press; Arrighi, G. 1994. *The Long Twentieth Century*. London/New York: Verso; Braudel, F. 1984. *The Perspective of the World*. New York: Harper and Row; Gugler, J. (ed.). 2004. *World Cities beyond the West. Globalization, Development and Inequality*. Cambridge: Cambridge University Press; Ciccolella, P. and I. Mignaqui. 2002. 'Buenos Aires: Sociospatial Impacts of the Development of Global City Functions', in S. Sassen (ed.), *Global Networks/Linked Cities*, pp. 309–25. New York/London: Routledge; Herzog, Lawrence A. 2006. *Return to the Center: Culture, Public Space, and City-Building in a Global Era*. Austin, TX: University of Texas Press; INURA (ed.). 2003. *The Contested Metropolis*. New York: Birkhauser; King, D. 1990. *Urbanism, Colonialism and the World Economy: Culture and Spatial Foundations*. London/New York: Routledge; Lo, F.C. and Y.M. Yeung (eds). 1996. *Emerging World Cities in Pacific Asia*. Tokyo: United Nations University Press; Marcotullio, Peter and Fu-Chen Lo. 2001. *Globalization and the Sustainability of Cities in the Asia Pacific Region*. New York: United Nations University Press; Know, P.L. and P.J. Taylor (eds). 1995. *World Cities in a World-System*. Cambridge: Cambridge University Press; Veltz, P. 1996. *Mondialisation, villes et territoires*. Paris: Presses Universitaires de France.

There is a tendency to see the internationalisation of the economy as a process operating at the centre, embedded in the power of the multinational corporations today and colonial enterprises in the past. One could note that the economies of many peripheral countries are thoroughly internationalised due to high levels of foreign investments in all economic sectors and of heavy dependence on world markets for 'hard' currency. What centre countries have are strategic concentrations of firms and markets that operate globally, and they have the capability for global control and coordination and power. This is a very different form of the international from that which we find in peripheral countries.

3. This proposition lies at the heart of my model of the global city See Sassen, S. 2001. *The Global City: New York, London, Tokyo*, Chapter 1. Princeton: Princeton University Press; Sassen, S. 2010. 'Global Inter-city Networks and Commodity Chains: Any Intersections?' *Global Networks*, 10(1): 150–63.

4. More conceptually, we can ask whether an economic system with strong tendencies towards such concentration can have a space economy that lacks points of physical agglomeration. That is to say, does power, in this case economic power, have spatial correlates?
5. I see the producer services, and most especially finance and advanced corporate services, as industries producing the organisational commodities necessary for the implementation and management of global economic systems (Sassen, *The Global City*: Chapters 2–5). Producer services are intermediate outputs, i.e., services bought by firms. They cover financial, legal and general management matters, innovation, development, design, administration, personnel, production technology, maintenance, transport, communications, wholesale distribution, advertising, cleaning services for firms, security and storage. Central components of the producer services category are a range of industries with mixed business and consumer markets—these are insurance, banking, financial services, real estate, legal services, accounting and professional associations. For the most comprehensive analysis, see Bryson, J.R. and P.W. Daniels (eds). 2005. *The Service Industries Handbook*. Cheltenham, UK: Edward Elgar.
6. Telematics and globalisation have emerged as fundamental forces reshaping the organisation of economic space. This reshaping ranges from the spatial virtualisation of a growing number of economic activities to the reconfiguration of the geography of the built environment for economic activity. Whether in electronic space or in the geography of the built environment, this reshaping involves organisational and structural changes. See Castells, M. 1996. *The Rise of the Network Society*. Oxford: Blackwell; Graham, S. (ed). 2004. *Cybercities Reader*. London: Routledge; Avgerou, C. 2002. *Information Systems and Global Diversity*. Oxford: Oxford University Press; García, D.L. 2002. ‘The Architecture of Global Networking Technologies’, in S. Sassen (ed.), *Global Networks, Linked Cities*, pp. 39–70. New York: Routledge; Ernst, Dieter. 2005. ‘The New Mobility of Knowledge: Digital Information Systems and Global Flagship Networks’, in Robert Latham and Saskia Sassen (eds), *Digital Formations: IT and New Architectures in the Global Realm*, pp. 89–114. Princeton: Princeton University Press; Mansell, Robin, Chrisanthi Avgerou, Danny Quah and Roger Silverstone (eds). 2009. *The Oxford Handbook of Information and Communication Technologies*. Oxford: Oxford University Press.
7. Methodologically speaking, this is one way of addressing the question of the unit of analysis in studies of contemporary economic processes. ‘National economy’ is a problematic category when there are high levels of internationalisation. And ‘world economy’ is a problematic category because of the impossibility of engaging in detailed empirical study at that scale. Highly internationalised cities such as New York or London offer the possibility of examining globalisation processes in great detail within a bounded setting and with all their multiple, often contradictory aspects. King, in *Urbanism, Colonialism, and the World Economy*, notes the need to differentiate the international and the global. In many ways the concept of the global city does that. For a range of methodological strategies see, for example, Brown, E., B. Derudder, C. Parnreiter, W. Pelupessy, P.J. Taylor and F. Witlox. 2010. ‘World City Networks and Global Commodity Chains: Towards a World Systems Integration’, *Global Networks*, 10(1): 12–34 (Special Issue); Parnreiter, C. 2010. ‘Global Cities in Global Commodity Chains: Exploring the Role of Mexico City in the Geography of Governance of the World Economy’, *Global Networks*, 10(1): 35–53; Sassen, ‘Global Inter-city Networks and Commodity Chains; Short, John Rennie. 2005. *Global Metropolitanism*. London:

- Routledge; Amen, Mark M., Kevin Archer and M. Martin Bosman (eds). 2006. *Relocating Global Cities: From the Center to the Margins*. New York: Rowman & Littlefield; Gugler, *World Cities beyond the West. Globalization, Development and Inequality*; Ciccolella, P. and I. Mignaqui. *Global Networks/Linked Cities*, pp. 309–25; Herzog, *Return to the Center*; Krause, Linda and Patrice Petro (eds). 2003. *Global Cities: Cinema, Architecture, and Urbanism in a Digital Age*. New Brunswick, NJ, and London, UK: Rutgers University Press; Hagedorn, John (ed.). 2007. *Gangs in the Global City: Exploring Alternatives to Traditional Criminology*. Chicago, IL: University of Illinois at Chicago.
8. A methodological tool I find useful for this type of examination is what I call circuits for the distribution and installation of economic operations. These circuits allow me to follow economic activities into terrains that escape the increasingly narrow borders of mainstream representations of ‘the advanced economy’ and to negotiate the crossing of socio-culturally discontinuous spaces See Sassen, S. 2008. *Territory, Authority, Rights: From Medieval to Global Assemblages* (updated 2nd edition). Princeton, NJ: Princeton University Press: Chapter 8.
 9. This is illustrated by the following event. When the first acute stock market crisis happened in 1987 after years of enormous growth, there were numerous press reports about the sudden and massive unemployment crisis among high-income professionals on Wall Street. The other unemployment crisis on Wall Street, affecting secretaries and blue-collar workers was never noticed nor reported upon. And yet, the stock market crash created a very concentrated unemployment crisis, for example, in the Dominican immigrant community in Northern Manhattan where a lot of the Wall Street janitors live. See Sassen, S. 2006. *Cities in a World Economy* (3rd edition). Thousand Oaks, CA: Sage/Pine Forge.
 10. Sassen, *Territory, Authority, Rights*, Chapter 8.
 11. There is by now a vast literature documenting one or another of these various aspects. See generally Fainstein, S., I. Gordon and M. Harloe (eds). 1992. *Divided Cities: London and New York in the Contemporary World*. Oxford: Blackwell; Abu-Lughod, J.L. 1999. *New York, Chicago, Los Angeles: America’s Global Cities*. Minneapolis: University of Minnesota Press on New York, Chicago and Los Angeles, which she defines as the three US global cities. Also, see Burdett, Ricky (ed.). 2006. *Cities: People, Society, Architecture*. New York: Rizzoli; Harvey, R. 2007. ‘The Subnational Constitution of Global Markets’, in S. Sassen (ed.), *Deciphering the Global: Its Spaces, Scales and Subjects*, pp. 199–216. New York/London: Routledge; Orum, Anthony and Xianming Chen. 2004. *The World of Cities*. Malden, MA: Blackwell; Smith, R.G. 2007. ‘Poststructuralism, Power and the Global City’, in Taylor, P.J., B. Derudder, P. Saey and F. Witlox (eds), *Cities in Globalization: Practices, Policies and Theories*, pp. 258–70. London: Routledge.
 12. Whether this has contributed to the formation of transnational urban systems is subject to debate. The growth of global markets for finance and specialised services, the need for transnational servicing networks due to sharp increases in international investment, the reduced role of the government in the regulation of international economic activity and the corresponding ascendance of other institutional arenas, notably global markets and corporate headquarters—all these point to the existence of transnational economic arrangements with locations in more than one country. These cities are not merely competing with each other for market share as is often asserted or assumed; there is a division of labour which incorporates cities of multiple countries, and in this

- regard we can speak of a global system (for example, in finance) as opposed to simply an international system (see Sassen, *The Global City*, Chapters 1–4, 7; Sassen, *Cities in a World Economy*, Chapter 2; see also Taylor, P.J. 2004. *World City Network: A Global Urban Analysis*. London: Routledge; Taylor, P.J., B. Derudder, P. Saey and F. Witlox (eds). 2007. *Cities in Globalization: Practices, Policies Theories*. London: Routledge. We can see here the incipient formation of a transnational urban system.
13. Further, the pronounced orientation to the world markets evident in such cities raises questions about the articulation with their nation-states, their regions and the larger economic and social structure in such cities. Cities have typically been deeply embedded in the economies of their region, indeed often reflecting the characteristics of the latter—and they still do. But cities that are strategic sites in the global economy tend, in part, to disconnect from their region. This conflicts with a key proposition in traditional scholarship about urban systems, namely, that these systems promote the territorial integration of regional and national economies.
 14. Elsewhere (see Sassen, S. 1988. *The Mobility of Labor and Capital: A Study in International Investment and Labor Flow*. Cambridge: Cambridge University Press; Sassen, S. 2007. *A Sociology of Globalization* Chapters 5 and 6. New York: W.W. Norton.) I have argued that the current post-1945 period has distinct conditions for the formation and continuation of international flows of immigrants and refugees. I have sought to show that the specific forms of internationalisation of capital we see over this period have contributed to mobilise people into migration streams and build bridges between countries of origin and the US. The implantation of Western development strategies, from the replacement of small-holder agriculture with export-oriented commercial agriculture to the westernisation of educational systems, has contributed to mobilise people into migration streams—regional, national, transnational. At the same time, the administrative, commercial and development networks of the former European empires and the newer forms these networks assumed under the Pax Americana (i.e., international direct foreign investment, export processing zones, wars for democracy) have not only created bridges for the flow of capital, information and high-level personnel from the centre to the periphery but, I argue, also for the flow of migrants. Hall's account of the post-war influx of people from the Commonwealth into Britain and his description of how England and Englishness were so present in his native Jamaica as to make people feel that London was the capital where they were all headed to sooner or later (Hall, S. 1991. 'The Local and the Global: Globalization and Ethnicity', in Anthony D. King (ed.), *Culture, Globalization and the World System: Contemporary Condition for the Representation of Identity*, pp. 19–4; New York: Macmillan.). This way of narrating the migration events of the post-war era captures the ongoing weight of colonialism and post-colonial forms of empire on major processes of globalisation today, and specifically those binding emigration and immigration countries. The major immigration countries are not innocent bystanders; the specific genesis and contents of their responsibility will vary from case to case and period to period.

For a range of related issues see Ehrenreich, Barbara and Arlie Hochschild (eds). 2003. *Global Woman*. New York: Metropolitan Books; Farrer, G.L. 2007. 'Producing Global Economies from Below: Chinese Immigrant Transnational Entrepreneurship in Japan', in S. Sassen (ed.), *Deciphering the Global: Its Spaces, Scales and Subjects*, pp. 179–99. New York/London, Routledge; Holston, J. and A. Appadurai. 1996. 'Cities and Citizenship', *Public Culture*, 8(2): 187–204; King, A.D. (ed.). 1996. *Re-presenting the City. Ethnicity, Capital and Culture in the 21st Century*. London, UK: Macmillan;

- Ribas-Mateos, Natalia. 2005. *The Mediterranean in the Age of Globalization: Migration, Welfare, and Borders*. Somers, NJ: Transaction.
15. More generally, we are seeing the formation of new types of labour market segmentation. Two characteristics stand out. One is the weakening role of the firm in structuring the employment relation; more is left to the market. A second form in this restructuring of the labour market is what could be described as the shift of labour market functions to the household or community [See generally Sassen, *Cities in a World Economy*: Chapters 6 and 7; Marcuse, Peter. 2003. *Of States and Cities: The Partitioning of Urban Space*. New York: Oxford University Press; Ribas-Mateos, *The Mediterranean in the Age of Globalization: Migration, Welfare, and Borders*; Ehrenreich and Hochschild (eds), *Global Woman*].
 16. Linking informalisation and growth takes the analysis beyond the notion that the emergence of informal sectors in cities like New York and Los Angeles, is caused by the presence of immigrants and their propensities to replicate survival strategies typical of Third World countries. Linking informalisation and growth also takes the analysis beyond the notion that unemployment and recession generally may be the key factors promoting informalisation in the current phase of highly industrialised economies. It may point to characteristics of advanced capitalism that are not typically noted.
 17. This newer case brings out, more brutally than did the Fordist contract, the economic significance of these types of actors, a significance veiled or softened in the case of the Fordist contract through the provision of the family wage (See Sassen, *Cities in a World Economy*, Chapter 7).
 18. See Hondagneu-Sotelo, Pierette. 1994. *Gendered Transitions: Mexican Experiences of Immigration*. Berkeley: University of California Press.
 19. Another important localisation of the dynamics of globalisation is that of the new professional women stratum. Elsewhere (see Sassen, S. 2001. *The Global City: New York, London, Tokyo* (updated 2nd edition). Princeton, NJ: Princeton University Press: Chapters 8 and 9; Sassen, S. 2006. *Cities in a World Economy*, Chapter 7 (updated 3rd edition). Thousand Oaks, CA: Pine Forge Press) I have examined the impact of the growth of top level professional women in high-income gentrification in these cities—both residential and commercial—as well as in the re-urbanisation of middle-class family life.
 20. This language is increasingly constructing immigration as a devalued process in so far as it describes the entry of people from generally poorer, disadvantaged countries, in search of the better lives that the receiving country can offer; it contains an implicit valorisation of the receiving country and a devalorisation of the sending country.
 21. An interesting question concerns the nature of internationalisation today in ex-colonial cities. King's analysis about the distinctive historical and unequal conditions in which the way the notion of the 'international' was constructed is extremely important (see King, *Urbanism, Colonialism and World Economy*.) King shows us how during the time of empire, some of the major old colonial centres were far more internationalised than the metropolitan centres. Internationalisation as used today is assumed to be rooted in the experience of the centre. This brings up a parallel contemporary blind spot well captured in Hall's observation that contemporary post-colonial and post-imperialist critiques have emerged in the former centres of empires, and they are silent about a range of conditions evident today in ex-colonial cities or countries (see Hall, 'The Local and the Global'). Yet another such blind spot is the idea that the international migrations

- now directed largely to the centre from former colonial territories, and neo-colonial territories in the case of the US, and more recently Japan, might be the correlate of the internationalisation of capital that began with colonialism.
22. There are many different forms such as contestation and 'slippage' that can be assumed. Global mass culture homogenises and is capable of absorbing an immense variety of local cultural elements. But this process is never complete. The opposite is the case in my analysis of data on electronic manufacturing, which shows that employment in lead sectors no longer inevitably constitutes membership in a labour aristocracy. Thus Third World women working in Export Processing Zones are not empowered: capitalism can work through difference. Yet another case is that of 'illegal' immigrants; here we see that national boundaries have the effect of creating and criminalising difference. These kinds of differentiations are central to the formation of a world economic system.
 23. Tokyo now has several, mostly working-class concentrations of legal and illegal immigrants coming from China, Bangladesh, Pakistan and the Philippines. This is quite remarkable in view of Japan's legal and cultural closure to immigrants. Is this simply a function of poverty in those countries? By itself it is not enough of an explanation, since they have long had poverty. I posit that the internationalisation of the Japanese economy, including specific forms of investment in those countries and Japan's growing cultural influence there have built bridges between those countries and Japan, and have reduced the subjective distance with Japan (see Sassen, *The Global City*, pp. 307–15; for the more general argument see Sassen, *The Mobility of Labor and Capital*, Chapters 2–4).
 24. My argument is that the specific forms of the internationalisation of capital we see over the last 20 years have contributed to mobilise people into migration streams (Sassen, *The Mobility of Labor and Capital*; Sassen, *A Sociology of Globalization*, Chapter 5). The renewal of mass immigration into the United States in the 1960s, after five decades of little or no immigration, took place in a context of expanded US economic and military activity in Asia and the Caribbean Basin. Today, the United States is at the heart of an international system of investment and production that has incorporated not only Mexico but areas in the Caribbean and Southeast Asia. In the 1960s and 1970s, the United States played a crucial role in the development of a world economic system. It passed legislation aimed at opening its own and other countries' economies to the flow of capital, goods, services and information. The central military, political and economic role the United States played in the emergence of a global economy contributed, I argue, both to the creation of conditions that mobilised people into migrations, whether local or international, and to the formation of links between the United States and other countries that subsequently were to serve as bridges for international migration. Measures commonly thought of as deterring emigration—foreign investment and the promotion of export-oriented growth in developing countries—seem to have had precisely the opposite effect. Among the leading senders of immigrants to the United States in the 1970s and 1980s have been several of the newly industrialised countries of South and South-east Asia whose extremely high growth rates are generally recognised to be a result of foreign direct investment (FDI) in export manufacturing.
 25. Yaeger (ed.). 1995. *The Geography of Identity*. Ann Arbor: University of Michigan Press.
 26. For a different combination of these elements see, for example, Nashashibi, Rami. 2007. 'Ghetto Cosmopolitanism: Making Theory at the Margins', in S. Sassen (ed.), *Deciphering the Global: Its Spaces, Scales and Subjects*, pp. 241–62. New York and London: Routledge; Body-Gendrot, S. 2000. *The Social Control of Cities?*

- A Comparative Perspective*. London: Blackwell; Bartlett, Anne. 2007. 'The City and the Self: The Emergence of New Political Subjects in London', in S. Sassen (ed.), *Deciphering the Global: Its Spaces, Scales and Subjects*, pp. 221–41. New York and London: Routledge.
27. Body-Gendrot, S. 1999. *The Social Control of Cities*. London: Blackwell shows how the city remains a terrain for contest, characterised by the emergence of new actors, often younger and younger. It is a terrain where the constraints and the institutional limitations of governments to address the demands for equity engender social disorders. She argues that urban political violence should not be interpreted as a coherent ideology but rather as an element of temporary political tactics, which permits vulnerable actors to enter into interaction with the holders of power on terms that will be somewhat more favourable to the weak.

4

Global Capital, Neoliberal Politics and Terrains of Resistance in Vienna*

Heinz Nissel

Introduction

In spite of living quality and positive images concerning Vienna worldwide, the development as well as outer appearance of the city and growing social disparities are part of a bigger change under the influx of global capital and a wide ranging political shift towards principles of neoliberal politics. A number of problems arising from that shift will be discussed here.

Open and Hidden Developments

The Austrian Setting

During the late 1970s the Pope in Rome called Austria ‘an Island of the Blessed’ (comparing it with inequality, poverty and wars elsewhere). Today, the truth is different. Although Austria belongs to the 10 richest countries and her capital, Vienna, is ratified as having the world’s highest score of living quality together with Zurich and Vancouver, that does not mean neoliberal politics as well as global capital streams have not

* I am very much indebted for taking part in the conference through the invitation by the initiator, my very good friend Prof. Swapna Banerjee-Guha, members of the Department of Geography and responsible colleagues from Mumbai University.

made deep inroads into society and economy. There is a steady increase of social as well as regional disparities, a radical emancipation of capital speculation from real economies (goods production), a sneaking political removal of democratic rights (at all scales), moreover, an erosion of human rights principles, weakening of social networks (for example, influence of churches or unions) and last but not the least, constant undermining of ecological enclaves we try to preserve for future generations. It is all here in Austria as well but often discreetly veiled. Until elections in October 2006 the government oriented towards neoliberalism, pretended to rule the country but it is in fact ‘the economy’ which rules politics with increasing influence. This is best to be seen as the new government in power since 11 January 2007, follows the same lines, although the Social Democrats (former Socialist Party) took the lead and hold the Prime Minister’s position.

What Vienna Was

To understand Vienna’s presence we have to know what it was before. Until 1918 the city belonged to the world capitals, being the headquarter of the Austro-Hungarian monarchy of the Habsburg dynasty, a multi-lingual, multi-cultural empire with more than 50 million inhabitants. Census 1910 showed Vienna held 2.1 million people and was at that time the fourth-biggest metropolis on earth with a tremendous cultural influence within Europe. Afterwards, Vienna proved to be much too big for the small country left, named Austria—politicians called it the useless ‘waterhead’. A long phase of decline lasted through world economic crises, civil war (1934), Nazi dominance (1938–45) and occupation through the winners of World War II until 1955. As in Berlin, Vienna’s 23 urban districts were split up into zones of British, American, Russian and French administration and military occupancy for 10 years between 1945 and 1955; while the city centre was ruled by the winners of World War II simultaneously—exemplified by the famous symbol of ‘four men in a jeep’. For decades, former Russian influence zones had to catch up in Vienna and in between western and eastern provinces of Austria. Vienna’s population was steadily declining down to 1.45 million inhabitants.

Vienna’s Revival and New Position in Europe

After Austria regained independence in 1955, there followed a rather dull political period although the economy improved fairly well until far reaching events changed Vienna’s position once more.

First of all, the fall of the Soviet Empire and its allies in 1989—symbolised by the Iron Curtain—brought the city from the edge of (Western) Europe back into a central position of the New/Old Europe reaching as far as the Ural within Russia. Second, in 1995 Austria shifted from the EFTA (European Free Trade Association) block of countries—although keeping her political dogma of ‘eternal neutrality’ until now—to become a full-fledged member of the European Union. Third, the huge increase from 15 to 25 EU-members in 2004 incorporates wide areas of Eastern and South-eastern Europe. All those developments brought Vienna back from *the New European Periphery* to become again *Europe’s very heart*—but contestants, Budapest and Prague, might claim the same. From now, Vienna has to be interpreted as a victim as well as culprit of transnational market forces.

On one side economists make us believe that Austria is the biggest winner of the so-called ‘EU-eastern enlargement’, for example, 200,000 new jobs were created (1995–2005). At the other hand, due to pressures from immigration, aspects of black economy (heavy increase of working poor, working contracts opposed to our laws, outsourcing of work to neighbouring countries, and so on) are increasing fast. Vienna’s population has increased, now holding 1.64 million inhabitants in the city proper and 2.25 within the agglomeration. But in some districts the number of (registered) foreigners comes up to every third or fourth inhabitant. A number of problems arise, problems of socialising, housing and integrating migrants into our culture. Small change is also earned by right-wing splitter parties in political contests. The second-biggest group of migrants after those from ex-Yugoslavia, today comes from Turkey with Islamic faith, low educational levels and quite a number of them showing stout resistance against accepting the Austrian mother tongue (German language), societal norms and cultural values. Life is becoming increasingly complicated in a developing multi-cultural setting within Vienna.

As far as Austria’s (8.3 million) and Vienna’s populations are concerned you will immediately see that neither the country nor the city plays an eminent role in the World or European Politics today. But on the other hand, the importance is much bigger than one would suggest because of Austria’s political role as a bridge between East and West and Vienna’s role as node and spearhead for the intrusion of global capital into Eastern Europe. Within the last 10 years, investments from Vienna to Eastern Europe have gone up from 1.5 to nearly 20 billion Euros. Austrian and international capital investors have come a long way to infiltrate former Yugoslavian territories and beyond. Austrian firms are the biggest investors today in Slovenia, Bosnia-Herzegovina, Mazedonia, Montenegro

and in Slovakia. They hold a second position (after Germany) in Hungary, Croatia, Serbia.

By 1 January 2007, Romania and Bulgaria have been admitted as full EU-members, 26 and 27, in spite of growing scepticism inside the older countries of the European Union. Is it necessary to mention that the leading banks of both countries have been privatised and bought by Austrian banks already? Of lesser importance but still visible, there are Austrian intrusions into Russia, Poland, Ukraine and Bjelorus.

Does that mean that Austria's and Vienna's inhabitants are getting richer day by day? Yes, if you look at the GDP curves only. No, if you look into the social distribution pattern. There are no data on Vienna but I will make use of an official report by our Ministry of Social Affairs (2005) describing Austria. The report declares 'The rich' (upper 1 per cent) hold 36 per cent of all money, properties, and so on (72,000 Euro currency millionaires), the 'Well-to-do' (upper 2–10 per cent) holds 37 per cent and the 'Rest', meaning 90 per cent of the population, less than 30 per cent. Expect a huge majority of the 'rich ones' residing in Vienna. Those tremendous disparities are hardly ever mentioned or discussed in public. Why? Because there exists a close connection between leading politicians and big business working hand in hand for mutual benefits (corruption is one side of the game). Taxation policy during the last years clearly preferred the uppermost strata of society as such, widening the disparities. Going through our newspapers this is written day by day.

So, why is there no political unrest emerging out of all that? Because the society is already deeply split between winners and losers of postmodern globalisation. A stream of 'new-speak-phrases' is constantly used in the mass media to confuse mostly those who are not able to rise their voice—'Good Governance', 'New Ethics', 'Responsible Stakeholder Politics', 'Fair Trade', 'Ecosocial Responsibility' and so on—are they going to help us or are they just strengthening 'Turbo-Capitalism'? The affordable ones are forced into consumerism.

Children, youngsters, students are nowadays brought up in the elbow-mentality of neoliberal thinking. Those who are successful support the dogma 'if the economy does well we all are doing well' [one slogan used by the People's Party (Conservatives) in the election 2006]. The losers consist of elder and/or weak people, less qualified, single-parent households (especially lone mothers with small kids), migrants, remote areas. All that means no Austrian-specific development but will be found within all countries choosing the neoliberal path. I simply want to underline that Austria and Vienna bear no exception at all.

Protecting, Changing and Expanding the Urban Space

Protected Space

It is often argued that globalisation has specific effects on the spatial outlook and development of world cities. Following the theory of global fragmentation by Scholz¹ and others it is claimed that the traditional setting of social areas composition (quite different in US and Europe!) was somehow a spatial differentiation between upper, middle and lower class incomes. But postmodern development depicts some sort of patchwork-pattern, wherein rich and poor are interwoven in close neighbourhoods. Now for that Vienna seems to be different.

Traditional upper-class areas are well preserved through strict legal controls, although most of the Austrian inhabitants have shifted into the outlying areas of the urban belt. Around 30,000 high ranking, well-to-do foreigners and their families have taken over. Vienna is the third capital of the United Nations, holding the Atomic Energy Commission, OPEC headquarter, and so on. Out of that develops a certain pressure on rents, trickling down to lower strata.

On the other hand, the Social Democratic Party has ruled Vienna since generations—especially during 1929–34 and after 1945 into the 1970s, Vienna's (Socialist) policy was focused on public housing (comparable to the former Improvement Trust in Bombay). Around 240,000 flats in the city, which is about one-fourth of the total, are in the hands of the city government. For many years it was quite difficult to get such a flat without being registered as member of the former Socialist Party (a small quote for other parties also applied). And here we are, at what I call *terrains of resistance*: huge living quarters in Vienna are legally blocked against speculation, against overtaking by foreign migrants (although this policy has been changed finally in 2004). The city of Vienna remains the biggest land-holder by far, although the focus since 10 years is not on city expansion but on improvement of existing buildings, blocks and quarters.

Rent control regulations are even older—rental incomes were frozen at the level they showed in 1917 during the World War I. The idea behind was to protect the population in situ from rent increases and evictions (the law was called 'Peace Interest' or *Friedenszins* in German). Naturally the landlords' interests in maintaining and improving their properties came down constantly, and the values of houses as well. In the older

houses, from the times of monarchy, there always existed a vertical social differentiation (housekeepers, small workers in the basement, first floor as 'belle etage', upper floors lower-middle and middle incomes), quite comparable to Paris. Because of strict rent controls this system still works. Very old people, now above 80, still hold huge flats within the city or well-to-do quarters for the same rents they or their parents paid 50 years ago. If those persons are gone, flats are mostly taken over by offices (big demand through global acting firms). Gentrification works as well, especially within attractive quarters of the older building preserves in particular districts. But, at the same time, there is no dislodging of poor people, no displacement of migrants and no development of slum areas in older preserved areas and building blocks of low social status.

A change or even an end to rent control measures was and is a highly sensitive political issue in Vienna where all political parties are heavily involved. Up to the early 1980s not much renovation activity was done and many quarters in Vienna appeared dark, grey and dull. In order to escape the 'renovation trap', from that time rent restrictions were progressively reduced. When new renters stepped into an old flat the landlord was allowed to raise the rents, and by such incentives interest in private housing investments came back.

The Social Gradient: Centre, Inner and Outer District

Due to the long lasting decline of Vienna in former decades there is ample space for new office developments. Until the 1990s, Viennese policy was strongly opposed to skyscraper development. Some bitter fights occurred on that topic—especially the federal railways tried to sell their huge dilapidated areas for high-rise buildings but failed so far. Till today, the Inner City, the cultural heart (much more than a Central Business District [CBD] in the American sense), remains the unrivalled urban core and is still strictly off limits for big developers. The well-organised public transport system, especially the underground lines, which leads to a star shaped pattern from the city to outer districts, is also responsible for the continuing dominance of the centre.

The social profile within city-surrounding districts two to nine holds, in general, middle and upper middle income groups, the social gradient decreasing between central and outer areas. Renovation of many old houses from 18th and 19th centuries in that districts have not only led to

accelerated gentrification, but also to a process of rejuvenation in sectors six to eight as thousands of students and young urban professionals prefer the amenities of nearness to the otherwise very expensive commodities of the urban core.

A huge, overloaded ring road separates the Inner from the Outer districts. The problem zones start where middle-class Austrians left in huge numbers and got replaced by foreign immigrants. For many years, those parts of Vienna were the only places for poor foreign immigrants for shelter. The social downgrading was followed by neglect of repair work and lacking investments for improvements of the old housing stock. This zone is under main scrutiny by city planners, resulting in a huge range of urban renewal schemes—the idea by the city government to give loans and subsidies to private house holders for improving their buildings proved most helpful.

Beyond that urban belt of high density quarters, built during the 19th century, the pattern becomes more varied: the social gradient rises again, highest within old villages having been overthrown by city expansion a hundred years ago, and surrounding areas of upper class villas. That is true for districts 13 to 19 on the western fringe adjoining the ‘Vienna Woods’ hill-zone; and in the east and north, large industrial zones interspersed with public housing, dominate.

Suburbanisation

Suburbanisation in Vienna is a late phenomenon compared to other cities worldwide. But that changed rapidly around 1990 and at present suburbanisation is an important element of urban development. Extensions of the built-up area spread along main traffic arteries mostly as ribbon development. By far the most important corridor is along the Vienna Wood mountain range towards the South. While the city of Wr. Neustadt was away for more than 40 kilometres as late as in the 1960s, we observe now a continuous built-up-zone in between the two centres. It is a process changing the Vienna Metropolitan Region rapidly and this expansion is driven by young middle-class residents of Vienna who want to live in their own houses and gardens. For that some communities, south of Vienna city (Baden, Moedling, Brunn, and so on) cash a huge amount of taxes and belong to the richest areas in Austria. In 2001, 28 per cent of the total population of Vienna Urban Agglomeration lived already outside the old city border.

One reason for late suburbanisation lies in the fact that for quite some time ample ground for housing, business development, and so on, was available inside the old city limits. Even now sufficient land reserves are available inside Vienna, especially beyond the Danube river (it is typical for elder Viennese to speak of ‘Trans-Danubien’, as if those areas do not belong to the city of Vienna at all—although they have been incorporated by the municipality more than a hundred years ago). So mentally those eastern areas are ‘out of’ Vienna, they are flat and their social ranking is still low. Therefore, well-to-do young urban professionals prefer to migrate to the more attractive southern ribbon.

The postmodern developments of Vienna can take place within the elder city limits. No such factors as ‘edge cities’ in the USA have been developed so far. Joel Garreau first used the term edge city in 1988 for America, thereby postulating an increasing discrepancy between prospering suburbs and downward spiralling of old CBDs. This has not happened to Vienna. New urban forms, especially skyscrapers, are not emerging in ‘edges’ surrounding the city but in pockets along the Danube river and the highways A 22 and A 23, but so far those postmodern subcentres have not been able to replace the power of the old urban centre. What can be seen today is that suburbanisation destroys the sharp distinction between the densely built city areas and the former countryside. The spread-out of functions and people leads to a mixture best characterised as ‘urban sprawl’. Somehow the city itself or at least urbanity pours into the former outer areas. The new urban regions are increasingly decentralised, turning into fragmented or specialised locations which lack interior integration as well as strict networks between them—as proposed by variants of the central-place-theory. Those persons who fled the city-proper because of density of living, high costs of rents, ecological setbacks, and so on, are overtaken by daily traffic jams, increasing land prizes and less greenery around. Somehow they are the victims of their own (former) success.

Therefore, the latest element of urban change is a process of well-off people going back to the roots, meaning back to the inner quarters of Vienna, especially after their children grow up.

Migration Patterns and Problems of Integration

Vienna was a multi-cultural city until World War II. As the residence of the Habsburg emperors for centuries, the city was the unrivalled heart of the

mighty Austro-Hungarian Empire with 52 million inhabitants (in 1910). Vienna was the magnet for innumerable men and women seeking out for jobs, riches and careers. Especially immigration of labourers took place within the second half of the 19th century hailing from a number of different nationalities within a similarly diverse setting of the Empire. Up to 30,000 new citizens came in within some years, and the average annual increase was 15,000. Vienna was the city with the second largest Czech population after Prague and the second largest Jewish group in the whole of Europe. All those nationalities specialised on specific activities in the workforce. But in the 1920s, tens of thousands of Czechs, Hungarians, Croatians, Italians, and so on, returned to their former territories which had become independent states. The biggest blow to multi-cultural legacy was the Nazi terror between 1938 and 1945, deporting or killing around 200,000 Jews. Thousands of them were dominating sciences, law, medicine and fine arts in between 1880 and 1938. It was an intellectual loss Vienna could never make good afterwards.

After World War II the city had lost its longstanding multi-cultural dimension. Inhabitants firmly believed to be just victims of the war. With economic upheaval during the 1960s, elder political issues were 'spared out'. At the same time a labour shortage was badly felt in several fields of the economy. To deal with this situation an organised policy of recruiting foreign workers from Southern and South-eastern Europe took place. But the intended rotation policy (a sort of hire and fire policy) never came into force.

The so-called 'guest-workers' were neither guests nor did they intend to leave their new 'Heimat'. Even after 1973 (economic decline due to the oil crisis), foreign workers decreased but foreign residents increased due to family reunifications.

After a decade of stagnation, a new immigration wave took place at the end of the 1980s. The number of immigrants to Vienna has indeed considerably increased within the last 25 years. Taking into account official data from the Statistical Office (Vienna municipality), during the census of 1981 about 110,000 foreign-born people lived here. By 2000 the number had reached to about 250,000. Up to 2005, another 50,000 non-Austrian migrants were counted. The percentage of foreign-born within total population increased from 7.4 to 16 per cent and is estimated today at more than 300,000 persons or 19 per cent. If one takes into consideration not only the citizenship of a migrant but also his place of origin, 370,000 or nearly a quarter of Vienna's population shows migration background in 2001. Today the estimate is around 490,000.² Meanwhile, 120,000 inhabitants of foreign origin already gained Austrian citizenship.

The ethnic composition of the 300,000 newcomers is largely made up by people from ex-Yugoslavia and Turkey. From Turkey hail 24 per cent, from Serbia and Montenegro 20 per cent, from Bosnia-Herzegovina 18 per cent. Also, the number of European Union (EU) citizens (from Western Europe) has more than doubled between 1991 and 2005, now comprising around 35,000 inhabitants.

The questions of immigration and integration policies have become increasingly sensitive during the last years—be it for politicians, city planners or ‘the public’, in general. The issue is most problematic for elder or less educated Austrians living in districts with strong inputs of foreign migrants. Those Austrian ‘left-overs’ are experiencing a dramatic, fast transformation of their neighbourhoods into multi-cultural and multi-ethnic areas:

Many of Vienna’s residents do not understand this development and find no answers to the questions of why this is happening and why these changes do not have to be seen as a threat. These residents regard the immigrants with skepticism and yearn for that short historical phase when Vienna was supposedly ethnically and culturally homogenous.³

But it would be wrong to name the so-called ‘Foreigners Question’ just a political or social construction of reality. Especially the problems for the second and third generations already born in Vienna are mounting, often living in between two worlds. Questions of permissive society, ‘parallel’ society, and so on, are broadly discussed in our media and in public. All in all tolerance of Austrian–Viennese is declining due to permanent cultural clashes, especially with the Turks and other Moslem groups (84 per cent of Austrians are against incorporating Turkey into the EU!) and highly criminal gangs specialising, for example, in drug dealing (West Africans) or robbing (Georgians, Tschetschenians). Most of the immigrants are still employed in sectors with low social prestige, high turnover, low wages, and almost no chances for personal careers. Around two-thirds work as wage labourers, most of them in property maintenance, in the construction industry, in hotels and restaurants. There are several obstacles for better integration into Austrian society. Part of it is a progressive intolerant attitude of Austrians, a very restricted access to legal employment due to a strict quota-system for non-EU citizens. On the other hand, many migrants lack education, their children coming to primary schools have no command of the German language. For a family from Turkey it is possible to live in their own world with all amenities of a parallel society: mosques,

madrassas, markets, jewellers, cinemas, and so on, without taking notice of the host society. But the Austrian social security network is first class, well known and made use of.

Nowadays, the integration of million of immigrants has to be seen on a much wider scale within the European Union. Migration problems are key issues all over Europe, be it Paris, England, Berlin or Poland. No simple solutions will apply.

Housing Policies

As has been mentioned before, the emmigration of Austrian residents and immigration of foreigners into old buildings, still holding partly substandard infrastructure, leads to increasing socio-ethnic disparities both within and outside the densely occupied city areas. A sort of ‘Ghetto’-development has gained momentum. Urban areas where Turks, Serbs or other ethnic groups already hold the majority of local population could also be interpreted as *terrains of resistance* for those specific groups. While Vienna formerly was an example of comparatively low socio-economic and spatial segregation of the urban population, now differences are increasing permanently. Migrants hold only limited access to the total housing market due to laws, low finances and individually-owned houses. Until recently they were also excluded from public housing projects as those were strictly reserved for Austrians. Because of those restrictions immigrants can only participate in the private rental market within the low-level segments. As the legal status of quite a number of migrants is not always clear, they also show limited interest in long-term investments into housing improvement.

In spite of those obstacles and the fact that 37 per cent of all the flats in Vienna had been constructed within the Austro-Hungarian Monarchy before 1919, the elimination of substandard housing has made progress. In 1971, still every third flat was not equipped with toilets and/or no running water inside the flats. In 2001, only 7.5 per cent (58,000) of those remained unchanged. Public–private partnership models are used nowadays to reduce that low-level design.

One more factor which influences a lack of investment interests, is increasing ‘hoarding’ of flats by Viennese or using them as secondary residences only seasonally or temporarily. This could be shifting of a family or family members between a ‘summer- and a winter-seat’ due to the part of the year. Other parents keep flats for their children and would not bring them into the market. No less than 125,000 apartments in Vienna

(about 13.5 per cent of the total) are not used as primary residence today. The idea of providing substantial subsidies for affordable housing limits the chances of potential private investors, who are interested in profits only. Originally it had been the very success model of the Socialist city government, but has been perverted to a certain extent. The fragile system of the housing market is a highly delicate political as well as economic question (misallocation of public funds). The influence of globalisation is rather slow; but with the constant opening of the housing market for private investors and public–private partnerships it seems that neither one nor the other could bear alone the huge investments in conservation of old structures (which are worth being preserved), renovation or revitalisation of low grade apartments and new houses for the better-off strata of the population.

Due to the outstanding rank of Vienna's physical substance a number of laws for preservation have been introduced. A specific model of gentle urban renewal was used in the last three decades. An 'Old City Preservation Regulation' was issued in 1972 which enables the city government, legally, to preserve not only houses but protect 'ensembles' as preservation zones. Up to 1996, approximately 100 such preservation zones had been declared, holding around 10,000 buildings. The entire CBD first district is such a zone till now. This specific 'Viennese way' of gentle urban renewal won three times—in 1998, 2000 and 2002—the UN-Habitat 'Best Practices' award. These are not the only positive consequences. High-ranking firms keep their headquarters at locations within the historic centre, but most of their work force, work space are outsourced and decentralised. For that the city centre is losing working opportunities.

Another Consequence of Globalising Forces: De-Industrialisation and Upliftment of the Service Sector

As Austria entered the European Union in 1995, rapid changes in the economic structure were unavoidable. Badly hit was the industrial sector—more so in Vienna than in other provinces—at present less than 150,000 out of 800,000 employees/workers belong to the industries. Another sector that was adversely affected was the traditional 'backyard industry' of family and small scale enterprises in the older districts of Vienna. Due to increase in rental or real estate costs, economies of scale, and so on, thousands of those old units (mostly manned by aging persons)

had either to move to the periphery or had to shut down. The big firms, for example, industrial engineering, metal work, or foodstuff also faced a lot of problems: their production went down, some firms closed down or had to be relocated elsewhere. The story behind this is the opening of Eastern and South-eastern Europe. For example, around 2001, wages at a working place in the textile industry was 10 times more than in, say, Poland or Slovakia and 50 times more than in Ukraine. Austrian firms were not competitive anymore in many industrial fields beside high-technology.

In spite of those setbacks, the service sector has not only compensated for the losses of industrial jobs but has added a surplus of new employment opportunities. During the 1990s, about 12,000 new jobs were created annually through service employment. But growth is not going on along the same rate after 2000. Technical progress and productivity increase lead to job reductions, for example, in the bank and insurance sector.

Additionally, synergy effects through mergers in the global arena always lead to staff reductions. Fears of getting unemployed are a constant part of Austria's youth reasoning, although the situation is still better than in most European areas. An unemployment rate of 7.8 per cent in 2008 is very low indeed. And Vienna's per capita GDP in 2006 was at 41,500 Euros, making it one of the richest regions in Europe and in the world. Nevertheless the question remains 'who gets what, how and where?'

Marketing Vienna: Hard and Soft Factors

Location theories often distinguish between hard and soft factors to underline the roles a city can play worldwide. Hard factors are made of production conditions, labour supply, wages, accessibility by public and private transport, market conditions, and so on. Those hard factors can be measured, quantified and statistically compared. Vienna and all the other European Metropolitan Areas are competing with each other increasingly. Success in the competition is not simply won through better performances along the hard factor line, but more through the marketing of a specific image. To say it simply, quite a number of world cities will do better as far as a number of hard factors are concerned—for example, wages, tax incentives, and so on. In this respect Vienna does not have more but a modest reputation. But Vienna cannot be easily matched as we look into the soft factors, which are not as easy to measure and compare. Those factors include attractiveness of a city, quality of life, the city image, the

cultural life or balanced ecology. They are becoming more important today when a manager, investor or tourist makes his or her preference.

In worldwide comparisons of soft factor performance, Vienna is regularly, year by year, found within the top three ranks in the world, and in the leading position when compared to all other centres within the European Union. Well known are the yearly reports of the British firm, Mercer Human Resources Consulting, placing Vienna in such a leading position. The main goal of Mercer is providing global or international firms with a somehow inter-subjective basis for deciding a business location. Now 215 cities are compared. For the rankings, 39 separate factors are taken into consideration. They include political, economic and social situations, educational level and medical treatment, public services, leisure activities, housing conditions, quality of environmental factors and access to consumer goods.

Political and social environments are measured, for instance, by factors such as political stability, crime, law enforcement; economic environment through currency exchange regulations, banking services; socio-cultural environment by censorship, limitations on personal freedom; health and sanitation by medical supplies and services, infectious diseases, sewage, waste disposal, air pollution; schools and education through standards, availability of international schools; public services and transportation by electricity, water, public transport, traffic congestion; recreation by restaurants, theatres, cinemas, sports and leisure; consumer goods by availability of food, daily consumption items; and natural environment by climate, record of natural disasters.

During the last years, Zurich, Geneva, Vienna and Vancouver were always in the leading positions. The basis for assessments is New York with a value of 100 points. But US metropolises are placed far behind because of lacking public security. Almost half of the top-scoring cities are located in Western Europe and Australia. Lowest ranks are held by Baghdad, Brazzaville, Bangui and Khartoum.⁴

But, 'Mercer's Quality of Living report reflects only the tangible aspects of living in a city on expatriate assignments, and leaves the question of the quality of life to those living it!'⁵

In spite of such a restriction, the Vienna web service (official municipal website) announces proudly:

The top ranking proves us right in our ambitious politics with regard to providing an outstanding location as well as a favourable economical, social and

ecological environment. The city's excellent scoring in terms of the quality of living is precisely what makes Vienna so attractive internationally.

Mrs Renate Brauner, Vienna's Vice Mayor.

What is done here is city marketing at its best. The marketing of Vienna has been professionally organised for a long time. The city holds a number of agencies producing a wide variety of festivals and events. The huge square in front of the city hall is used the year over from political gatherings to ice-skating. Urban geographers talk of 'festivalising the city'. Somehow, that reminds me of the decline of the Roman Empire, when 'bread and games' kept people happy and apolitical. Events are very popular with younger people including all sorts of underdogs. The production and performance of urban 'culture' is the image-creating machinery for the Viennese and the 'rest' of the world.

Viennese urban culture is based on two lines—first, on clichés concerning the Habsburg mythos and imperial glory: the city of culture, Imperial Vienna, a safe city, and so on. Of course, the variety and richness of cultural productions shown by a number of world-renowned institutions bring Vienna to a singular position (the only city to compare with in the German-speaking countries would be Berlin). Second is a steady flow of 'event' promotions by agencies active throughout Europe but not featuring local or national artists anymore. Singers, bands, dancers are touring internationally. They have little to do with the 'ambience' of Vienna but are reflecting an ever increasing demand for entertainment from our leisure-oriented and event-longing society. The city is reduced to a mere stage for those spectacles, levelled into a form of product placement. Marketing Vienna works. Ten million visitors alone are expected in 2010 pouring billions of dollars or euros in the local economy.

Vienna's Standing in the World Economy

As we want to find out the power of global capital and neoliberal political influences, let me now finally turn to Austria's and Vienna's competitiveness under worldwide economic conditions.

The most comprehensive and reputed study is annually done by IMD, the International Institute for Management Development in Lausanne, Switzerland—bringing out the *World Competitiveness Yearbook* (19th edition 2007). IMD ranks 61 countries on about 323 criteria, ranging from the per capita GDP to export growth, computer use, mobile phone

services, and so on. It also includes qualitative assessments such as corruption level, state support in education, attitudes toward globalisation.

During 2005 Austria ranked 17th, in 2006, the country jumped to 13th position and to 11th position in 2007. It is interesting to note that the US was still leading (as in the last 14 years), while Singapore stood second and Hong Kong third (both of them since 2004). All three leading countries are big proponents of global capitalism, neoliberal thinking and acting—which means less state influence, less individual freedom as I see it. If Austria (and Vienna) is moving fast in that direction—as it seems obvious—country and city are becoming heavily embedded into the mainstream of global forces. Also, it is interesting to note that China as well as India are climbing the ladder fast. In 2005, China was on position 31 and India on 39; in 2006, China jumped to rank 19 and India, rank 29. That means a 12-ranks, jump for China and 10 for India, and, in third position, Austria with a increase of four ranks. At least in these respect our two countries were neighbours. In 2007, China reached the 15th position and India 27th. Highly developed countries like France, Italy or Latin American states were losing ground.

All rankings, however refined, have their pros and cons. Let me just compare with a study done by Adrian White from the University of Leicester School of Psychology (2006).⁶ White wants to rank countries according to their happiness. He uses data on health and welfare, plus answers to a questionnaire about satisfaction of citizens. In his ranking, Denmark is leading, Switzerland is second and, yes, Austria, in third position. We find the US at number 23, Singapore 53, Hongkong 63, China 82, and India on position 125. This does not fit into my personal knowledge having been to all these countries several times during more than 30 years. I found much more individual or personal happiness inside India compared to Austria—despite bitter poorness or caste repressions. I just remind myself not to take rankings too seriously.

Coming back to Vienna, I want to make use of a study by Robert Musil, a young Austrian geographer (2005).⁷ Looking into the global-city concepts, huge cities are not replaced in their power through globalisation but in fact strengthened as strategically meaningful places in handling/controlling the global economy. Cities are the main gates—mostly called nodes—within the global network consisting of flows of goods, services, capital and human beings.⁸ One of the remaining much discussed question is how cities get positioned in this network. In Musil's paper a new approach was chosen while studying Vienna. Flows of foreign direct investments were used to analyse changes in Vienna's position within the

global hierarchy. The concept is supported by two assumptions. First, the unequal economic relations between cities are primarily based on capital flows. As Friedman (1986)⁹ stated, cities are the ‘basing points of global capital’ in the world economy. Second, capital flows between cities are a means for controlling each other; the ‘control-potential’¹⁰ constitutes the basis of the hierarchy. For that it seems possible to rank all world cities in a global hierarchy based on unequal capital flows, and also define Vienna’s position within that network. As the dataset covers 13 years, from 1989 to 2001, it is also possible to incorporate important political developments into the interpretation, for example, the fall of the Iron Curtain (1989) or Austria joining the European Union (1995).

I do not want to creep into the theoretical considerations of the ‘Global City’ debate here but want to show some results of the study. First of all, there was an enormous increase in the investment of Austrian firms into foreign countries, from 2.2 to 17.9 billion Euros, within those 13 years. In 2001, 151,000 workers in sister-firms outside Austria were dependent on Austrian headquarters. But at the same time —foreign investments in Austria rose from 5.6 to 21.6 billion Euro—an ‘investment gap’ remained. It also showed that huge majority of profits by foreign firms are transferred outside Austria and not re-invested here.

To analyse Vienna’s position in the global network, the data collected by Peter Taylor and the GaWC (Globalization and World Cities Research Network University of Loughborough, UK) group were used. Originally 145 cities were analysed. Out of those, 61 cities have closer relationships with Vienna. The result is a huge concentration of investment relations with European cities (only). Munich, Amsterdam, Basel, Budapest, London, Paris and Prague in line hold 50.4 per cent of all connections. During the 13 year time period, Munich has gained by 29.8 per cent, London by 8.6 per cent followed by Prague and Paris. Of lesser (relative) importance in 2001, compared to 1991, were cities with longstanding relations to Vienna, Zürich and Basel, and also New York and Tokyo. Connections between Vienna and Indian mega-cities are very weak. While capital flows between Vienna and Eastern European partners are strongly in favour of the city, the outflow to Western capitals is much stronger than the inflow. That means Vienna is used by Western firms as bridge—or better, as spearhead—for ‘conquering’ the new European Union members. So far gains for Vienna are outdoing losses. But living on a bridge is not so comfortable due to heavy storms. In the worldwide hierarchy Vienna has hardly improved its rank, but for Eastern and South-eastern Europe it

has become a very important gateway. This is reinforced by the fact that since about 2005 more firms and capital tend to relocate to Vienna than leaving for other destinations. A lot of Russians start trading and dealing with Western firms through Vienna.

Conclusion

The ‘trickle down theorem’ of neoliberal policy doctrine, which tries to make us believe that all groups of a society are on the winning side as economy prospers and grows, is definitely wrong. It can be proven empirically at all geographical scales that polarisation and disparities grow at the cost of weaker sections. Of course, compared to Mumbai, the huge majority in Vienna is not poor.

A second fundamental failure of neoliberal thinking lies in the hypothesis that everybody is equal to all others and (therefore) responsible for himself. But we are not the same. We have to take care of the weaker sections of our people. In that respect market mechanisms would not help, not even in a prosperous economy. As we in Central Europe suffer from over-aging, these problems will increase dramatically. I am convinced that real change to the better can only be achieved if the states or other political institutions take control over the world economy again. Policy must dominate economy, not the reverse.

I fully agree with David Harvey¹¹ that states and World Cities are used by the global capital for ‘Accumulation by Dispossession’, although in Vienna it is not so obvious at first sight. But, what I find difficult to explain—how is it that governments dominated by Social Democratic or Green Parties follow the same lines? How do scientists, the world over, become handy-men of the new world religion of neoliberalism?

No, not all of them. I have met some of the others here, in India, at the conference. Old and new friends. The resistance is alive.

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Further Readings

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5

Globalisation and Transformation of Dhaka City

Nazrul Islam and Salma A. Shafi

The 21st century is deemed to be a period of globalisation associated with free market economy. Globalisation is not only an economic process with flow of capital and goods, but it also has manifestations in movement of people, flow of information and ideas and hence of social and cultural values, political or ideological beliefs and dogmas. Such forces of globalisation have implications for the spatial dimension, including cities or global/mega-cities, for example. Dhaka city is very much a mega-city and as the capital city of Bangladesh it is the centre of all government and national affairs. The growth of Dhaka has been particularly characterised by speedy commercial and industrial expansion, and housing, health and education, as services under corporate partnership are also a growing business in Dhaka city.¹ However, much of these developments are occurring in a rather unplanned manner.

Many factors have contributed to the rapid transformation of Dhaka. The more dominant among these factors are the explosive nature of population increase, the growth of the national economy in general and the economy of metropolitan Dhaka. The economic growth factors in turn are being influenced by the forces of globalisation. The growth of the city's economy and its population, however, has not been adequately matched by the expansion of its infrastructure. The problem of poor governance and absence of urban planning or its timely implementation, weak resource base and physiographic limitations and shortage of buildable land in and around the city are some of the other constraining factors in the development of Dhaka. The roles of these factors including that of

globalisation in the transformation of Dhaka from a city to a mega-city are briefly analysed in this paper.

Factors Causing Transformation of Dhaka

Explosive Increase in Population

Dhaka's population grew from less than 300,000 in 1951 to 900,000 in 1971 and to 10 million in 2001. Its current population is estimated at over 12.5 million. The geographical territory of the city (or rather, the mega-city region) has also obviously expanded during the same time and the region is administered by several urban local governments. Dhaka's population growth rate was very high in the 1970s and 1980s (7–10 per cent), but it still remains high, at nearly 4 per cent annually. The population of mega-city Dhaka is projected to be over 24 million by the year 2024.² Dhaka's rapid population is largely due to rural–urban migration, caused by both rural 'push' and urban 'pull', the latter being partly effected by forces of globalisation.

Growth of National Economy and the Economy of Dhaka

Bangladesh, at its independence in 1971, was one of the poorest countries of the world with a per capita GNP of less than 80 dollars a year, and a population of 75 million. Dhaka, the capital, was also a city with very poor resources. There was, however, low inequality; rather, it was a city of 'shared poverty'. Since then the country and, comparatively more so, Dhaka, have experienced a reasonably fair growth in the economy, though not as rapid as in some of the neighbouring countries. The per capita GNP, currently, is around 500 dollars (possibly not accounting for a huge underground economy). As the economy has grown, so has inequality. The growth of the economy of Dhaka has been much more pronounced: per capita income is possibly at least three times higher than the national average. Inequality has also increased. Dhaka is no longer the city of shared poverty. It is very much an unfairly structured city. However, the sheer mammoth size of the urban poor population and the huge informal sector has saved it from assuming an exclusionary character. But the elite's perception of the poor and slums is somewhat exclusionary.

The remarkable growth of the city's economy is primarily from export earnings or RMGs, remittances by expatriate Bangladeshi human power (unskilled and skilled workers and professionals), information technology, international trade and commerce, and partly from aid money. Underground trade, smugglings, and so on, also contribute to the economy. Most of these factors, especially RMGs, remittance and smuggling, are direct effects of forces of globalisation.

Inadequate Resource and Weak Infrastructure

Despite improvement in the economy of the city, Dhaka is still a resource-poor city. The government agencies as well as the city authority lack funds to initiate even basic infrastructure and services. No other megacity perhaps depends so much on manual transport (nearly 500,000 cycle rickshaws) for movement of people and goods. There is hardly any mass transit system. The impact of globalisation is apparent in the increasing use of imported cars for private use. Lack of affordable mass transit has forced millions of factory workers and other poor to find accommodation in inner city slums. Water, electricity or fuel is in constant short supply. Foreign investment in these sectors is shy or slow in coming, and often influenced by corruption. Lack of own resources has also compelled city authority or government agencies to depend on aid agencies at their terms, a globalised phenomenon.

Physiographic Constraints and Limited Supply of Buildable Land

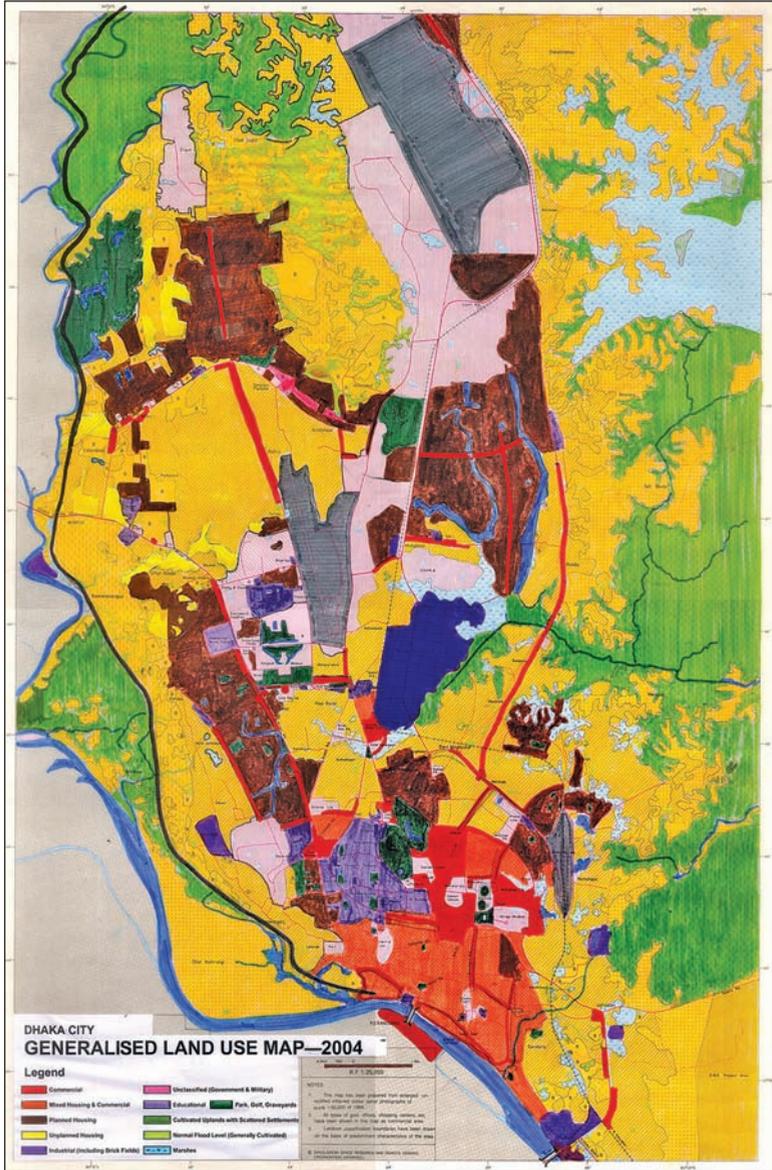
Dhaka is situated partly on a Pleistocene terrace, normally above flood level, extending in only one direction, the north, and to some extent to the north-west. Most recent development has been, however, by filling of low land, including wetlands and flood-flow zones, as these are in proximity of the city core. Limited supply of buildable land against rapid growth of population, coupled with increasing affordability caused a rise in land price to nearly astronomical figures. Land price is reflected in consequential building height increase in central city areas and also urban expansion into suburban locations. The unplanned expansion of the city as recorded is shown by transformation of land use in 1984 to 2004 (see Figures 5.1 and 5.2).

Figure 5.1
Dhaka City: Generalised Land Use Map 1984



Source: Authors.

Figure 5.2
Dhaka City: Generalised Land Use Map 2004



Source: Authors.

Poor Urban Governance

A variety of actors may be covered by the umbrella term governance where various central government state institutions, the local government, the private sector, the civil society, NGOs and the community may all play their roles. The quality of governance, as we know, is evaluated in terms of transparency, accountability, responsiveness, participation, decentralisation, effectiveness and efficiency, among other indicators.

Urban planning and development control functions rest with the Capital Development Authority or Rajdhani Unyan Kartripokkha (RAJUK). Unfortunately, it no longer serves much of a positive role. Inefficiency, non-accountability and corruption have made RAJUK an institution of very negative image. Much of the distortions in Dhaka's urban development are due to RAJUK's ineffectiveness. Politically motivated actions have, more often than not, degraded the livability and sustainability of Dhaka. Other government institutions are not much better. Dhaka City Corporation (DCC) and the other local bodies are equally inefficient and corrupt.

The corporate private sector is by nature very profit minded and normally anti-poor and anti-environment. Corporate social responsibility is a new concept for most of them. Some are responding to this idea. Influential corporate business concerns and even state functionaries are sometimes in collusion with global investors in enforcing anti-people, anti-state projects to be implemented in the city.

NGOs in Bangladesh have come to be known as great innovators of global dimension (Grameen Bank in microcredit, Bangladesh Rural Advancement Committee [BRAC] in non-formal education, and so on), but NGOs in Dhaka are a new force and are yet to make a significant impression as change agents in poverty alleviation or other urban activities. NGOs are a product of globalisation and are viewed with mixed feelings. Some NGOs are being perceived as agents of neo-imperialism, some as promoters or custodians of fundamentalist terrorism while others are considered either as honest service providers or profit makers.

The civil society (composed of non-state, non-corporate, non-political professional, occupational or environment groups, sometimes including NGOs) in Dhaka (or Bangladesh) has become visible only recently. Civil society activism is gaining strength and popularity in fighting environmentally unacceptable projects and unplanned urbanisation. Pro-poor activism is still the responsibility of the NGOs. However, the urban poor coalitions on urban environmental activists find themselves weak against major culprits.

Civil society, however, sometimes works with the government in formulating pro-people and pro-environment urban policy and building construction rules. The civil society is now required to keep constant vigil that the government really implements the policies and rules. Environmental legal NGOs are busy filing cases against the government and private enterprises for their anti-environment actions. Sometimes such civil societies achieve success.

Impact of Globalisation

Globalisation has made a great impact in the urban restructuring in Dhaka. The economic growth of Dhaka led to its rapid population growth (through rural to urban migration) and residential, commercial and industrial development. Globalisation has also caused impact through information technology, mobile communication and international educational institutions.

Dhaka has been mostly at the receiving end of the globalisation process. Its contribution to the world is through the abundance of cheap factory labour in the city, export of skilled professionals (trained or brought up in Dhaka) and as an export centre for unskilled or skilled labour to foreign countries. Dhaka (or Bangladesh) has also benefited immensely from globalised peacekeeping, by sending thousands of army personnel, who on their return generally invest in land and housing. Dhaka is the headquarters of such Bangladesh brand names as Grameen Bank or BRAC education and disaster rehabilitation ideas or concepts are now being globalised.

Although a mega-city, being exposed to forces of globalisation, Dhaka is still largely bound to localism, in terms of dress (largely in women, but also in men of religious and Bengali nationalist attitude), food, performing arts and language (however, English is becoming a second language and medium of higher education and international communication). Society at large is strongly Bengali (dominantly Muslim but also distinctively Hindu, Buddhist and Christian). Only a very small elite section is westernised modern. Adherents to secular philosophy are significant but fundamentalism is also on the increase. In the built environment, mosques make a very conspicuous presence. The physical development of Dhaka city also has become skewed by pressure of various external forces targeted towards profit-making ventures. Factors of population growth, economic growth and globalisation of trade and industry have put pressure on the planning process. The lack of good governance and need for appropriate policies to control the growth is quite apparent.

The Effects of Globalisation and Other Factors: Changing Industrial, Commercial and Residential Patterns

An analysis of the effects of globalisation factors along with the other factors on the growth of Dhaka city, particularly on its industrial, commercial and residential growth is briefly made in this section. Processes and changes induced by conditions of external investment, remittance factors, export and import of goods and services are highlighted.

Industrial Growth and the Case of Garment Factories

Globalisation has brought in a new era of industrial growth to Bangladesh. The switch of production of manufactured products in developing countries for re-export to home countries has found a 'niche' by setting up of garment industries in Bangladesh. After independence, in 1971, the inherited industries were nationalised and those who took over their management reduced the industries to a precarious bankrupt situation. Dozens of industries were closed down due to outdated technology, loss of markets and management.

The 1980s saw rise of Export Promotion Zones (EPZs) and the free board was given to international investors and local associated business groups for setting up duty-free industries which have brought employment for many jobless people and has helped in earning valuable foreign exchange for the nation. Yet without the existence of national industries to provide for basic goods, only employment in export-oriented industries cannot increase real income or reduce dependency on import of goods.

Creation of EPZs within the cities is a new phenomenon and has a direct impact of globalisation. Conversion of old industries and their premises into EPZs are occurring in Dhaka. Recent example is conversion of Adamjee Jute Mill into an EPZ area. The government closed down Adamjee Jute Mills in June 2003 leaving 25,000 workers unemployed, and decided to make it an EPZ area. Some investors were asking for ready industrial plots by November 2006. One single Hong Kong investor has asked to set up a textile mill, investing 25 million dollars. This venture alone will create 10,000 jobs. Besides, this EPZ has got investment offers from Canada, Australia and Japan. The Bangladesh Export Processing Zones Authority (BEPZA), which has developed the zone and will

operate it, expects 50 industrial units to be set up in the zone, within the next 18 months, with an investment of 400 million dollars. The zone will have 200 plots, of which 103 have been developed so far and 37 have already been handed over to four companies. According to BEPZA, 28 foreign and local investors have submitted proposals to establish units in the EPZ. When the units are fully operational, BEPZA expects annual exports of 750 million dollars from the zone. The four companies expected to go into operation soon in the EPZ, will alone employ 13,730 people. BEPZA expects a fully-operational EPZ to create 100,000 jobs.

Since the 1980s a new industrial phenomenon emerged as a sudden scope for developing the export-oriented garments manufacturing industry. The demand rose very quickly and the government supported the sector by giving permission for factories to be set up almost anywhere, except the cantonments, administrative and major educational zones. Even high class residential areas were not spared. In about two decades, nearly 3,000 factories have come up in Dhaka (almost all within its 100 sq miles of central city area). The basic factor in the location choice has been availability of large floor spaces. In many cases, the entrepreneurs converted their own existing houses or residential plots into factories but in most cases new structures were constructed. A typical garment factory in Dhaka is a four to five-storey walk-up functional building with wide windows and bright neon lights almost 24 hours a day. Vertical industrial land use became a pattern and gradually this has formed an unique image of Dhaka city.

The garment sector has proved to be the most profitable venture in business pursuit but, at the same time, it is very exploitative of the highly vulnerable labour force, the migrant women. The 'assembly' service provided by the ready made garment (RMG) industry is served mostly by feminised labour force. Due to lack of skill and bargaining power, those employed have always been cheated and over the years prospects for improvement of wages and working conditions have not progressed. The need for supply of labour to these industries brought in large scale migration to Dhaka city. It is estimated that today almost 2 million³ people of the low-income group are working in about 3,000 garments factories in the city. The phenomenal growth of the garments industries and consequent migration of female labour force to Dhaka is a direct impact of globalisation.

Garment industries and their workers are very much visible in the everyday life of the city. Apart from the earlier industries occupying commercial, industrial building space within the city, new full scale

garment industry complexes are located in the Savar EPZ and other industrial zones. EPZs in Bangladesh gained momentum from the 1970s. BEPZA pursues an open door policy in matters of foreign investment in its EPZs. Investment with 100 per cent ownership (Type A) or joint ventures (Type B) with no limit to the extent of equity sharing by the foreign partner and 100 per cent Bangladeshi ownership (Type C) are allowed in the EPZs. Presently, there are 210 industries in operation in EPZs, out of which 75 are in Dhaka. It is worth comparing that the 210 industries in all the EPZs provide employment to 0.15 million nationals whereas garment industries in Dhaka city employ about 2 million workers. This large number of employees recently created havoc in the city life through protests and demonstrations for fixing of minimum wage. Finally after a lot of damage, destruction and dialogue which disrupted the city life for days, the minimum wage issue of these workers has been somewhat settled. The day when the government and the owners will provide shelter and allied services for these groups seems to be very remote, judging from the present day conditions.

Commercial Development Pattern

Globalisation allows free flow of foreign products of all kinds and particularly luxury goods into the country. This has stopped local production of many goods forcing people to buy foreign goods. Shopping centres in Dhaka city are full of useless goods ranging from endless type of toiletries to food items, decoration pieces, clothing, footwear, and so on. This damages the inclination of people to save, particularly the middle class, and also affects the reputation of locally produced goods which lose market. Uncontrolled import of goods induces artificial demand, particularly for luxury items, and spoils habits of the common person and subjects people to unnecessary spending.

Dhaka city once had designated commercial areas and the old city contained wholesale and retail market areas for all kinds of goods. The main commercial business district (CBD) was confined within Motijheel area. Planned shopping centres grew in designated areas as per the 1959 Master Plan for the city. With an increase in population, the need for more commercial areas and extension of the CBD allowed new development. Municipal markets for supply of food and perishables were constructed by DCC. Planned linear roadside commercial development grew in some of the new city areas. Following this example, unplanned retail and ribbon development of commercial use along road sides started as a popular

business pattern. Along with this, privately owned markets by individuals and groups in multi-storied buildings gained popularity. RAJUK, the planning authority, lost control on this type of development and mixed-use pattern of vertical development gained tremendous momentum.

Large scale investment is popularly termed as ‘Mega’ projects in the form of residential, commercial and institutional complexes mostly within high density areas of the city. In 2005, a survey of tall buildings within DCC area was made which found more than 500 buildings above six floors to exist throughout the city.⁴ It was observed that majority of the multi-storied commercial buildings accommodate garments factories from the third floor and above.

Vertical shopping malls are the latest craze and a high-pitched publicity is afoot in the media inviting advance bookings for allotment of shops in shopping malls either under construction or at the planning stage. Judging from the prominence given to such advertisements, it shows that shopping malls have become a craze in the metropolitan life. Some of these advertisements for such malls include exotic features such as theme park, fitness centre, food court, multi-screen cinema, capsule lift, and so on. Most of these projects are meant to cater to professionals like doctors, engineers, architects, dentists, business executives, and so on. Many of the existing shopping areas in the city do not have adequate parking space and hence, shoppers are forced to park their vehicles haphazardly on the roadside. When the large number of under-construction shopping malls start functioning on completion, these will have serious implications on the city’s traffic scenario unless adequate parking space is provided to shoppers.

Today development in Dhaka city is not guided by any effective planning for the people in a city-wide scale. Other than temporary markets associated with bazaars mostly informal in nature there are few planned shopping centres for the lower income groups in the city. At the same time business activities of hawkers and vendors are discouraged and they are evicted continuously. There is no planning for their rehabilitation.

Dhaka city boasts of housing one of the biggest shopping malls in Asia called Bashundhara City. It was constructed at a cost of 80 million dollars. Luxuries like this are not at all befitting the country as the shopping complex creates tremendous traffic congestion due to its location in one of the busiest parts of the city.

The culture of development is such that trade, business and the market dominate actions and reactions of the affluent society of Dhaka. Bangladeshi society seems to have become helpless to the global invasion

in all aspects ranging from technology to food, luxury goods, and so forth. Reference to such transformations in countries like Singapore, Thailand, Malaysia and Indonesia are often made, to explain progressive economic changes.

A case study of an area called Dhanmondi in Ward 49, is cited as an example of aggressive change of residential land to commercial use. Planned as a residential district, it was developed since the 1950s to accommodate approximately 5,000 people on 800 plots, each on approximately 144 sq metres. From the post-Liberation period Dhanmondi started being transformed into multi-storied housing along with commercial and institutional uses such as health and education, offices, and so on, without any proper planning guidelines or control. Good access and large-sized plots, open green areas with water body makes Dhanmondi a very attractive spot to developers for residential, commercial and mixed-use purpose. RAJUK has given permission for commercial developments along four major roads bordering Dhanmondi area, and these connect to the main city through arterial roads. The land use of these roadside plots is fast changing with RAJUK's aide into a jigsaw of mixed-use zone. Within the inner area Dhanmondi has also become a mixed-use area as commercial and institutional developments are taking place without planning approvals for land use changes. To demonstrate the onslaught of commercial development, data on current land use of various business houses along the four major road fronts was collected, recently.⁵ The pattern of building use shows that within a sq km of residential boundary there are 20 buildings for health facilities, six schools, 20 colleges and 42 market-cum-commercial buildings and 36 restaurants.

There is city-wide expansion of business, apartment complexes, vertical shopping centres, flatted private universities and hospitals providing service for the increasing number of higher, middle and high-income groups who can afford these facilities. Form and functions of such buildings do not harmonise and there is little difference between a commercial, institutional or a residential complex. They seem to be getting more and more identical as their numbers increase. Even the names of these buildings have a repetitive tone. Investing money to build stores, restaurants in the fashion of western chain stores in various city areas is a growing trend. Frequently, the investors are international companies reaping profit by introducing 'franchise' in the city. Neither are these business groups concerned about problems of pollution, traffic congestion, destroying traditional neighbourhoods, nor does it concern the authorities.

Conscious citizen groups, environmental activists and NGO bodies voice their protests but hardly achieve success to stop any irregular development. The media, particularly newspapers, often project these to the public but reporting usually occurs only after the problems cross solvable limit. Regretfully most of the media agencies are owned by politically backed groups who are also active members of the business community.

The buildings mentioned earlier stand alongside major roads on equal frontage and height and look quite similar despite different space uses. The shopping malls/plazas are comparatively glamorous in their finish as they are designed to accommodate shops selling expensive imported products mostly out of reach of majority of the city dwellers. There is absolutely no rationale for allowing superfluous commercial development in such concentration. The same use is repeated in high-income residential areas of Banani, Gulshan and Uttara, all of which are RAJUK planned areas.

These commercial buildings generally suffer from:

1. Loss of scale and aesthetic balance in the sense that if a client wants a Greek/Roman type of frontage on a 350 sq metre plot the architect tries to fulfil the client's dream for such grandeur. The design and functions suit mainly the fancy of the investors and the buyers, Architects do not have a choice for creating good buildings. A lot of the buildings are built on expensive budget and reflect typical glass box designs without aesthetic balance and often stand like identical blocks of monotonous structures. Traditional materials like bricks, tiles, earth and bamboo are rarely used. More common are walls of colour red glasses on all facades which in reality reflect general chaos of the city roads.
2. Buildings are typical of the vertical mall type where escalators provide circulation along rows of shops on every floor. These types of buildings are of the same monotonous design as there is limitation due to location, plot size and business requirements of the client. Typically, each building has shops on the first three or four floors with office or restaurant space above. Often the basements are used for supermarkets instead of parking. Environmentally, these buildings do not follow health standards, lack adequate open spaces particularly those with residential, health and institutional uses. Sited around residential neighbourhoods they cause high noise pollution, traffic congestion, water supply and drainage problems.

Residential Development Pattern

The impact of globalisation on the residential development pattern is explained through the changing pattern of residential land use structure of Dhaka city by three broad categories of income groups.

High-income residential areas

These are low density zones covering a substantial part of the city's residential area. It is generally said that in Dhaka, 20 per cent of the high-income group occupy 70 per cent of residential land⁶ characterised by high land and with good infrastructure and social services. The process of providing these types of housing facilities to public servants and urban elites was introduced in the period of Pakistan's domination with intent of creating good urban neighbourhoods. Dhanmondi, Gulshan and Banani are examples of the previous era while Uttara, Baridhara, Nikunja, and so on, were developed after Liberation in 1971. The post-Liberation period brought great pressure on limited high land, particularly on RAJUK-developed land which is subsidised and serviced. New housing areas were developed to benefit the growing number of the rich. So, the number of plots increased but plots sizes were reduced. Method of allotment/procurement of such plots became overly corrupt and today, land in these residential areas is allotted mostly to politicians, civil servants and influential business persons.

Global business has made many people rich in a short period of time. The Bangladeshi overseas worker's remittance has a great impact on real estate business. Lack of risk-free investment opportunities in the country force many among the rich to invest in real estate. This tendency has caused the price of land to soar so high that it is practically out of reach for anyone below the higher middle-income bracket to own even an apartment. Costs of apartments have increased by more than a 100 per cent in the last five years. The boom in construction of high-rise buildings and high-pitched publicity associated with it may give the impression that the country's economy is spiralling. But it is well known that these high-rise buildings serve as an area for investment for the landowner, the developer and the buyer. The buyer is often a person with black money through practice of corruption mostly within the government. The overseas buyers also influence the market and today the expatriate Bangladeshis are potential clients of this business. Record of REHAB (Real Estate Housing Association of Bangladesh) shows that in the past two years

25–35 per cent of the buyers of apartments in Dhaka city, were overseas buyers. Aggressive business promotion, by members of REHAB, and easy transfer of money by expatriates have facilitated the process.

In Dhaka, RAJUK is currently undertaking land development programmes for large residential areas. The township development of Uttara, Purbachal and Jhilmil are some of its ongoing programmes, where out of a total 2,400 acres of land allotment, distribution among the lower-income group is only 4 per cent on average. This includes rehabilitation of those who lost land in the process of acquisition. In a practical situation, to address real needs, the distribution pattern among the income groups would be reversed.

Private sector land development has become more aggressive and the biggest housing estate in private sector known as Bashundhara in Dhaka city accommodates nearly 10,000 plots which are affordable by the rich. Part of this development has been done by encroachment of the wetlands and riverbed, east of Dhaka city.

The planned high-income residential areas are now in the grip of profit-making business of owners and real estate developers as limited land and increasing number of buyers has spiralled prices to astronomical figures. The cost of land in Dhanmondi, for example, increased from Tk 20,000 per bigha (14,520 sq feet/1,348 sq metre approximately) in 1970, to Tk 50 million in 2,000 and to over Tk 100–200 million in 2007, depending on location and site. Such lands are being converted everyday into apartment complexes and the price of a luxury apartment in Dhanmondi increased from the Tk 2,000 per sq feet in 2001 to Tk 5,000 per sq feet in 2006.

Many of these residential areas have taken the character of gated communities, like in many other mega-cities in the developing world. Today security system for these residential areas and individual buildings and apartment complexes is a big private sector business. These again employ large number of low-income staff for management of services.

Middle-income residential areas

These are spread all over the city juxtaposed between various categories of uses. Well-planned middle-income areas were developed in the pre-Liberation period such as Mohammadpur, Shahjahanpur, Malibagh, Lalmatia, Mirpur, and so on. Today, due to original good infrastructure planning, these provide shelter support to a big number of middle-income populations in an increased density and are located close to major commercial and industrial areas. New middle-income areas came

up in the years after Liberation but are not benefitted by formal planning or upgrading due to sheer negligence on the part of city-planning and service-providing agencies.

With demands for high-priced spacious apartments shrinking, the country's real estate companies are now taking a major marketing shift to constructing small-sized flats to reach out to the middle-class customers. Developers now find a big prospective market in middle-income people who are increasingly looking for a permanent living place in the vertical housing expansion of the land-crunch in Dhaka city. With private lending agencies providing up to 70 per cent of the total price, the incentive is very high. But the irony is lack of planning and dearth in provision of serviced plots by real estate for the middle-income is creating very clumsy areas of newly constructed housing in many parts of the city. Such an intervention is Japan Garden City, where 18 high-rise buildings have been constructed to accommodate more than 2,000 flats in an extreme high density condition.

Low-income housing areas

The poor in Dhaka are located all around the city but mainly in the unplanned expansion areas on low lands. This section of people living in slum and squatter settlements are under constant threat of all kinds of disasters and dangers to their lives. Within Dhaka metropolitan area, 37 per cent of the total population lives in slums and squatter settlements.⁷ The average density in Dhaka slums is 900 persons per acre whereas density in the overall city area is 12 persons per acre.

Slums and squatter settlements have grown in all parts of the city but the preferred places are where rent is lower, such as in low-lying land and urban fringes and usually, near opportunities of employment. In recent years large scale evictions to free government land took place causing residents to move to the outskirts as well as other slums causing further overcrowding. Slums on privately owned land are slightly high on rent with more security of tenancy and access to utility services. It is also well known that on average the rent of a slum dwelling is very high in comparison to unit rent of other dwelling spaces in the down town areas.

Slums and squatter settlements will continue to grow as an effect of economic growth and global expansion of business. For example, the growing number of service providers in private sector business of security personnel, employees in health and education institutions and commercial establishments all require housing and as close to their workplaces

as possible. It was found from a recent survey by Centre for Urban Studies (CUS), Dhaka, in all slums in Dhaka city that 22 per cent of the dwellers are factory workers, mainly in the garments sector. This figure signifies the proportion of slum dwellers brought into the city by the global garments trade without any provision for planned accommodation.

Pressure for land is driving many of the poor out of the city. The poor are victims of real estate business. Eviction, clearance of government land by demolition of old buildings, all are targeted towards property gains of the rich and powerful. For years, large tracts of government land lying vacant or unused were occupied by squatter communities by paying unofficial ideal rent either to government staff or local muscle men. Since the past decade these lands have mostly been cleared by eviction and the poor people ended up in further marginal conditions. Contrary to eviction, the number of people employed in the city increase everyday. The government in its policy or the private sector owners of business institutions and industries in their programmes do not include housing as a social service. The garment workers and people employed in commercial business, private health and education are left to their own housing arrangement. In Bangladesh housing is in the worst position as a basic service of the poor while health and education receive some support particularly from NGOs.

Conclusion

‘Globalisation’—the concept of the word indicates a path of socio-economic progress universally recognised as a multi-faceted phenomenon. The scope of globalisation affects economy, polity, technology, culture and ecology of a country and society. Advocates of globalisation believe it is inevitable and those who will not join the bandwagon of globalisation will miss the benefits.

Globalisation factors in Bangladesh have directly affected the form and life in Dhaka city. The benefits of trade, business, real estate developments, employment and return from export-oriented industries are reflections of positive economic growth in the city. The negative impact, as examined in this chapter, is uncontrolled rapid development with understandable consequences of congestion, crowding and environmental degradation and the government’s inability to reduce inequality. Globalisation has increased wealth of a small number of people but made a very large number of people vulnerable to circumstances of low-wage employment and sub-standard accommodation in the city life. In the residential, commercial

and industrial development, factors of location and excess number of buildings are causing constraints in the city's functioning. Too much profit-making tendency supported by corruption in the government work against positive development. Some of the outcomes of deficiencies pose serious problems for Dhaka's future growth.

It is time for government agencies, planners, business communities and the civil society to seek solutions to make Dhaka city livable. Programmes with a view to streamlining the unplanned growth of Dhaka city and to accommodate future needs of the low-income population need to be taken up urgently.

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6

Manufacturing Neoliberalism: Lifestyling Indian Urbanity

Solomon Benjamin

Bangalore occupies a special position in the imagination of those seeking a ‘modern and resurgent’ India. The conventional narrative of Bangalore, across ideological lines tends to ‘naturalize’ its relationship and history set within a developmentalist frame where the pinnacle of its growth is the ‘globally connected’ and aspired for Information Technology (IT) (and Bio-Tech) industry. Thus, the emphasis is laid on the historical role of research and educational institutions that set in place an environment of supportive public policy. While these factors do play a role, this chapter aims to complicate and politicise this perspective and points to two important groups and processes. The first is the ‘Urban Reforms Agenda’ (URA) laid out by USAID in 1992–93, and since then joined by other influential donors like UK’s DFID, the Asian Development Bank and the World Bank.¹ This included vocal lobbying by the country’s biggest business federations, the Federation of Indian Chamber of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII). Another set of interest groups, have been Bangalore elite—which is the focus of this chapter. Such a complication of a narrative that ‘naturally’ posits Bangalore as a progressive modernism of India’s IT story is important from three perspectives.

First, IT and ITES (Information Technology enabled services) were in 2001 about 4–6 per cent of its work force, and overshadowed by garments, silk, trade and general manufacturing;² second, the city has witnessed, and continues to, intense contestations over land and infrastructure, and much of this is shaped by mainstream politics;³ third, since research for

earlier versions of this chapter were undertaken, there have been significant political contests whose genealogy is located in mainstream politics. For instance, the Bangalore–Mysore Infrastructure Corridor (BMIC) despite the huge political, administrative and legal clout of its lobbies in the early 2000, has faced increasing political crises post 2005, and was accentuated by 2009 to threaten its very financial and other logics.⁴ The BMIC has been rocked not only by court cases, protests but also more silent forms of occupations. Its wider scheme of townships, to generate real estate funds, now lies in question with the global financial crises disrupting the possibility of economic returns. Most important but subtle, such politics resulted by 2004 itself, the main land acquisition agency, the Karnataka Industrial Area Development Board's (KIADB) internal organisation being re-structured after internal enquires pushed by popular politics showed up serious financial irregularities. In 2005, a much publicised and televised fight between ex Prime Minister Deve Gowda and the IT czar Narayan Murthy focused squarely on land issues around the Bangalore's IT corridor. Here, the key political question posed and left unanswered by the IT megas was what was the real difference to employment between firms that got allocated subsidised land, and those who bought in the open market. The IT Corridor had by 2003 already faced disruption as a comprehensive plan. Even sharper, and perhaps more of a surprise, was the city's other Mega project: The Bangalore International Airport Limited (BIAL). This project, seen as an essential part to place Bangalore on the global investment circuit, was promoted by an international consortium, but also had as its chairman, Narayana Murthy, the country's most visible head of India's largest IT firm, Infosys. Mid-December 2009, a joint legislative committee constituted across party lines, exposed serious financial scams, managerial and structural deficiencies, and implicated its senior management including the IT major and the state governments' senior most bureaucrats.⁵ Given that land financing is central to such projects,⁶ as the BMIC or BIAL, the contestations over this issue has foundational repercussions. Thus, while this chapter shows the significant influence of the urban elite, their lack of success in re-working city terrains according to the logical trajectory shows the disruptive even if uneven impact of mainstream politics on neoliberalising influences wrought with huge financial power, media hype, and corporate influence.

Why is it important to consider Bangalore's globally connected elite, their history and actions between 1998 and 2003 to remake that city into a 'Singapore'? Initial versions of this research between 2003–04 remained

‘place based’—mainly Bangalore centric focusing on the ‘Bangalore Agenda Task Force’ (BATF) set up by the then Chief Minister S.M. Krishna, and the Janaagraha as the ‘civil society’ platform.⁷ Since then however, there have been wider level changes in Bangalore including the BATF’s new avatar, the ABIDe (Agenda for Bengaluru Infrastructure and Development Task Force), but also the Lok Satta originally in Hyderabad now in both Bangalore and Mumbai, and Delhi’s Chief Minister sponsored ‘Bhagidari Programme’ involving elite Resident welfare associations,⁸ and Bombay/Mumbai’s own citizen groups, AGNI and Praja that may have a conceptual genealogy shared with ‘Bombay First’—that city’s corporate platform. These are not individual ‘experiments’ but interlined learning political strategy across place: Witness the Bangalore’s elite Koramangala and Indira Nager neighbourhoods’ promotion of their ‘Smart Vote Campaign’ that draws its inspiration from Mumbai’s Juhu ward corporator brought into place by the Hyderabad based *Lok Satta* via its ‘Vote Mumbai campaign’!⁹ Such morphing of the elite’s circuits of power, point to wider spaces of contested politics when Indian cities are sought to be made into global settings.

In the heyday of the corporate governed BATF, set up by Karnataka’s ‘CEO’ Chief Minister, the entry into its premier civil society organisation Janaagraha, included a ‘citizen quotient test’ with questions: Have you paid a bribe? Have you voted? All this while the tax-holiday subsidised IT firms enjoyed an assurance of huge expanses of land acquired under eminent domain, and subsidised water and power. This construction of the active citizen recently saw a further boost with the attacks in Mumbai and the recent elections seeing an upsurge of this civil society—and explicitly funded by the corporate sector viewing its consuming potential.¹⁰ Politics, in this whirlwind of media hype and activist citizenry, has been reduced to liberal clockwork. A famous historian set out this vision driven by a modernist transformation of a Congress without the Gandhi dynasty and the BJP without the RSS.¹¹ Nationalism and liberalism meet to counter the ‘corrupt’ old style politics!

This chapter shows how this trajectory has thrown off course and left confused urban progressive activists and many academics who cling to the idea of participatory planning, good citizenship and trust master planning’s potential to address social justice. While poor groups carve spaces at the level of local municipal bureaucracy, mobilise local politicians to contest higher level political and administrative circuits, these are

the very realms that NGOs, political activists and progressive academics detest and remain suspicious of. It is this disconnect with grassroots realities that perhaps reinforces an almost spiritualistic belief in planning made humane via ‘participation’. There are more serious consequences of such appropriation. From 2002, after popular politics moved out the S.M. Krishna government in Karnataka and disbanded the BATF, many of its key agents shifted to the national stage to frame what is India’s harshest neoliberal urban development programmes—the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Significantly, this was accompanied as a conditionality, the ‘Area Sabha’ (AS) or intra-ward level participation that this chapter shows to fracture municipal government. Many activist groups, while criticising the JNNURM, are also willing partners (sometimes sponsored by large donors) to promote public consultations under the rhetoric of ‘awareness generation’. This form of co-optation is nothing new. Our earlier work on neighbourhood politics in Bangalore showed NGOs to be deeply entangled in developmentation that disconnected them from the real politics at the neighbourhood level.¹² This chapter is thus a critique of many progressive activists and some academics on these issues. This time, the stakes are higher and laced with remunerative contracts paid by JNNURM funds to survey, to consult, to make docile citizens and all in tacit acceptance of a language that the Bangalore’s neoliberalist turn of the late 1990s started. These are the trajectories which make the Bangalore case more widely relevant. More recently, are even larger stakes: invigorated new age efforts of e-Governance that include e-Titling, Biometrics, GIS-based planning, while recent efforts by ‘civil society’ cleanse politics of corruption via voter surveys and electoral reforms, now promoted on grounds of urban security after Mumbai’s 27/7.

We need to contextualise ‘neoliberalism’ beyond just the frame of the ‘Nation-State’ into ‘market-based’ practices. Indian cities, in contrast to perhaps those of Europe or even some in Latin America never had the same scale of publicly supplied mass housing, mass manufacturing-based economy or pre-meditated Master Planned infrastructure and services. Much of housing has happened via the transformation of land outside Master Planning around municipally provided infrastructure and services, almost all of economy being ‘bazaar like’. The ‘poor’ like other groups are intensely involved in market transactions—over real estate, over the production and circulation of commodities. What is then ‘neo-liberalistic’, is the use of policy and programmes to discipline and regulate these

day-to-day practices in favour of big business and the elite, in the name of modernity where planned development is aimed to ‘control chaos’. Such efforts as foregoing text suggests remains in crises. The chapter is structured in two sections: the first focuses on the institutional changes set in place during S.M. Krishna government and connections to both real estate and financial interests. This sets the context for the second section that focuses on the ‘new civil society’ and their influence on and engagement with policy and programmes.

Lifestyling Bangalore into ‘Singapore’

This section discusses the complex set of institutional re-engineering sought by corporate groups via the BATF. The issue is not just to undermine ‘democratic space’ but rather to fracture and dilute those bureaucratic and political spaces used by poor groups to strengthen their claims over basic infrastructure, services and good city locations. A key part here is the use of ‘Trojan Horses’—institutional ‘innovations’ devised to de-politicise while promoting ‘good governance’. Before our discussion of these institutional ‘Trojan Horses’, we look at the material constructs pushing neoliberalistic policy and institutional changes.

Congruent Logics

Lifestyling Bangalore had four aspects. First, and obvious, is the corporate connections between the political elite with very large IT groups like Infosys.¹³ The second was the empowering of real estate and high-end retail economic interests made possible by specific institutional underpinnings. At one level, this was in the BATF—a very small group of business elite came to re-shape public policy in their image.¹⁴ The other face of such re-structuring was its materialisation in a particularly harsh planning process led by the Bangalore Development Authority whose head, with a missionary zeal, sought to erase the illegal via extensive demolitions. This was a task not very different from that of the famous Jagmohan in Delhi’s emergency time. With support of Sanjay Gandhi, more than a million and half of poor groups were resettled. As in the emergency of 1975–77, the BATF by-passed democratic structures that in previous times Karnataka had some claim to. This was complimented by the re-working of political management of the Karnataka Industrial Area Development Board (KIADB) which facilitated very large

developers in a 'Public-Private Partnership' (PPP) with private financial interests to consolidate their hold over large parcels of land.¹⁵ There are other significant details—the consolidation of land via the Bhoomi 'e-Governance' project. Re-worked land tenures not only attempted to effectively wipe out counter claims by popular groups, but also opened up 'partnerships' between large developers catering to the IT and new regimes of land acquisition agencies. Not surprisingly, the mid-2005 witnessed large mafia groups connected to Mumbai, being a go-between between large global IT firms and large land developers.¹⁶

This last issue connects interventions in the policy arena to both real estate generation and distribution as these impacted the fortunes of very large land developers and the political-administrative elite. A detailed study of eight taluks around Bangalore, and especially of the IT dominated part, showed up a political economy where elite groups of large developers and their clients in the IT have captured large parcels of land at the cost of smaller farmers and land owners.¹⁷ This process was connected to the new forms of land acquisition via the KIADB through which very large parcels of land can be notified and acquired on behalf of very large developers catering to the IT sector via the 'single window clearance'. The Bhoomi programme for computerisation of land titles and, now, much showcased by the World Bank, is central in the process. Inspired by Hernando De Soto, is the move to make titles marketable, rather than establish claims based on occupancy.¹⁸ One needs to appreciate the two very different processes that drive land market transactions. One is shaped by the occupancy by popular groups via small land developers and its transformation into housing, or small firm economy.¹⁹ Another, centred on its title, attracts much larger developers interested primarily in consolidating very large plots in an uncontested way and in ways to fuel their market via public investments in high-end infrastructure. Both processes are politicised and contest each other. The former involves local government clearances and interventions that strengthen de-facto tenures, while the latter, draws on Master Planning if not declarations of 'IT Corridors' and SPVs to finance their ventures. For the latter, the combination of the KIADB land acquisition and the Bhoomi form of land titling in the context of foreign direct investment (FDI) into real estate, allows capital to be invested on very large territories. Thus, by 2004, one of the major political crises was that of large scale 'land grabbing' in the high growth peripheral areas of Bangalore by big business and especially IT, Bio-Tech elite amassing land—it is important to understand via their influence over public policy. This point is reinforced

when we consider the ‘urban’ version of Bhoomi in the activities of the ‘E-Governments Foundation’. While the foundation was funded by the then CEO of the IT company Infosys, it operated with funds from the Asian Development Bank to promote a GIS-based land management system in 57 towns in the state. This author, as part of a research team from the IIIT-B research project on ‘e-Governance’ visited the foundation in 2004. In the discussion, its CEO noted that essential feature here, like in the Bhoomi Programme, is to reinforce the ‘marketable’ title of land. When inter-linked to an electronic database, it would allow, as the CEO mentioned: ‘*To sit in New Jersey in the US, and via my laptop, check out a property in one of the towns in the outskirts of Bangalore*’. The objective was a system that digitised land parcels with a code used for property tax purposes modelled on local government norms and styles of parcel nomenclature from towns in New Jersey. These overlaid customary forms of land notation and, not surprisingly, this led to a lot of field implementation problems. He mentioned that the database was maintained not only by the foundation since the state government did not have the required technical expertise, but also in case the elected body used the data for ‘regularisation’ purposes.

These connections become sharper when we consider that the chairman of the Bangalore International Airport Limited (BIAL) was for some time, the chairman of Infosys. In 2003, this author after a workshop on PPP at the IIM-B, asked a senior IAS officer in Karnataka about the ‘in-house’ expertise for policy making relating to IT and BT. The wry response was that much of this was all written up by big business in the IT and BT. When a similar question on linkage between the urban reform agenda and new business partnership was posed to Delhi’s NDMC commissioner, her pointed response was that the ‘steel frame’ of the state was being rapidly dismantled and replaced by policy making from ‘external sources’. Such a ‘capture’ of the policy-making process is paralleled by the way this is pushed through the system. Here it is useful to mention an interesting observation made by a researcher working on the issue of public sector reforms for an international donor agency. He mentioned that in contrast to Kerala, where the elected representatives debate proposals for reforms, what struck him in Karnataka was the way a small coterie of ‘blue eyed’ very senior but young IAS officers used government orders in ways to bypass the legislature.

There may be many reasons that bind the elite together with other actors and agents. One common issue is the material consequences of ‘vote bank’ politics whereby public funds are devoted to improving

services and infrastructure of what the elite and the planning agencies see as 'illegal slums'. These are vast peri-urban settlements housing along with central city 'slums' housing almost 70–80 per cent of city's population and economy. Slated as 'illegal' by development authorities, the only source of investments for basic infrastructure remains 'untied' municipal funds that are driven by elected councils responding to pressures from below. Mobilising the elite into 'voting' citizenry driven around modernist dreams would form the 'demand' side to compliment the supply side of institutional reforms ensured by the BATF, BDA, KIADB and the CM-CEO combine. Such 'good governance' would be central to discipline 'politically motivated' municipal investment. It was evident very quickly to the senior bureaucrat turned consultants that if 'vote bank' politics was not reigned in, despite 'reforms' instituted at the national level, there would be few surpluses left for mega projects. Such institutional changes accompanied with new forms of acquisition via the single window clearance scheme of the Karnataka Industrial Area Development Board (KIADB) allowed the state government in 1999 to formally declare an IT corridor. This was envisioned to be a huge expanse of high grade infrastructure and services, with its own dedicated water supply trunk mains and sewage treatment to one and a half times the size of Paris! In 2003, rumour was that an elevated expressway can be built to connect the main city to the India's and Bangalore most famous IT firm at electronics city—a logic that stands arguably materialised by 2009. The KIADB declared IT corridor at 154 square km, dwarfed by the new international airport notified at 5,000 acres. This huge project was slated as a PPP. The Bangalore Mysore Infrastructure Corridor (BMIC) set over its southern western fringe has faced significant political crisis in the allocation and pricing of land to the private developer at low market prices of Rs 10 per square foot.²⁰ Land acquired via the KIADB in other such mega projects, developed at public expense at a cost between Rs 800 and Rs 1,000, was allocated to the private corporate sector in some cases, at less than Re 1 as part of 'negotiated' PPP.²¹

An understanding of the material elements of the Bangalore case needs to be centred in the role of neoliberal institutions like the World Bank and USAID of the mid-1990s. Till then, Indian cities were mostly off the policy screen. Their 'unplanned development', de-facto tenures, mixed land uses housing posed by planners as 'non-conforming and illegal' were addressed from the perspective of the welfare state and social justice that formed the basis of Master Planning. Even if this planning was dislocated from

daily life, politics was more to do with its subversion by extensive land regularisation in real terms. The year 1991 saw two events. First was the ‘liberalisation’ of the Indian economy. The World Bank’s vision of the city as the centre for economic productivity emphasised a policy perspective to move urban funding away from the basic needs approach of the 1970s and 1980s.²² This would in turn allow cities to fund mega infrastructure as players on the global stage. ‘Economic Growth’ would over time alleviate poverty created in the ‘short term’. This view effectively portrayed the poor as ‘marginals’, inhabitants of ‘slums’ and set in an arena where first claims would be by those who were ‘productive’. Such a ‘Victorian’ view can be seen central to ‘branding’ cities and underpinned institutional change promoting fiscal prudence of municipal bodies, replacing political authority with mayor centric and specifically administrator controlled via ‘city managers’. Thus while Indian metro cities globalise and urbanise, one of the major issues introduced in the policy discourse was the need for infrastructure to support economic growth.²³ Such ideas formed the basis to the largest ever urban renewal funds, the JNNURM, for USD 12 billion, and in Bombay/Mumbai, the World Bank lent USD 13 billion for the Mumbai transformation project.²⁴ This comes with the legitimacy of urban conservation: viewing the nerve centre of economy and a popular politics as being ‘historical’ areas.²⁵ Such thinking in the high ground of urban policy and academia in the mid-1990s was focused on the two new economic growth nodes: China and India, which for donors and international financial institutions offered significant returns to investments, which I turn to next.

The Economic Stakes

By the early 2000, powerpoint presentations made in conferences, brochures on real estate meets and media sound bites gave space for large business groups, consulting firms and international financial institutions on the ‘arrival’ of Bangalore in the international real estate market. If one misses the ground level realities, this high gloss of modernism and contemporary capitalism is truly startling. Our discussions with high-end land developers in 2003–04 suggested that financial institutions like ICICI and HDFC (and their international partners) made huge gross profits. Investing in mega projects like the IT corridor moved these returns in the range of 24 per cent to 30 per cent on funds sourced at the international market at 2 per cent! Even higher were the returned profits to the US

property market slated at 40 per cent!²⁶ There are also opportunities in other shorter term returns accrued via the share market focusing on construction firms netting very high returns.²⁷ Much of this gain was primarily due to the state governments providing access to subsidised land and cheap institutional finance. This was not just a liberal fiscal regime but involved a financial architecture where financial institutions like ICICI and their info-tech funds based ICICI Venture Funds as a Special Purpose Vehicle (SPV) to ‘securitise’ financial flows. This SPV, for instance, tied up with a US-based Tishman Speyer Properties to invest USD 300 million in metros and smaller cities and towns with an expected growth of 15 per cent to 20 per cent a year over the next decade.²⁸ The involvement of the ‘state’ was critical. FDI was first allowed into plots of more than 25 acres up to initially 100 acres, and then later up to 2,000 acres.²⁹ With the easing of such FDI norms, the trend for the developers in this situation was to build what the real estate industry termed as a ‘land bank’—where developers ‘block’ large parcels of land in locations they saw being value added by the possibility of hi-tech developments. This in turn would spiral land prices. While initial news reports mentioned the use of such ‘banks’ by the large developers, others pointed to the largest of IT companies both ‘domestic’ and multinational corporations like Intel, Microsoft and GE with estimates of over 1,350 acres being corners with an estimated value of around Rs 1,600 crores.³⁰ In addition to IT companies, pharmaceutical companies such as Dr Reddy’s and Ranbaxy, as well as telecommunication giants Reliance Infocomm and Bharti bought land in all metros and major cities. A quote by Infosys’ Mohandas Pai is significant here: ‘...“For this, creating land banks was a big challenge to the company. We persuaded state governments to allot us land. This was available only at a distance from cities, and required good roads to campuses, power lines and assured water supply, and our own transportation,” said Pai....’³¹

The main justification by companies is that IT companies like their own companies are growing rapidly. However, the land available per unit employee is amazingly high.³² The other issue is that amassing land by ‘persuading the government’ is just one step. As Pai of Infosys mentions above, the other is to get the state to fund expensive off site infrastructure such as expressways, and what the IT terms as reliable water, power and telecommunication infrastructure. This comes at the expense of small and medium farmers as cited in the ALF report (cited in Endnote 15).

In Bangalore starting 1998, IT corporate groups and also the large developers were able to benefit from the location of policy making

in private corporate sector organisations like the BATF and its allied advisory bodies and think tanks. In unpacking these connections, the well-publicised ‘Singaporean connection’ to Bangalore emerges as being much more than mere imagery. The BATF was set up with direct support of the then chief minister. The close alignment of the BATF and Infosys was open public knowledge but what is less known is that in the early 1990s, the Singaporean government invested Rs 1,500 crores in that company.³³ Such investments could be seen to open access to ‘public’ policy on mega decisions. By the late 1990s, for instance, the Singaporean company Jurong Corporation planned the Master Plan for the IT corridor. One of Bangalore’s largest architectural firms RSP International, designing super large high-end 400,000–600,000 sq footage IT and BPO complexes, is also Singaporean. Karnataka’s showpiece, the Singapore Technology park, the ITPL, is again partnered in part by the Singaporean government with the Government of Karnataka contributing its share by acquiring land from poor farmers! If we return to the real estate surpluses mentioned earlier, a significant investor in ICICI’s IT fund, and benefiting from the cheap land is the Government of Singapore’s ‘Temasek Holdings’. Pani in his detailed analysis of the connections between Infosys, the BATF and S.M. Krishna and his government points to the direct links between the financial valuation of that company and its close connections into his modernist agenda, but materially underpinned by real estate.³⁴

It should be clear by now, that we are talking of not just a changed role of the ‘state’ in terms of its ‘withdrawal’. Instead, the point here is of its transformation to shape contestations in favour of the elite which have three aspects: (a) An architecture of parastatals and SPVs that blur lines between the public and private; (b) Reworking of fund flows: Till the 1980s to mid-1990s land-based urbanisation funds accrued to local bodies that gave them autonomy to fund basic infrastructure and services. By the mid- to late-1990s, these were re-worked to fund special purpose agencies and, in particular, formed the basis for privatisation; (c) Conditionality based ‘tied’ funds (both grants and transfers) not only to discipline local bodies politically but also force them to embark on commercial ventures and play the land market. If one focuses on the way master and regional planning is reframed, higher levels of government have been particularly interventionists: demolitions of ‘illegal’ slums are part of larger institutional policies influenced by the economic and political logic of the Urban Reforms Agenda (URA). Most significantly, it is the

advisory role of large donors to tie in private sector funds with central government funds—all placed under ‘conditionalities’.³⁵

Neoliberalising ‘Trojan Horses’

It is important to see institutions as contested, fluid and highly politicised terrains. Just as popular groups use a combination of lower level bureaucrats and councillors to shape political terrain, the elite too use such institutional ‘inserts’ to politicise the system in their favour. A BATF core member, in a meeting at Bangalore’s CIVIC organisation in 2003, attributed the term ‘Trojan Horse’ to his colleague in the BATF core team, heading the newly created Janaagraha. It implies using mechanisms to co-opt the elected council into accepting neoliberal reforms. The Trojan Horse here, as explained in that meeting, was the MoU signed by the commissioner and the state government that linked grants by the state government to the local body conditional to their accepting the ‘reforms’. A ‘carrot’ to this stick was the increased funds from the Self Assessment Scheme (SAS) which would provide ‘material incentives’ to those councillors who agreed to play along. In other words, increased ‘kickbacks’ from the public works and also from the commercial ventures to discipline the elected body are more ‘market’ oriented. Such a de-politicised structure responds to the emphasis of the URA for municipal bodies to be ‘competitive’ and raise revenues for ‘cost recovery’ as part of an overarching privatisation programme.

There were other mechanisms too. In attempting to understand how decision within the then BMP were made, we discovered that a special advisor was inserted to ‘wet’ development proposals to be placed prior to their submission to the Town Planning Committee. Similar efforts (for ADB funds) in the Mangalore city corporation and the Karwar Municipality had reduced elected bodies to ‘rubber’ stamps: any controversial proposals would be placed late afternoon and sanctioned by the commissioner with few councillors in attendance. The excellent film ‘Story of a Municipality’ by Bangalore’s Centre for Budget and Policy Studies (CBPS) provides a vivid account of this process, including how the local body is forced to evict poor fishing women from the municipal market a consequence of the local body’s seeking income generation via its promotion of shopping complexes. Such structures of decision-making were introduced as part of the BATF sponsored re-structuring to introduce F-BAS (Fund Based Accounting) and SAS ‘reforms’. It is hardly surprising

that during the high time of the BATF, specific attempts were made to dissolve the ‘Appeals Committee’, which otherwise plays the critical role of deciding on a complex range of fiscal and public works matters via a cross party political discussion. Manufacturing neoliberalism via commissioners, advisors and consultants with salaries or consultancy charges paid for by donor funds as part of ‘capacity building’ points to how these are in effect ‘Trojan Horses’. Such ‘Trojan Horsing’ has been critical to facilitate public–private partnerships in raising water rates, where property tax is ‘escrowed’ to the private utility provider. For higher levels of government, such arrangements ensure stricter political control over lower level councils.

This situation may help explain why ‘elected’ body vigorously pursued policies against their own elected constituencies: demolition of settlements of unsure tenure (rather than their regularisation using un-tied funds); when basic education and health infrastructure is failing, the corporation chooses to build Bangalore’s largest mall (with Marks and Spencer’s as an anchor client!), multi-storied commercial complexes and parking lots as a way to raise revenue. It is hardly surprising that elected bodies would push for Transfer of Development Rights (TDR) even if this effectively cuts through economic territory under the control of small traders (a sizeable political constituency) who locate rented tenure forms in central city areas, and open up these for larger commercial complexes and, where need be, malls and multiplexes.³⁶

Trojan Horse of the Civil Society Kind: Corporate Outsourced NGOs (CoNGOs)

In this second section, we look more closely at another Bangalore phenomenon that now afflicts most other Indian metros: an active, resurgent and elitist ‘civil society’. Such elitist spaces are proactive and aggressive to re-shape urban territory. We will see in this section, how such groups use and appropriate a sophisticated developmental discourse that is deeply divisive, and, through connections, include NGOs which are increasingly becoming active partners in such neoliberal frames of action. We return to the concept of ‘Trojan Horses’ by considering the BATF–Janaagraha promoted legislation: Citizen Participation (CP) and Disclosure Law (DL). Here, it is important to consider a key issue confronting the BATF: Opposing politicians who questioned how such a body, so explicitly

big business-directed and constituted as an advisory committee via a government order (GO), should act far beyond its mandate and bypass parliamentary processes. In more material terms, they also questioned efforts such as the PROOF, created to review 'performance', and which some activists and politicians saw as ways by which the Bangalore IT shaped budgets in their favour. The new legislation of CP would in effect by-pass such political opposition with the same effect of providing an institutional entry and stability for a BATF type structure. This positioning, for instance, would allow 'citizenship' pressure to demand '24/7' water in 'Legal' Master Planned areas, while the URA's 'Urban Reform Incentive Fund' (URIF) operationalised and pressurised the council to adopt 'market-based measures' as discussed before.

This use of 'citizenship' to politically fracture municipal councils is not new. It has a strong resemblance to Ward Committee (WsC), that would keep local politics in check and obedience to higher level party circuits by instituting *multiple* councillors per ward, and the state party nominating other members.³⁷ An important point is made here by K.C. Shivaramakrishnan, one of the senior bureaucrats under the then PM Rajiv Gandhi who helped draft the 74th CA legislation. In a public lecture on governance held in 2003 in Bangalore, he recollected that initially the idea was of a Ward Committee (WC)—that is, one WC per municipal ward. However, in what can be considered as a classic case of 'subversion', he pointed to this bureaucratic politics that added an 's' to the Ward. Furthermore, since the state government decides which wards amalgamate, as well as influences the nomination of members, the WsC can effectively destabilise opposition councillors and as such turn municipal councils into forum rift with fractures. This form of de-politicisation is not very different from elite Residents Welfare Associations (RWAs) being empowered by the Delhi government—a move that has been rightly criticised as being elitist, but also seen to de-stabilise municipal politics. Considering this issue more closely would open up an even more contentious box: Was the concept of WCs itself a 'Trojan Horse' set within municipalised politics? The 'WC' concept, via its easy slippage into the 'WsC', promotes a parallel political realm to elected municipal councils. Even if there is one committee per ward, the key issue is who nominates the rest of the committee and would these in effect be new forms of party control? Perhaps it is this political logic of subversion, that has resulted in almost all states (except for West Bengal and Kerala) to institute three to four wards with *one* Ward Committee (WsC). In both Kerala and West Bengal, progressive politics has strengthened municipal debate across

party lines. The argument of ‘deepening’ parliamentary democracy via WCs thus becomes a suspect and problematic. This background allows us to look at the concept of the AS more closely, as an extension of this de-politicisation project.

The Area Sabba as a Corner Stone of Neoliberal Capitalism?

We now look closely at the BATF–Janaagraha combine—proposing an AS to ‘deepen’ democracy. The AS, an update of the Janaagraha’s ‘Nagara Raj Bill’, could be seen to have the elite of a ward to be empowered via a nominated system, along with ‘legal’ business groups forming a ‘Business Development Council’ with special political/civic rights. The genealogy of this concept may lie in the North American context, but sharper consequences, given the politics of Indian cities when almost 95 per cent of the economy is dominated by small firms, almost all of which are considered illegal by the planning process and authority. In a situation where public funds for infrastructure and services are limited and remain highly contested, the AS can be a powerful weapon to be mobilised by the elite and big business against the poor and small firms, and their claims to basic infrastructure and services. This approach, with roots in a troublesome colonial history, turns back on series of substantive reforms that came out of political unrest during the British and, also later, after Indian independence. It creates not just a parallel system of governance but also one where the elite, outside their political clout, can threaten and pressurise elected councillors to act in their interests rather than the masses of voters who turn up at the election time. In doing so, the poor, recognised narrowly as the ‘registered poor’, have to depend on the benevolence of the middle class to provide them with political space. Not surprisingly, the AS Bill suffered opposition across party in Bangalore’s municipal council.³⁸

The AS also needs to be viewed in the context of several inter-connected factors that threaten to increase divides in cities. First, conventional slum development schemes whose operational spheres are weakened by several judgements of the Supreme Court made on account of elite based PILs. These disallow local governments to improve basic infrastructure on non-notified ‘slums’. Second, the elite ‘electoral reforms’ that aims to weed out ‘criminals’ from the political system. Dhadeshwar’s research on the political process of representing poorer groups shows this to be highly conflictual in the way ‘illegality’ is constructed.³⁹ Any aspiring politician

at the local level, with a constituency of the poorest, is very likely to have criminal charges framed against them (just as is the common experience of NGO activists on the forefront of ‘people’s struggles’). If so, much of the ‘electoral reforms’ could be seen to be driven by elite interests to secure access to resources and counter what they see as a ‘hydra’ of vote bank politics.⁴⁰ Finally, the AS also needs to be contextualised in terms of political parties confronting a coalition-based politics and their need to discipline such trends. The AS, set to ostensibly promote ‘citizen’ participation is in effect a ‘nominated’ democracy to strengthen the elite against the voting poor.

Bangalore forms a key location for the genesis of such ‘anti-politics’. In a conference on ‘Good Governance’ arranged at Bangalore’s ISEC in collaboration with Cornell University and the World Bank, Ramanathan the head of Janaagraha on a question posed by this author, conceded on two aspects of the Nagaraj Bill: That it was pushed without parliamentary debate—mainly in an opportunistic way; second, and more substantive, was that its structure was middle-class focused and spaces for the poor would be available according to middle-class constructs. The vision of society neglects differential positions of power within municipal wards and assumes a common platform of ‘...*free and equal individuals and groups...*’ where poor groups would be dependent on the benevolence of the elite! In fact the Janaagraha position negates the issue of social conflict as being one of power and distinguishes itself from ‘...a more traditional rights-based approach that has different views on power and power structures...’⁴¹ The other serious issue with the Janaagraha approach is that it negates the possibility of poor groups having a voice and especially their ability to mobilise local councillors to claim land and infrastructure. Such politics fundamentally threatens groups like Janaagraha, and other elitist ‘civil society’ partners like Lok Satta in Hyderabad and Mumbai, SPARC in Mumbai, Centre for Civil Society (CCS) in Delhi and Praja in Mumbai that promote a particular form of civic politics underpinning a neoliberal agenda. The AS idea, as a political ‘Trojan Horse’, can be seen to be in effect, a coercive process to fracture local municipal democracy. This is when cities like Bangalore and elsewhere, are increasingly divided in access to infrastructure, services, and witness contestations over economic space within central locations. Ironically, the AS, and citizen movements around NGOs are part of a rhetoric given to ‘deepening’ democracy. Nothing could be further from the truth. One must rather view it as opening up political space for the elite confronting much larger number of voting poor groups.

There are other troubling aspects with the concept of the AS, that shape it into an instrument of the elite to recoup surpluses created by the non-elite via their daily practices of everyday life. When property taxes usually account for just 30 per cent of local revenues, vast 'informal' sector economies generate indirect taxes and charges form the bulk of revenues accruing to higher levels of government, to then get transferred back to local government by way of grants and loans. Is the AS an institutional route to tap into these revenues to fund infrastructure development in elite occupied Master Planned areas? From this pro-elite perspective, it is significant that citizen's manuals and websites of groups like Janaagraha, CCS view hawkers, small vendors whose occupation of land are all 'unauthorised', and for 'legal citizens' to be vigilant against. Thus, is the heart of 'participatory' planning surveys to identify taxable 'unauthorised' uses meant to fuel development for the elite? Does this allow elite groups to take over economic and political territories in highly divided and contested cities? In 2003–04, Janaagraha via its Bala–Janaagraha wing organised college students in an exercise of 'ward mapping and investment plan'. This was to survey neighbourhoods of 15 wards to identify possible revenue generation whose re-investments would be decided by a committee of 20 residents set up during the Janaagraha consultations in their previous phase of 'ward visioning'. Significantly, the councillor or the municipal corporation's standing or works committee or the local municipal government's appeal committee had little role in this process. Such efforts become even more significant in the context of the new forms of ward boundary delimitation. For instance, prior to the formation of Bangalore's metropolitan level council, central city wards like Ejipura included some of the most elite parts and also some very poor areas. Political opposition at the municipal level subverted efforts of the elite to capture resources. After delimitation for the forthcoming elections in end March 2010, the new ward boundaries shift the poor out into adjoining wards, leaving the new ward, Koramangala (Ward No. 151) with very few 'slum' pockets that maintain the elite's territorial integrity—a lesson learnt from Mumbai's elite Juhu ward. Koramangala's elite RWAs supported Janaagraha and Lok Satta emphasise this political space via their 'Smart Vote' campaign.⁴²

The above argument has an earlier political history: Janaagraha's highly publicised 'citizen' based urban renewal of the Cox town market in Bangalore. The NGO claimed this as a success and marked the occasion with extensive press coverage on the active 'citizen participation'.⁴³

Like other locations that this author witnessed in Ejjipura, the dominant role seemed to be the elite who aimed to control hawkers and small vendors who legally paid revenues to the city corporation. Not surprisingly, two years later, a press report pointed to the utter failure from the point of view of the small vendors and hawkers in the Cox town and other two locations.⁴⁴ The BATF–Janaagraha combine also ‘visioned’ extending this to a larger city wide process where ‘citizens’ mobilised on their programmatic mandate would identify ‘un-authorised’ use (commonly seen as ‘mixed’ land-use) that would feed a database for the BATF to pass on further to the BDA. The BDA–BATF combine saw their main role in the new Master Plan to rid (demolish) the city of its ‘unplanned’ growth as an important step to modernise it. Such databases of ‘violations’ and non-tax paying properties would help fund the large infrastructure required for modernisation. One can immediately note serious equity issues here—between rich and poor wards, between the richer groups who tend to dominate these civic committees, and the legality of the issue of private committees to decide on public funds. Most critical was the assumption of the Master Plan (rather than the elected city council) as an instrument to decide ‘who gets what’.

The use of the term ‘Trojan Horse’ could not be more apt and point to an argumentation if the new ‘governance’ forms like the BATF, PROOF and the Janaagraha are also Trojan Horses. Furthermore, perhaps a key political learning for the BATF’s corporate supporters was their crises of existence after their CM stepped down and was replaced by a ‘pro-rural’ congressman. For Janaagraha and its ward vision campaign, the political learning came out of the strong reaction of the council across party lines at being by-passed. If so, for the BATF these learning did translate into the need for other reinforcing Trojan Horses. Their current efforts and pressure are directed to move the central government, the planning commission and party leaderships in Delhi (including the left) to legislate the Citizen Participation and the Municipal Disclosure acts. Is a related Trojan Horse located in the JNNURM—that acts as a carrot and stick much as the MoU between the Government of Karnataka and the BMP? Can what are essentially instruments of efficient management, as seen in the F-BAS, SAS, the Bhoomi program, turn into Trojan Horses to centralise controls at higher levels of administration that are particularly accessible to big business? With this background, we look more closely at efforts to promote micro credit in its political dimension to further discipline the urban poor.

Micro Credit: A ‘Trojan Horse’ of Discipline the Masses

Critical perspectives on Micro Credit (MC) argued this to be just another form of exploitative international capitalism as work. Several press reports now report not only on ‘micro credit’ suicides, pointing to the high rates of interests but also usury practices adopted by MFIs.⁴⁵ Building on this, we raise the issue if MC forms an instrument of coercive political control within the larger climate of elite’s fear of the voting masses. Has Bangalore witnessed a regressive micro-credit’s civic politics, touted on grounds of expanding economic opportunities for the poor? But doesn’t it in reality only trap them into further instability? The rationale behind the economic opportunities are vividly described by Janaagraha’s CEO, whereby market opportunity find a metaphor of the poor as a never ending supply of ‘students’: new classes enter and graduate, and thus open up unending economic opportunity.⁴⁶ Of particular relevance is the relatively more sensitive head of MYRADA’s concerns about NGOs diluting their developmental focus, a critically important issue, but this is glossed over.⁴⁷ Instead, we are led by Janaagraha’s CEO to consider to the ‘urban’ advantage of the lack of public sector banks, other competing NGOs, and regulations that would constrain economic profits, and thus provide an opportunity to charge much higher interest rates than rural areas. An extensive quote from the text cited in endnote number 47 provides the useful specifics:

... in rural areas we price at 12 per cent, in urban areas we price at 24 per cent. There are two reasons for this. One reason is since MYRADA with its pro-poor NGO thinking is present in rural areas we had to cost ourselves at a price acceptable to the poor. In the urban areas, given the absence of MYRADA, we didn’t have the pressure to price ourselves at a lower point. But there is a larger more fundamental economic issue. You are a price taker in the rural areas because you are dealing with an entrenched banking system, which is already doing a fair amount of micro lending. In urban areas for example, Sangamitra is lending at 24 per cent because we are the price makers. There is no formal sector, no other development NGO here. Question: Don’t the NGOs you deal with in the urban sector object to the 24 per cent? RR: They do but they are not the size of MYRADA. When we work with an NGO as a partner, one of the first things that comes up is pricing.... Q: you are saying 24 per cent is a reasonable cost for any kind of institution (not for profit). If you are a for profit MFI, than would you be looking at an even higher number? RR: Of the 24 per cent we give 3 per cent to the NGO partner, so we are getting 21 per cent and

of the 21 per cent we are factoring in a cost of funds at about 10 per cent where as for a banking institution their true cost of funds is only 6–6.5 per cent. So there is a three hundred basis point spread, which is more than sufficient for them....

The issue here is to view the larger political climate where Micro Finance serves to politically disempower poor groups, and especially those co-existing in ward that also elite ones set within a power politics reinforced by the 'AS' discussed earlier.

Wider Arenas of Middle-Class Activism

It is important to view the AS not just as a particular institutional innovation in favour of the metro elite but rather to see it as a logical consequence resulting from a history of middle-class activism in Bangalore, a 'clean and green' citizens movement in its Master Planned areas of BTM colony and Jaya Nager. In Mumbai/Bombay, the fear of squatter shaped a 'green movement' aimed at evicting residents ('squatters'), including tribal communities, from its Borivili national park as a result of litigation by the Bombay Environment Action Group (BEAG). In Delhi, resident associations invested not just in street-lined neighbourhood level walling, but also security guards noting down 'outsiders' and controlling hawkers and vendors in what is 'public space'. Mumbai has Praja and Agni; in Delhi, the CCS; and in Hyderabad, Lok Satta. These organisations are part of a visibly vocal if not violent assertion by such a 'New Civil Society' posed against poorer groups, and in particular their strength of *vote bank politics*. This is accurately seen to be at the core of their 'illegal' activities allowing 'un-authorized construction, hawking' in 'unplanned (unscientific) ways', all at the cost of 'legitimate tax paying citizens'. Praja in Mumbai, leads a citizens' 'online complaint management system'.⁴⁸ It is hardly surprising that their 'citizens' booklets and handbooks' centrally underline the rhetoric of how *vote bank politics* spoils the 'image of the city' constraining India from being 'globally competitive'.

Coercive actions to reign in 'vote bank' politics get reflected in a variety of areas around the broad agenda to promote electoral reform. The focus on corruption in public life, can be seen to pressurise the leadership of political parties to disallow candidates with 'criminal' records from contesting polls, and also to declare 'assets'.⁴⁹ Significantly, there is no

known effort to focus on corruption within the bureaucracy in this regard, and especially the senior bureaucracy. On the contrary, there are efforts in part to protect them.⁵⁰ In an almost absurd case, but perhaps with conceptual parallels to the electoral reform campaign, 11 petitioners in Bombay moved court in that state to ban squatters from voting!⁵¹ A central part of this ‘New Civil Society’ network remains the Lok Satta-promoted nation-wide ‘Vote India Campaign’, while Janaagraha in Bangalore advertised its comparative strengths in decentralised governance via the ASs.⁵² These elite organisations placed their energies together to promote ‘electoral reform’ via a ‘citizen’ assisted scrutiny of voter lists, culminating in the Vote Mumbai Campaign.⁵³ But the centre of the efforts to counter ‘vote bank’ politics empowering the poor, lies in the ward delimitation process that is supervised by the election commissioner.⁵⁴ Its effects in Mumbai are already seen in terms of the Vote Mumbai Campaign bringing to the fore elitist groups congregating to exclude the poor.⁵⁵ When the NGO Lok Satta attempted to implement such a system in Mumbai elite Juhu ward, it drew a sharp critique by Sainath, the well known development journalist:⁵⁶

‘...Citizens’ groups’, mostly headed by the very elite, are hogging media time and space. The Beautiful People whose next-door neighbours never vote are back, teaching the masses—who do vote—how to go about it.... A group of idealistic young whatever have ‘banded together’ to do whichever. The current crop are fighting ‘vote bank politics’. ‘Vote bank’ means those who support someone you can’t stand. But something is different this time. And it’s appalling. Open jibes at SC, ST, and OBC candidates and voters. Attacks on ‘slum appeasement’ by politicians. Some members of these elite outfits are closely linked to corporate cabals whose thinking they mirror. Some have also been party to a petition seeking to take away the voting rights of slum dwellers whose huts have been demolished. (Aha! They have no address now. How can they vote?)....

Ward de-limitation, that we discussed in Bangalore’s Koramangala earlier in this chapter, forms a tool to diffuse the claims of poor groups and their ‘vote bank’ politics is again seen in the recent national elections in Delhi which now prelude the Commonwealth games that is regarded by most academics and activists a reason for extensive evictions.⁵⁷ In Delhi, such efforts fuelled other elite individual and citizen groups’ activities to file Public Interest Litigations (PILs) forcing municipal commissioners to follow up on Supreme Court directives. These were to ‘seal’ non-conforming activities and part of a larger history to evict them outside

city limits. Not surprisingly, this ‘New Civil Society’ is a vocal and strong supporter of neoliberal reforms. The CCS, with its explicitly neoliberal agenda, including the privatization of primary education, enjoys funding from the German right wing foundation Friedrich-Naumann-Stiftung. Significantly, the basic justification of this un-constitutional structure is argued on grounds of ‘infancy’ of India’s democracy! Moreover, such supposedly citizenship reinforcing institutions are introduced not via political debate, but rather, as seen in the JNNURM, linked to funding conditionalities not very different from World Bank development funds. Janaagraha and its connections to big business is reflected in partnerships between India’s largest business lobbies—the CII and FICCI in their sponsorship of City Connect.⁵⁸

For progressive groups and academics, this turn of events has been very unsettling. The initial ideological shock comes from an appropriation of the term ‘Civil Society’ and ‘social movements’. But this extends into specifics that further shows conceptual disconnect from ground realities. ‘Progressive’ criticism against ‘exploitative money lenders’ for instance, fuels some of core activities of New Civil Society: Micro Finance! And not surprisingly, this is now ‘professionalised’ with funds from the International Finance Corporation, the World Bank’s business wing, and also major national and international banks! The emphasis on ‘social housing’—another classical progressive stand—finds support from the big business lobby, the FICCI. Their appropriation of the ‘right to housing’ narrative would be the opportunity to ‘resettle’ occupants from central locations, and other rapidly developing ‘growth zones’ in the city periphery. It is hardly surprising that in Mumbai, we see that neoliberal NGO SPARC not only promoted housing post resettlement to facilitate a massive World Bank funded Mumbai Transportation Project, but it also aligned with an extensive micro credit scheme! The housing process, including the overall programme (SRA) seeks to re-develop Dharavi (the now famous slum) into ‘proper’ housing, and its ‘Informal Sector’ into ‘organised industry’—all at a huge social and economic costs.

Conclusion: Disconnected Resistance and Some Conceptual Ways to Radicalise Thought

In conclusion we return to two inter-connected issues. First, does progressive activism’s emphasis on a narrative of ‘participatory planning,

public consultations, and seeking to include “representation” of the poor in decision making’ represent a disconnect from the understanding of elite politics? Furthermore, does this also come from a distrust of mainstream politics? For example, this author can think of, in the Bangalore case, only two NGOs actively engage mainstream politics to arrive at success in re-constituting political space in favour of poorer groups. In contrast, in Bangalore as also elsewhere in Delhi, Mumbai, NGOs are afflicted by agendas around a combination of public consultations, mapping and GIS, and electoral reforms. This zeal finds easy funding not only under the JNNURM, but also a variety of corporate groups including Google, private banks and a variety of transnational business seeking to understand potential markets. This disconnect between progressive groups and the real politics of the poor is sharpened when, as I have shown elsewhere, ground level politics is materialised by the occupation of land, appropriation of real estate surpluses to reinforce mainstream politics.⁵⁹ Activists have no doubt been vocal in criticising arrangements such as PPPs and the neoliberalistic turn in policy. However, in pressing for ‘social investments’ and ‘balanced growth’, what such a narrative does is to, in effect, tacitly accept a dominant neoliberal ideology, and co-opt the framework of ‘participation’. This turn of activism and academia, shuts out a politics of substantive issues of land, and especially the influence of municipal councils, the latter viewed as a realm of patronage. This chapter, in focusing attention to the politics of the elite, suggests that to approach neoliberalism purely from the perspective of constitutional representation is useful but hardly sufficient, and needs to include a wider sense of city contestations.

This chapter rejects an imagination city politics burdened with ‘participatory planning’, ‘public forum’ set to act on behalf of a ‘marginalised’ poor. The construction of the neoliberal city implicates complex and contradictory actors and forums where visibility and transparency, and public voice, are key instruments of capture and penetration. What lies in the future if one may ask? Not easy answers but likely a political turmoil, including a messy political process, not all of which will be ‘transparent’. When the head of Janaagraha in a vivid powerpoint presentation, argues for ‘digital’ data-based planning to counter the fears of being ‘emasculated’ by patronage and being left ‘outside the room of decision-making’, he reflects the deepest nightmare of the metro elite. There are several indications that such turmoil may also be progressive. This is not in the way of resolution, but rather maintaining a political space that poor groups control and shape in their favour.⁶⁰

Perhaps progressive political change is and necessarily an opaque politics if it has to subvert powerful and vocal elite groups. Perhaps the complexity of city politics and economy radicalise the material processes of politicised city life. The occupancy of land, the reframing of tenure forms to allow economy in ways that appropriates, splinters and disrupts global assumptions of the smooth flow of capital. It seems hardly surprising that such urbanism, which this author has termed ‘Occupancy Urbanism’⁶¹ elsewhere, is driven by a play of actors who inherently distrust participatory planning and public consultations and have learnt, since the early 1970s, the tricks of municipal politics and bureaucracy to subvert, even if unevenly, harsh neoliberalism.

Notes and References

1. For more information on this, see ‘CASUMM Research Studies and Materials’ at <http://casumm.wordpress.com/> where subsections include: (a) Lobbying for Change: The Story of Corporate India’s Engagement in Urban Governance—<http://casumm.files.wordpress.com/2008/02/ravichandar-interview.pdf> (b) Facilitating Private Entry into Urban Infrastructure http://casumm.files.wordpress.com/2008/02/nurm-paper_fin-restrg_aa_dec07.pdf
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3. Benjamin, S., R. Bhuvanewari, P. Rajan and Manjunath. 2008. “‘Fractured’ Terrain, Spaces Left Over, or Contested?—A Closer Look at the IT-dominated Territories in East and South Bangalore’, in D. Mahadevia (ed.), *Inside the Transforming Urban Asia—Policies, Processes, and Public Action*, Chapter 7, pp. 239–85. New Delhi: Concept Books.
4. See *The Hindu*. 2010. ‘Villagers Protest Land Acquisition for BMIC’, *The Hindu*, Bangalore, 28 January. Available online at <http://www.hindu.com/2010/01/28/stories/2010012857270300.htm> (downloaded on 28 January 2010); *The Hindu*. 2010. ‘Saleable Land Figure Inflated in BMIC Project’, *The Hindu*, Bangalore. Available online at <http://www.thehindu.com/2010/01/28/stories/2010012859870400.htm> (downloaded on 28 January 2010).
5. See: (a) *The Hindu*. 2009. ‘V. Sridhar Government Spent a Lot on BIA without Returns: Panel’, *The Hindu*, Bangalore, 23 December. Available online at <http://www.thehindu.com/2009/12/23/stories/2009122350140100.htm> (downloaded on 28 January 2010); (b) *The Hindu*. 2009. ‘House Committee Slams BIAL for “Shoddy Workmanship”: Joint Legislature Panel Recommends Blacklisting of Three Firms’, *The Hindu*, Bangalore, 22 December. Available online at <http://www.hindu.com/2009/12/22/stories/2009122257720100.htm> (accessed on 28 January 2010); (c) *Business Line* 2009. ‘...State had no Control over Management despite Investing more than Pvt Players’, *Business Line*, Bangalore, 22 December; *Business Line* 2009. ‘Panel also wants the old HAL airport to be re-opened for short-distance flights, a practice followed by major cities across the world...’ *Business Line*, Bangalore, 22 December; *Business Line*. 2009. ‘Bangalore Airport below Global Standards, says Legislative Panel’, *Business*

- Line*, Bangalore, 22 December. Available online at <http://www.thehindubusinessline.com/2009/12/22/stories/2009122250151700.htm> (downloaded on 28 January 2010).
6. See, for instance, the analysis by John, J. 2005. 'Bangalore Airport: Real Estate Matters', *Economic and Political Weekly*, 12 March: 1015–16, and 'Bangalore Airport: Real Estate or Runway?' in India, together located online at <http://www.indiatogether.org/2005/jan/eco-blrbial.htm>
 7. Benjamin, S. 2007. 'Lifestyling India's Metros: The Elite's Civic Reform', in R. Sudarshan and S. Pande (eds), *Ensuring Public Accountability through Community Action*, pp. 179–208. New Delhi: Institute of Social Science Trust.
 8. 'Bhagidari Citizen-Government Partnership an Initiative of Government of Nct of Delhi'. Available online at <http://www.indiagovernance.gov.in/prac/bhagidari.pdf> (downloaded on 8 February 2010).
 9. See for instance the following websites: <http://www.smartvote.in/koramangala/>; <http://www.smartvote.in/koramangala/content/adolf-d%E2%80%99souza-success-story-2006/>; <http://www.juhucitizen.org/http://www.votemumbai.org/> (all downloaded on 7 February 2010).
 10. Corporate World Calls for 'Jaago Re'. Available online at <http://www.youtube.com/watch?v=IMM7t9mDE0A&feature=related> (downloaded on 28 January 2010) and 'Janaagraha's Jaagte Raho! Be An Active Citizen'. Available online at <http://www.janaagraha.org/content/jaagte-raho-campaign-launches-amidst-thunderous-applause> (downloaded on 28 January 2010).
 11. 'BJP without RSS?' Posted by: Prashant Jha at KAFILA 9 April 2009. Available online at <http://kafila.org/2009/04/09/bjp-without-rss/> and <http://features.ibnlive.in.com/chat/view/268.html>
 12. For the Bangalore context, Bhuvanewari Raman and I critiqued NGOs embroiled in the Bangalore Urban Poverty Program: See Benjamin, S. and Bhuvanewari, R. 2001. 'Democracy, Inclusive Governance, and Poverty in Bangalore', Working paper no. 26, pp. 161–76, International Development Department, School of Public Policy, University of Birmingham. In other contexts, see: (a) Naik Singru provides an equally provocative and detailed account of corporate groups in the Mumbai case. See Naik-Singru, Ramola. 2008. "'Business First': Competitive Governance and Spatial Transformation in "Globalizing" Mumbai', paper presented at the International Sociological Association's First World Forum of Sociology, Barcelona, 5–8 September. (Forthcoming in IJURR); (b) Taher, N. 2001. 'In the Shadow of US Aid: Government of Egypt Relationship and Housing Interventions', *Environment & Urbanization*, 13(1): 61–76, April.

There are several texts that usefully critique participation: (a) Parnell, S. 2007. 'Politics of Transformation: Defining the City Strategy in Johannesburg', in K. Segbers (ed.), *The Making of Global City Regions: Johannesburg, Mumbai/Bombay, Sao Paulo, and Shanghai*, pp. 139–67. Baltimore: The John Hopkins University Press; (b) Medeiros, Carmen. 2001. 'Civilizing the Popular: The Law of Popular Participation and the Design of a New Civil Society in 1990s Bolivia', *Critique of Anthropology*, 21(4): 401–25; (c) Alfasi, Nurit. 2003. 'Is Public Participation Making Urban Planning More Democratic: The Israeli Experience', *Planning Theory & Practice*, 4(2): 185–202; (d) Henkel, Heiko and Roderick Stirrat. 2001. 'Participation as Spiritual Duty; Empowerment as Secular Subjection', in Bill Cooke and Uma Kothari (eds), *Participation: The New Tyranny*, pp. 169–84. London: ZED Books.

13. See: (a) Pani, Narendra. 2006. 'Icons and Reform Politics in India: The Case of SM Krishna', *Asian Survey*, 46(2): 238–56, March–April; (b) Rudolph, Lloyd and Susanne Rudolph. 2001. 'Iconization of Chandrababu: Sharing Sovereignty in India's Federal Market Economy', *Economic and Political Weekly*, 36(18): 1541–52, May 5; A useful conceptual parallel is laid out by Gaonkar and Kamrath. Looking at New York City (NYC) of the mid-1990s, they draw parallels between the Business Interest Development (BIDs) form of PPP to earlier histories of political debates in Philadelphia, Chicago and NYC. When political debate is short shifted by business lead over, it was only a matter of time when an efficient but mafia type rule took over more 'messy' democracy. See Gaonkar, Dilip P. and Christopher Kamrath. 1999 'Genealogy: Lincoln Steffens on New York', in James Holston (ed.), *Cities and Citizenship*, pp. 139–54. London: Duke University Press.
14. For a detailed and excellent 'insider's' view of the BATF, see Ghosh, Asha. 2005. 'Public-Private or a Private Public? Promised Partnership of the Bangalore Agenda Task Force', *Economic and Political Weekly*, 40(47): 4914–22, 19 November.
15. For an excellent account of this, see 'Annexure 2: Summary of research in Bellandur' Available online at http://www.altlawforum.org/ANNUAL_AND_MONTHLY_REPORTS/IV%20Annual%20REport/view?searchterm=green%20belt
16. See, for instance, the video in Carney, Scott. 2008. 'The Godfather of Bangalore', *Wired Magazine*, 16 November. Available online at http://www.wired.com/techbiz/people/magazine/16-11/mf_mobgalore?currentPage=all
17. Benjamin, S., R. Bhuvanewari, P. Rajan and Manjunatha. 'Bhoomi: E-Politics or an Anti-Politics Machine Set Out to Globalize Bangalore?' A Cassum working paper. Available online at www.casumm.wordpress.net
18. Karnataka, for instance, in its five governance regions embodied 1,500 forms of recording land tenure, which the intent was to reduce to 256 as a move towards modernisation. (Statement by the project designer during the World Bank's ABCDE conference held in March 2003.)
19. Benjamin, S.J. 2004. 'Differentiation in South Africa and Indian Cities', *Urban Land Transformation for Pro-poor Economies* in S. Oldfield (ed.), *Geoforum*, 35(2): 177–87.
20. For more details on this, see the website of the Environment Support Group: www.esg.org; For the latest on the land controversy see Menon, P. 2005. 'An Expressway Blocked', *Frontline*, 3 June, p. 39. Available online at <http://www.frontline.in/fl2211/stories/20050603003803900.htm> (downloaded on 28 January 2010).
21. This was in the case of acquired land allocated to GE Caps., and also for the Toyota Kiloskar factory at Bidadi in an internal report for the Karnataka Industrial Area development Board, and the report of the Comptroller Auditor General of India (CAG). The Bellandur panchayat, one of the most pro-active in the city's periphery and also having land notified for the IT Corridor, has been involved in lengthy legal cases against their lands being acquired at much low market prices and subsequently allocated cheaply to private companies some of which in turn, have sold it to substantial profit to MNCs like INTEL.
22. See Bank Policy Paper 'urban productivity' WB 1991; Cohen, Michael. 1990. 'Macroeconomic Adjustment and the City', *Cities*, 7(1): 49–59; Harris, Nigel. 1996. 'Introduction', in Nigel Harris and Ida Fabricius (eds), *Cities and Structural Adjustment*, pp. 1–12. London, University College: London Press.

23. See Rakesh, Mohan, 'A Speculative Gaze'. Mohan chaired the committee to produce the major policy document 'India Infrastructure Report' in June 1996. (See <http://www.india-seminar.com/2000/485/485%20mohan.htm>). Presently the Deputy Governor General of the Reserve Bank of India (the government's main regulatory financial institution and bank) for the second term, he was previously the Director General of the National Council of Advanced Economic Research, one of the major policy centres for the Government of India located in New Delhi, and previously with the World Bank in their Latin American desk.
24. See, for instance, (a) the Citizen Action Group-WB's Cities Alliance presentation on Mumbai Transformation Project. Available online at <http://www.citiesalliance.org/doc/events/2006/ppf-06/mumbai.pdf> (b) Business India's 'Turning Mumbai into Shanghai' @ Rs 60,000 crores (USD 13 billion) at <http://im.rediff.com/money/2006/sep/12mumbai.htm> (c) Support unit to the Mumbai Transformation Project. Available online at <http://www.ors.missionmumbai.org/contactus.asp>
25. See, for instance, the Mumbai Mills Project. Available online at <http://www.intbau.org/Downloads/MumbaiMillsProject2005.pdf>
26. The CEO of I-MAX international at a FICCI conference on Urban Reforms Agenda in April 2004 mentioned that the returns from their Hyderabad theatre was the highest worldwide—in USD terms!
27. For instance, Citigroup Inc. (via its Citicorp International Finance Corp) sold its entire 15.5 per cent stake in the Indian construction firm IVRCL Infrastructure and Projects for \$23.5 million. They bought the shares at Rs 125 per share had expected Rs 300 per share but actually got Rs 454! IVRCL in turn, plans to buy a 70 per cent stake in Hindustan Dorr Oliver Ltd for \$12.3 million to help bid for larger construction projects. *Deccan Herald*. 2005. 'Citicorp Sheds Entire Stake in IVRCL Infrastructure Ltd', *Deccan Herald*, May 17. The point is one of the complexity of speculative flows that large projects spur, and the scale of these transactions drawing in international capital. *Indian Express*. 2005. 'ICICI Arm to Flow \$ 300 m into Real Estate', *Indian Express*, Mumbai, April 11. 'Land prices rocket to a new high: The driving force: Easing of FDI norms, Creating Land Banks'. The report mentions: 'A number of foreign construction majors are seen to be interested in building integrated townships in India... a director in the management consulting company JCSS Global says that his company alone is working on three integrated township projects in Bangalore, all of them involving foreign majors and each of them on over 200 acres of land. The Puravankara-Keppel land joint venture (author: with Singaporean investments) is planning three massive projects...' in *Times of India*, 25 March 2005, Bangalore edition.
28. See: 'ICICI Ventures' Fund buys H'bad Property', 27 November 2003. Available online at <http://www.indiaonline.com/pefi/hous/bao6.html>

ICICI Ventures' India Advantage Fund, in a novel property investment, has made a Rs 35-crore purchase through a special purpose vehicle of two floors in Hyderabad's upscale L&T Infopark 'Cyber Gateway'... The returns by way of rentals on the equity investment are expected to be in excess of 20 per cent. The purchase of the 1.06-lakh sq ft property in 'Cyber Gateway' has been made through the 100 per cent ICICI Ventures-owned SPV called Mezz Equity Software Services. The investment has been financed through a mixture of debt and equity, with the ICICI Fund routing Rs 9 crores through the SPV, while the balance Rs 24 crores has been raised from banks. L&T Infocity has developed two towers... a joint venture between L&T and the AP government. This

is the first real estate investment by the India Advantage Fund. The fund has set apart around Rs 200 crores for real estate investments. Earlier, it had taken a Rs 36-crore equity stake in the chain multiplex company PVR promoted by the Bijli family. It is also in the running for Glaxo's prime property in Mumbai, where ICICI Ventures has bid through a JV with builder Vicky Oberoi.

29. *Indian Express*, 'ICICI Arm to Flow \$ 300 m into Real Estate'.
30. Kapur, Mansi. 2004. 'India Inc Building up Land Banks', *Business Standard*, Mumbai, 9 February.
31. Urs, Anil. 2005. 'Infy Plans 10 mn sq ft Office Space', *Business Standard*, Bangalore, 26 May.
32. See: (a) Kapur, Mansi, 'India Inc building up land banks'. Available online at http://www.businessstandard.com/search/storypage_new.php?leftnm=lmnu1&leftindx=1&select=1&autono=149413; (b) *Hindu Businessline*. 'Corporate India Milking its Real Estate', *Hindu Businessline*. Available online at <http://www.thehindubusinessline.com/2004/04/25/stories/2004042501500100.htm>; (c) Pillai, Sanjay K. 2004. 'IT Firms: India's Real Estate Kings IT Companies have Acquired over 1,000 Acres of Land', *Business Standard*, Chennai, 2 June. Available online at <http://www.business-standard.com/general/storypage.php>; (d) Gangopadhyay, Abhrajit and Vishwanath Kulkarni. 2003. 'Infosys Campus Plans Worry Karnataka', Bangalore, 5 December. Available online at www.blonnet.com/2002/12/06/stories/2002120602390100.htm. '....The market rate of inner lands in the notified area is Rs 40 lakh per acre while that facing the Ring Road is Rs 1.5 crore per acre,' Mr K. Purushottam, resident of Bellendur village said. However, KIADB has proposed to acquire the land at a uniform rate of Rs 9 lakh per acre. 'We have suggested the Urban Commissioner to acquire dry lands near the currently-notified area,' Mr B.T. Ramachandra, another Bellendur resident, said. The villagers have also hinted at carrying on a 'peaceful agitation' if KIADB continues 'land grabbing at such rates'. However, the government sources strongly refuting the prices quoted by the villagers said, 'You cannot extrapolate the price for a small housing site for acres....'
33. In 'Icons and Reform Politics in India: The Case of SM Krishna', Pani shows that the connection between Infosys, the BATF, and the then chief minister operates at several levels: first, in instituting the BATF; second, the role of public funds invested via mutual funds in shares of these IT companies; third, the capitalisation of land, especially when this is serviced with high grade infrastructure; fourth, the public security in shares could be argued to help move up the valuation of the company resulting in very high returns, at a future time when chief executives among others off loaded part of their investments. It was rumoured in the early 2000, that Karnataka's then chief minister's son-in-law and also nephew, had specific interests in both real estate development of IT tech parks, and also a major stock broking company.
34. See Pani, 'Icons and Reform Politics in India: The Case of SM Krishna'. Also see, Urs, 'Infy Plans 10 mn sq ft Office Space'. Also see '... Indian corporates like Infosys, Wipro, TCS and Satyam, Dr Reddy's, Ranbaxy, Reliance Infocomm and Bharti are using land as a vehicle to park their surplus funds. "These companies are now considering real estate as their important component of investment," it said. Indian corporates bought 1,350 acre land at an estimated cost of Rs 1,600 crores during the last two years. Investing in real estate portfolio has now emerged as a key tool for corporate treasury management in India. Interestingly, MNCs like General Electric, Microsoft

- and Oracle have also been buying land in all the Metros and A class towns in India....’ Available online at <http://economictimes.indiatimes.com/articleshow/658475.cms>
http://economictimes.indiatimes.com/articleshow/msid-658475_curgp-2.cms
35. This relates to an important point made by Prabhat Patnaik in looking at national level policies. See Prabhat Patnaik. 2005. ‘Nation Facing “Economic Balkanization”’, *The Hindu*, Bangalore, 29 May: ‘By making devolution of funds to the state conditional upon their accepting the structural adjustment agenda, the central government was forcing them to prune their fiscal deficit through methods that impinge on the welfare of the masses and financial authority of the State Government.
 36. See: (a) *The Hindu*. 2005. ‘BMP to Acquire Land for Road Widening Work: Citizens Not Impressed by TDR Scheme’, *The Hindu*, 19 May; (b) *The Hindu*. 2005. ‘BMP Counting on Joint Ventures to Boost Revenue: Corporation to Make Use of its Property’, *The Hindu*, 16 May.
 37. In contrast to a single councillor based Ward Committee as in Kerala and West Bengal, and the municipal council playing a key role.
 38. Staff Reporter Bangalore: Cutting across party lines, elected representatives have opposed the Model Nagara Raj Bill. Available online at <http://www.hindu.com/2007/02/12/stories/2007021220590300.htm>
 39. See Dhareshwar, Vivek. 1998. ‘Rowdyshooters: An Essay on Subalternity and Politics’, in *Subaltern Studies IX*, Chapter 7, pp. 201–31. Oxford University Press.
 40. A presentation by a well-known NGO on electoral reforms and its report card methodology to members of the progressive municipal governments of Mangalore and Udupi brought forth this issue in a pointed way. The deputy mayor of Mangalore, a three time corporator and well known social activist, quizzed the presenter and concluded: ‘...what you are intending to do, is not “cleaning up the system”, what you really want is the rich to vote, since the poor vote much more....’ When this author met with a senior member of the campaign, he commented: ‘...the poor have their vote bank ways, but how about us...?’
 41. Extract from *Janaagraha Times*. ‘Rights-Based and Inclusive Approaches to Governance’. Editorial by Ramesh Ramanathan The Need for Dialogue. Available online at www.janaagraha.org/resource/Nov_2005.pdf
 42. See <http://www.smartvote.in/koramangala/and> ‘Adolf D’souza’s Success Story’. Available online at <http://www.smartvote.in/koramangala/content/adolf-d%E2%80%99souza-success-story-2006> (downloaded on 28 January 2010).
 43. See *Deccan Herald*. 2004. ‘Citizens Market Plan Cox Town Buys it’, *Deccan Herald*, Bangalore, 19 July.
 44. See *Deccan Herald*. 2006. ‘Market Mess: A Tale of Three Shandies’, *Deccan Herald*, Bangalore, 15 January. The full page coloured article featured photographs with titles such as: ‘vendors left in a lurch with nowhere to turn but the streets. Rafeeq Mohammed vegetable: The annual rent will increase when we shift to the new complex...’; Other reports were similar. See *New Indian Express*. 2006. ‘Malleswaram Merchants Oppose New Market’, *New Indian Express*, Bangalore, 9 September.
 45. See: (a) Sainath, P. ‘Micro-credit, Maxi Risk’. Available online at <http://indiatgether.org/2004/jul/psa-maxrisk.htm>; (b) Sharma, Sudhirendar, ‘Death by Microcredit’. Available online at: http://timesofindia.indiatimes.com/articleshow/msid-1996002_curgp-1.cms and Sharma, Sudhirendar, ‘Are Micro-finance Institutions Exploiting the Poor?’ Available online at <http://www.infochangeindia.org/analysis136>.

- jsp ‘...The high interest rates and forced loan recovery practices of micro-finance institutions have been held responsible for the suicide of several farmers in Andhra Pradesh. It is evident that poverty makes good business sense to MFIs.’ An anguished Chief Minister Y.S. Rajasekhara Reddy had lashed out: ‘MFIs were turning out to be worse than moneylenders by charging interest rates in excess of 20 per cent....’;
- (c) ‘Microfinance: Cunning Bourgeois Ploy to Sustain Poverty under Disguise of Poverty Alleviation’, *Proletarian Era*, 40(12), 3 February 2007. Available online at <http://www.doccentre.net/Tod/Microfinance-poverty-as-poverty-alleviation.php>;
- (d) Cowen, Tyler. 2006. ‘Microloans May Work, but There is Dispute in India over Who Will Make Them’, 10 August. Available online at <http://www.nytimes.com/2006/08/10/business/worldbusiness/10scene.html?ex=1312862400&en=f61d24534e36d822&ei=5090&partner=rssuserl>. ‘...Contrary to some exaggerated claims made on its behalf, microfinance does not generally allow women to establish financial independence from their husbands. Women are the ones who show up to borrow and repay the money. But I polled three groups of Spandana borrowers and found that usually the money went to a business of the husband, not the wife....’;
- (e) Rozario Santi. ‘The Dark Side of Micro-credit’. Available online at http://www.opendemocracy.net/article/5050/16_days/dowry_microcredit;
- (f) Chakravarty, Saswati and J. Padmapriya, ‘Microfinance gets the “Big” Idea’, *The Economic Times Online*. Available online at <http://economictimes.indiatimes.com/articleshow/msid-1129635,prtpage-1.cms>
46. Ramesh Ramanathan, vice-chairman of Sanghamitra (an MFI promoted by Myrada) is quoted at the IIM-B symposium (full text available at <http://www.iimb.ernet.in/~rsrini/Learn@MG/mr03206b.pdf>) as: ‘Today, microfinance is a market opportunity. It is no longer just about doing social good. We need to look at this as an industry. Though there are no precise figures available, back of the envelope calculations put the microfinance industry’s appetite for credit at around Rs 2,00,000 crore.... Share Microfin is in the process of tying up a \$2m equity investment from Vinod Khosla, who will get a 15–17 per cent stake in the institution. Incidentally, Mr Khosla is shopping for more. Share Microfin is also seeing interest from ShoreBank, Sidbi and IFC. Basix India has equity investors like Hivos Tridos Funds, HDFC, ICICI Bank, IFC while ShoreBank. Spandana is also looking for equity investment....The movement may well have started two decades ago as a small measure to help the poor. But Indian micro-finance institutions (MFIs) have today outgrown their shoes. They are looking at new structures and fresh funds to scale up in a market where demand outpaces supply by miles....’
 47. See Srinivasan, R. and M.S. Sriram, ‘Microfinance in India: Discussion’. Available online at <http://www.iimb.ernet.in/~rsrini/Learn@MG/mr03206b.pdf> (downloaded on 28 January 2010).
 48. The demo programme shown in a Ford Foundation funded workshop on ‘Good Governance’ (by an ex-World Bank official heading an NGO promoting citizen action) showed how an un-authorized hawkler was identified, and then via a special squad set up by Mumbai’s special municipal commissioner, was ‘taken out’—reminiscent of the CNN coverage of the Iraq War, or then the futuristic movie *Brazil*.
 49. In Karnataka for instance, under Section 19 of the Karnataka Municipal Corporation Act, each corporator is required to declare his/her assets including of her/his family. To our knowledge, no senior bureaucrat or the commissioner of the corporation is required to do the same. Also the decision as to which corporator is declared to lose their post is that of the state government with little concurrence of the council.

50. This is either on corruption and declaring their assets (including of their close relatives), or then, their entry into politics via the ‘nomination’ route (rather than elections). In fact, the campaigns for electoral reforms in part support what they term as ‘stability of administration’—which means that a senior bureaucrat can be safeguarded against transfer by elected representatives. This stance is interestingly also adopted by large donors and forms part of the urban reforms agenda.
51. See *The Times of India*, 18 September 2004:

A group of eleven prominent residents have filed a PIL asking that illegal encroachers be removed from the voters’ list. They believe that encroachments on railway land and pavements prevent ‘developmental work’. Political parties will not remove illegal slums because those are their vote banks. The ruling parties keep legalizing the slums. Subhash Bhende, litterateur and one of the petitioners says, ‘We are not against slum dwellers, but against the unauthorized slums that are obstructing infrastructural developments.’ He believes that voting is not a constitutional right and under the Representation of People’s Act, in order to vote, you must fulfill two conditions: you have to be over 18 years of age and an ordinary resident of the area. Bhende therefore argues that election officials should not register names of slum dwellers in the voters’ list without inquiring into the legal status of their residence. He adds, ‘You can’t register yourself as a voter by saying “I live under the lamp-post”.’ Bhende’s proposition is that if these people cannot vote, the government will lose interest in them and will not protect them. ‘We are not saying that they should be removed or thrown out, we are just saying that this is a way of ending the viscous cycle of increasing encroachments. We can’t stop people from coming in the city but at the same time, we have to find some way of solving the problem....’

52. See, for instance, the heads of that organisation explaining the political logic at <http://www.ibnlive.com/videos/32698/creating-history-in-bmc-elections.html>
53. This campaign successfully managed to have elected its ‘independent’ candidate from Mumbai’s central sea fronting super elite Juhu ward that has residents from Bollywood and the corporate world. There are curious contradictions in this process that points to the limitations of activism. The campaign had support from Bollywood’s most famous activist actress and her poet husband—who otherwise have been part of a campaign of ‘housing rights’. But the focus on the physical form that is materialised via architecture and urban design reveal other contradictions. This group according to local scholars was also linked to moving poor hawkers on the beach to a narrow strip, promoted as a planned hawking area.
54. The success of the Vote Mumbai Campaign, was attributed by the media (also see Marie-Helene Zerah. 2007. ‘Middle Class Neighborhood Associations as Political Players in Mumbai’, *Economic and Political Weekly*, XLII(47): 61–68), to changes in the ward boundaries brought about by the de-limitation exercise that effectively reduced ‘slum’ territories to only 20 per cent and hence their political power via ‘Vote Bank Politics’. One could hypothesise that this was in addition to other factors. For example the mobilisation by Bollywood’s famous actors and actresses who mobilised the middle- and high-income voters, as well as several ‘Muslim’ candidates who ‘split’ that vote reducing chances for the Congress I which normally addresses

- this constituency. See: Agarwal, Lekha, 'At Ward 63, the Mood is of Celebration', *Indian Express*, Mumbai, 2 February 2007. Available online at <http://cities.expressindia.com/fullstory.php?newsid=220386>
55. Sainath, P. 2007. 'Elite Activism: Can't Vote, Can Vet', *The Hindu*, Mumbai, 13 January. Available online at <http://www.hindu.com/2007/01/13/stories/2007011304221000.htm> (downloaded on 28 January 2010).
 56. Sainath, 'Elite Activism'.
 57. '...After delimitation, Delhi's earlier slum-dominated Outer Delhi constituency has been split, making it difficult for politicians to isolate the "slum vote". A big worry on the minds of many slum inhabitants this time is that they may be displaced by the government's proposed rehabilitation scheme....' (see 'Give us Development, not Freebies, say Delhi's Slum Voters'. Available online at <http://in.news.yahoo.com/43/20090506/818/tnl-give-us-development-not-freebies-say.html> (downloaded on 6 May 2009).
 58. See: (a) 'India Inc told to Focus on Quality & Innovation, Leverage Technology'. Available online at http://www.ciionline.org/news_new/newsMain18-11-2006_4.html; (b) http://ciionline.org/services/69/images/presentations/Ramesh_Ramanathan_Janaagraha.ppt
 59. Benjamin, S. 2008. 'Occupancy Urbanism: Radicalizing Politics and Economy beyond Policy and Programs', *Int. Journal of Urban and Regional Research (IJURR)*, 32(3), September.
 60. For an illustration of this, in the way local politics points to complex fluid forms, see Benjamin in http://www.sarai.net/publications/readers/05-bare-acts/01_solly.pdf/. Benjamin and Bhuvanewari, 'Democracy, Inclusive Governance, and Poverty in Bangalore', see, for instance, Box 9: Councilors, Leaders and Local Development on p. 66; Sections on 'Local elections' on p. 73; On 'dummy' candidates: Box 13: Only 3 Votes for 3000 Subverted on p. 74; and Box 14: Naive Squatters? on p. 79, Box 5: The Clustering Economies of Azad Nagar, p. 49, Section 1.2 provides insights into Ethnicity-Economy Linkages, p. 54, Box 6, p. 55, and especially see top of p. 59; Box 8: Locality, Ethnicity, Land settlement pp. 63-65, Ibid Box 10: Local Political Structures, p. 70. These accounts concur with that of John Harriss who usefully discusses elite views of politics in his (2005) 'Politics is a dirty river': but is there a 'new politics' of civil society? Perspectives from global cities of India and Latin America. In: Conference on International Civil Society, Global Governance and the State, April 2005, Centre for Comparative Study of Literature and Society, Columbia University, New York. <http://eprints.lse.ac.uk/archive/00000487/>

While this may point to the account of 'political society' posed by Partha Chatterjee (Partha Chatterjee. 2004. *The Politics of the Governed: Reflections on Popular Politics in Most of the World*. New York: Columbia University Press), there are important differences in conception. Chatterjee's frame remains with the frame of the Nation State. Thus, Chatterjee mentions that for the 'real' political society, one has to move to rural Bengal. In contrast, we take a different view to reject this dependency on the Nation State and its policy/programmatic frames as an organizing frame. For instance see: (a) Benjamin, S., R. Bhuvanewari, P. Rajan and Manjunath. 2008. "'Fractured" Terrain, Spaces Left Over, or Contested?—A Closer Look at the IT-dominated Territories in East and South Bangalore', in D. Mahadevia (ed.), *Inside the Transforming Urban Asia—Policies, Processes, and Public Action*. New Delhi:

Concept Publishing House; (b) Benjamin, S. and R. Bhuvanewari. 2006 'Urban Futures of Poor Groups in Chennai and Bangalore: How these are Shaped by the Relationship between Parastatal and Local Bodies', in Niraja Jayal, Amit Prakash, Pradeep Sharma (eds), *Local Governance in India: Decentralization and Beyond*. New Delhi: Oxford University Press. Instead, we move along lines of Mustafa Dikec who inspired by Rachiere, views 'policy' as 'police'. See Dikec, Mustafa. 2007. *Badlands of the Republic: Space, Politics, and Urban Policy*. New Jersey: Wiley-Blackwell Publishing.

61. Benjamin, 'Occupancy Urbanism'.

7

Hi-tech Hyderabad and the Urban Poor: Reformed Out of the System

Umesh Varma Pakalapati

Introduction

At the Hyderabad Urban Development Authority (HUDA) office, Hyderabad, March 2006, Rajanna, a farmer of Kokapet village is waiting for somebody to tell him what the land acquisition notice issued by HUDA really means. He owns one and half acres of land close to the outskirts of Hyderabad. He and his forefathers had been tilling the land strewn with rocks since a long time and struggling to make the ends meet with this only means of livelihood. The terrain and weather have been hostile and benevolent in turns.

HUDA has issued the land acquisition notice 15 days ago and only a week ago did he and his neighbours come to know about it. HUDA is to auction it off after developing it into a layout of one acre each, to cater to the increased hunger of global capital for land in urban India.

Poor Rajanna who does not understand the words like economic development, GDP, national interest and 10 per cent growth rate is at a loss as he fails to see the justice in land being taken away from him forever by paying only 4.5 lakh rupees (one acre is being acquired with a compensation of 3 lakh rupees) and the same land's auction notice proclaims the upset minimum price to be 4.5 crore rupees per acre.¹

Hyderabad, the Happening City

'Hyderabad is now Highderabad,' screams the hordes of banners *The Times of India*, a leading English daily newspaper, pastes all across

the city. This neatly sums up the euphoria prevailing in the city in the circles that matter.

Hyderabad, the capital city of erstwhile Nizam dynasty and now the capital of Andhra Pradesh, the fifth largest state in India is the sixth largest city in the country with a population of around 6.5 million. The city has been witness to continuous migration from all parts of the country since its origin, and is viewed as a source of employment and business.

In the mid-1990s the state government under the then Chief Minister and self-proclaimed CEO of the state, Mr Chandrababu Naidu, has identified IT and allied sectors as priority sectors for providing employment, income generation and also the much vaunted 'global city' image. The process got a major boost with the establishment of Hyderabad Information Technology and Engineering Consultancy (HITEC) City, a building exclusively for software majors in 1997. It was a joint venture between Government of Andhra Pradesh and Larsen & Toubro Ltd with 12.5 and 87.5 per cent shares, respectively.² It became a huge hit with the companies coupled with sops like tax holiday periods ranging from 5–10 years, low electricity charges and availability of a large number of qualified professionals.

The Result

Hyderabad leapfrogged over many cities and presently accounts for 8–10 per cent of total software exports of the country.³

The rapid growth has created a large migration of people from other parts of the state as well as country. The population has increased from 2.9 million to 5.75 million within 20 years.⁴ The present population is expected to be around 6.5 million. This growth has created a lot of pressure on the natural resources like land and water within and outside the city.

Due to increased inflow of global capital and changes brought about as a result of investment in the form of loans and grants by financial institutions like World Bank, Department for International Development (DFID), and so on, there is a section of population comprising realtors, traders, local venture capitalists and politicians who have gained a lot in the process by way of accumulating land for themselves or for the external investors. The major loser is the general population who has lost in terms of its restricted access to following uses of urban land: (a) land for housing; (b) open lands like parks, lakes; and (c) conservation lands like forests.

Their loss is by processes like:

1. Violation of Urban Land Ceiling Act leading to accumulation of scarce urban land in hands of few individuals.
2. Forced acquisition of land from urban poor/slum dwellers/middle-class families/urban and peri-urban farmers for 'Public Good'.
3. Encroachments of public spaces like parks, lakes and playgrounds by powerful people and their subsequent regularisation by the successive governments.

The following case studies would reveal the various angles of attack on urban land by global capitalistic forces.

Dispossession by Policy

Outer ring road

This proposed road encompassing Hyderabad Urban Agglomeration (HUA) will be the mother of all roads in terms of size, investment and displacement of people. It will be an eight-lane 162 km road of 500 metre width and a projected outlay of Rs 3,000 crores.⁵ The proposed aim is to decongest the city by providing arterial roads into and out of the city so that the city can expand outside this ring road and population settling on the outer peripheries of this road has quick access to various locations within the city.

The Conflict

Because of the magnitude of the project a large number of people are losing their lands. Approximately 5,000 acres of private land is being acquired for this project.⁶ The losses are being compensated at only 10–15 per cent of the market value, citing the government valuation of the land to be acquired. The variation is due to the fact that the registered value of the property is always shown low to pay fewer taxes during land registration. The government has steadfastly refused to compensate land for land.

The alignment of the road declared in the original design and initial land acquisition notification has been changed many times till now.⁷ The interesting point to note is the fact that according to the Land Acquisition Act of 1894, once land has been identified for compulsory acquisition further transactions between individuals is not allowed.

The land registration authorities are not permitted to accept any new registrations.⁸ This has not been followed and so in the initial stages after the acquisition notices have been issued people, who were well connected, with deep pockets bought the land from the farmers and small plot owners at throwaway prices. The farmers were told that since they have the connections they can get better compensation from the government which otherwise is not possible. The owners sold it off at slightly higher prices than the government assessed rates with the fear of getting much less from the government. Once the land was thus snapped up, the alignment was changed and the land acquisition notices were withdrawn. This has happened not once or twice but four times.

This is nothing but cheating the people by subverting the very system that is supposed to be safeguarding them.

Dispossession: By design or default?

The hidden design in the whole project is better understood when we see the other rule which has been shoved down the throats of people. It says that area within a kilometre on either side of the road will be classified as a 'Planned Development Zone', implying that the development in the city earlier was not a planned one. In this zone there will be special building rules. The minimum size of a plot for an individual house will have to be 500 sq yards. And for group housing like apartments it will be 2,000 sq yards. (It was earlier 100 and 550 sq. yards, respectively.)⁹

To an unsuspecting eye this would look like a very good urban planning policy, but by the stroke of a single pen what it has actually done is that it has increased the cost of housing 3–4 times due to which many cannot afford one in the area. They now have to buy more land, which is very expensive, or sell it off to a big developer who can satisfy the norms under the new rule. Rich people born out of the new economic policies of the state would ultimately gobble up all this land.

'All are equal in the eyes of law' or so we thought—the more one thinks about it, the less you feel it is true and the deeper one tries to understand, the murkier the story becomes. The same road has to pass through areas, which are already developed with many houses and where the majority is the neo-rich class belonging to the booming service industry. This new class has been successful till now in pressurising the chief minister and other officials to build a road, which is only 75 metres wide in their areas whereas the same road for the same purpose in other peripheral areas is being designed with a width of 150 metres. It is interesting to note that

in the sections where it is really wide the majority of the land owners are farmers or middle-class people who could not afford land within the heart of the city and so bought land for their future homes on the outskirts. On being quizzed about the logic in this move, the Project Director replied that it is being done to avoid 'large displacement of people'.¹⁰ Which sections of people are he concerned about is a matter of open debate.

The saga of greed continues

The land acquisition is not yet complete in the majority stretches of the road and already 2,400 farmers are on the roads, literally, majority of them losing the only piece of land they own in this world. The compensation they will receive will not buy them even a decent piece of land to build a house for themselves in the city. Nearly 5,000 farmer families and many smaller residential plot owners will lose their life time savings and efforts and end up with practically nil compensation.

Save Musi Campaign

River Musi is a seasonal river of around 240 km length running through the heart of Hyderabad for around 20 km. This river used to be and still is to some extent the irrigation source for villages all along its course. In AD 1908 the river experienced heavy floods of great magnitude and caused heavy damage to the city. The then-King Sixth Nizam Mir Mehboob Khan constructed two reservoirs, Osman Sagar and Himayath Sagar, just upstream of Hyderabad City as a flood control mechanism under the guidance of Mokshagundam Visweswarayya, the greatest Indian civil engineer.

Due to the above and many other events like deforestation in catchment areas, encroachments of feeder streams, and so on, the inflows started coming down slowly. From early 1970s, due to the increasing urbanisation sewage started entering the river in untreated form and continues till date. The inflows of sewage have increased to such alarming levels that the river since a decade or so is nothing but a huge drainage channel acting as a receptacle of entire city's waste including industrial effluents.

The banks of this river were relatively free of human settlements, compared to today, till 1970s. Since then, due to the core of the city becoming expensive and various other events like slum removal from the heart of the city and migration of poor people in search of employment from other areas of the state, people had started settling down on the banks of

the river. Now the banks are almost completely occupied by tenements of poor people and include many notified slums (approximately 40).¹¹

The people living here have made these riverbanks habitable after long and sustained efforts. The tenurial rights of these people are very hazy. Most of them have some or the other form of legal or semi-legal documents like a notary agreement or sale agreements, and so on, and most of them are not recognised by the government and they are officially classified as squatters or encroachers even though there have been numerous land transfers and they all have electrical connections, water supply connections and some even have house numbers, and so on. The people living in these *bastis* (slums) are very intricately linked to the communities of the surrounding areas and are integral to their development by providing the bulk of domestic help and industrial work force.

In 1997, the then-government wanted to 'beautify' the river by diverting all the water, natural or effluent, entering the river through a small central concrete channel and open up the rest of the riverbed area for purposes like parks, theatres, amusement centres, and so on. The people realising that the bigger plan was to remove the slums all along the banks of the river, then launched an agitation with the name Musi Bachao Andolan (Save Musi Campaign). In 2000, the river experienced heavy floods and the channel works were washed away.¹² The government then gave up its plans and the people's movement was disbanded.

In early 2005, the new government with a grander plan, launched officially a project named Save Musi Campaign borrowing the slogan from the earlier people's movement, by simple translation and submitted the proposal to central government.¹³ It is trying to access the funds from central projects like National River Conservation Plan (NRCP) and Jawaharlal Nehru National Urban Renewal Mission (JNNURM) with the official noble aim of cleaning the river and making the surrounding environs more conducive to people on the banks.

The total project will have five sewerage treatment plants (STP) with a capacity of treating 592 mld (Million Litres per Day) and have three zones: (a) ecological zone, (b) heritage zone and (c) development zone. The first zone will be for conserving environment by improving greenery and minimising anthropological interference. The second zone will try to showcase the rich architectural history of Hyderabad by projecting the heritage buildings like High Court, Osmania Hospital, Salarjung Museum, Central Library, and so on. The third and controversial zone is for 'planned' development and for revitalising the economy of the area.¹⁴

The grand design for dispossession

The whole gamut of worldwide phenomenon leading to the poor being displaced from urban settlement can be seen in this project.

As long as the project area was close to a polluted river the land did not have much value for realtors and land rates were low. Once the river can be cleaned up by using government funds and the nuisance factor of bad environment and slums can be removed from the area, the value of land right in the middle of a city like Hyderabad, where central places do not have any further scope for horizontal expansion without land being forced free from other uses the target land, naturally becomes even more attractive for global capitalistic forces on the prowl for capturing more and more of natural resources.

This government as of now has an approved budget plan of only Rs 6.06 crores for rehabilitation of 41 slums in a project costing Rs 906 crores in total.¹⁵ This shows the apathy of the nexus of administration and investors. The total population in these slums is around 100,000. On being questioned about the meagre allotment of funds the administration says that funds from other regular housing schemes for poor like VAMBAY (Valmiki–Ambedkar Awaas Yojana) and IAY (Indira Awaas Yojana) will be utilised for the construction of houses. The estimated value of the land being occupied by the slums, at the present market rates, is around Rs 3,000 crores. This will increase by many times once the river is actually cleaned up and the beautification measures are taken up so that the area becomes aesthetically much more attractive.

This is nothing but the market forces dictating who should reside where and how—selective carving—which in turn is dictated by the flows of global capital. This creation of wealth is ultimately leading to dispossession or alienation of the majority in the society who actually pay more by putting in the initial efforts like a slum dweller clearing the place and developing it or a farmer making his fields cultivable to make it more valuable only to see them being usurped by people with power and means.

The ‘Master Plan’ for New Spaces and Dispossession of the Existing Underprivileged

As with every other Indian city, Hyderabad in the past one decade has seen new spaces being created for the select few, by their own comrades in places and positions that matter with scant regard to the existing

populations and communities and their needs and relationships in their present form with that space. Hitec city and areas surrounding Hussain Sagar Lake are prime examples. The previous government led by Chandrababu Naidu created these new urban spaces by special ordinances and government orders.

The Hi-tec city is part of Cyberabad Development Authority, which was constituted in 2001, and is where all the knowledge-oriented world with the global IT majors and Indian wannabes with the 'Smart World' work and thrive. This place originally had a lot of small farmers who have been tilling a rocky terrain and eking out their livelihood. Initially Urban Land Ceiling Act was applied to acquire 'excess' land from these people and the few lands that were left were then acquired under Land Acquisition Act for measly rates to be given away to international software giants like Microsoft, and Indian software heavyweights like Wipro, TCS, Satyam and others at throwaway prices for attracting them to invest in Hyderabad. This move did have the desired effect and a lot of software firms have opened their shop in Hyderabad.

The local population after being cut-off from their natural resources has slowly drifted away to farther places unable to cope up with a situation in which their incomes have disappeared and the cost of living increased at a pace, which they could never keep up with.

Budha Purnima Project Authority is another urban development parastatal body which governs the area, around the peripheries of the Hussain Sagar Lake, a major lake right in the heart of the city. The areas surrounding this lake by their central position were naturally the magnets for poor people to settle down. Prior to the formation of this authority the lake was subject to a major beautification and development programme in which its water spread area was reduced by more than 350 acres in the name of creating better accessibility, ambience, and to improve the aesthetics some of the slums surrounding the lake were removed after declaring them as encroachers. After removing the slums the government went ahead with a major drive of commercialising the lakeshore by giving contracts to eateries, entertainment centres and land on long-term lease to IMAX theatres. All these ventures were opposed by the greens in the city, on the grounds that this move will actually lead to more encroachment of lake and increased pollution levels. This area is now for the aesthetic consumption of the population in general but the people who were residing in the area were removed with no rehabilitation or compensation after labelling them as encroachers. The government

by this decision destroyed the lives of hundreds of people and at the same time created new ones for few with high profits and at the cost of the health of Hussain Sagar Lake that is so important for preserving the ecological balance of the city. These two areas are not governed by the zoning regulations of the Hyderabad Urban Development Authority and have been notified as special zones.

The master plan drama

One thing that is most striking about all these projects and authorities is the way in which global capitalistic forces, bureaucrats and politicians come together for serving their common interest of gaining more control over resources like land, water and ultimately even the people. In urban areas, land being the most important asset, the City Master Plan is the most important legal instrument which regulates this asset. Every part of the city is legally bound for use as is earmarked for in the plan. The demands for housing and the greed to make more money by building more than what is legally permitted is a potent combination. They lead to this major problem afflicting many of the cities in the developing countries where unplanned and illegal structures are rampant leading to a host of problems.

The urban development authorities prepare the draft Master Plan, and then after inviting public objections for certain duration it is modified, if necessary, and then sent for the approval of the Municipal council. After the approval of the council it becomes a legally binding document on the people living in the area coming under the Master Plan. The very fact that 37 per cent of the city's population (an official figure which is contested) resides in slums is in some way ironic and to us, a clear proof of the exclusivity of the process of preparation of the Master Plan.

In Hyderabad, draft Master Plans have been prepared and then completely revised for three times without any of them being ever approved since the last Master Plan, which was revised in 1980. The major reason, other than the technical and bureaucratic problems, is the unholy nexus of bureaucrats-politicians and land mafia that does not want a Master Plan. This lobby does not want an approved Master Plan so that land use can be changed at the discretion of the government as long as the Master Plan is not approved. This loophole in the legal procedures is being exploited to the maximum extent by approving constructions for residential and commercial purposes in areas otherwise earmarked for open spaces and green zones (parks, lakes, and so on).

Urban Poor Housing in Hyderabad: Reform Push towards Marginalisation

The case of housing for poor in urban areas has always been a widely contested and mostly acrimonious one. The issue brings out responses which these days belong to two extreme ends and with little scope for a meaningful discussion. Urban poor are widely perceived as encroachers, vagabonds, freeloaders and criminals in the circles that matter in terms of governance. There is at best a half-hearted response to their genuine problems and on the issue of their basic rights like housing, livelihood, education, access to health care, and so on. The popular perceptions increasingly guided by forces of neoliberalism seem to be ignorant and apathetic to their plight.

The urban poor are left to fend for themselves in a hostile situation where they have few or none to defend their rights. The gulf between the haves and have-nots is widening. While the population of urban poor is steadily rising, housing stock for them is rapidly dwindling and land availability for the same is next to nothing.

Hyderabad, which is rapidly emerging as a metropolis is no different. Urban poor have been a neglected lot in Hyderabad for a very long time now. Affordable housing stock has always been in shortage leading to a proliferating but precariously positioned slum development (Table 7.1). The number of slums has risen from approximately 1,250 in 1995 to 2,100 in 2007. Close to 37 per cent of the population in HUA lives in areas classified as slums or squatter settlements. The housing demand is estimated to be close to 4,40,000 units in Hyderabad. Close to 99 per cent of these are needed by people in Economically Weaker Section (EWS) and Low Income Group (LIG) category. Land requirement for the above given number of units is around 3,400 acres.¹⁶

Slums in Hyderabad

The first enumeration of slums dates back to the reports of the City Improvement Board (CIB), a body created after the disastrous floods of River Musi in 1908. CIB was created on the lines of present urban development authorities. It was responsible for planning and executing projects to improve the city. According to Alam (1965: 119),¹⁷ the CIB completed 19 slum clearance projects between 1912 and 1956,

TABLE 7.1
Growth of Slums and Slum Population in MCH

<i>Year</i>	<i>No. of slums</i>	<i>Population</i>
1962	106	120,000
1967	194	168,000
1972	282	300,000
1976	300	320,000
1977	Not given	380,000
1978	377	400,000
1979	455	408,000
1981	470	540,000
1986	662	859,000
1994	811	1,259,000

Source Urban Community Development Report, 1995.¹⁸

creating eight new residential colonies with 5,000 houses for middle- and low-income groups. CIB's counterpart in the adjacent Secunderabad area (now part of Hyderabad city), was the Town Improvement Trust (TIT), which constructed 12,000 houses between 1931 and 1950.

After formation of Andhra Pradesh State, The Andhra Pradesh Slum Area Act of 1956 was enacted. This law is still in force without any major amendments and under the provisions of this Act, the government can notify areas which are low-lying, disease-prone, or congested, as a slum. Once an area is notified as a slum, there are two possible options before the government. If the area is considered as unsafe/hazardous the people have to be shifted immediately, or, if the land is considered as safe/non-hazardous, the tenurial rights are granted to the inhabitants after due process. The process is simpler if land on which the slum is located belongs to the government, but if it is located on private lands like most of the older slums did, the government has to acquire it from the owners and then distribute titles.

Government initiatives to upgrade slums in Hyderabad have met with varied degree of success. The major schemes were Slum Clearance Scheme, Slum Improvement Programme, Environmental Improvement Scheme, Housing Scheme for urban poor, Integrated Urban Development Programme, Hyderabad Slum Improvement Project and the Urban Community Development Programme (UCD/UCDP). UCDP has been the most effective so far for various reasons. The project delivered about 20,000 pattas and upgraded 12,000 houses since it was started in 1967.¹⁹

The spurt in the number of notified slums between early 1970s and mid-1980s can be attributed to UK Overseas Development Agency (ODA) aid for their Slum Improvement Program. The funds from this programme were utilised by UCDP in the Municipal Corporation. To access the funds under the programme the slums had to be notified, without which there was no legal sanctity to their existence or a provision to allocate and spend money for their development. This programme and the huge sums of money allocated was one of the key facilitators for large number of notified slums.

After funding under this programme expired, in mid-1990s, UCDP stopped the notification of slums. The last notification of a slum in Central Hyderabad was in 1994. Later, the notification powers were transferred to revenue department with a view to speed up the process but it never exercised the same.

The funding for the schemes of the UCD Cell has recently gained statutory provision (as UCD and Services Fund) and is constituted of 10 per cent of the total property tax collection of the MCH and 30 per cent of the per capita grants received from the state and central governments. This statutory provision has been made in pursuance of the 12th Schedule of the 74th Amendment to the Constitution, 1994, which envisages urban poverty alleviation as a legitimate function to be undertaken by the local bodies.

The process of slum notification is a complex process of negotiations between people, municipal officials, revenue officials, politicians, private land owners on which the slum developed, and so on. The motives are equally complex—securing votes in elections, access to project funding, real estate market pressures, pressure from agencies getting contracts for the works sanctioned in slums, and so on. The ever changing government policies, guidelines and rules contributed very effectively to the chaos. (Table 7.2)

Another reason why slums were being notified even when they were in reality, encroachments on private properties (at least two-thirds of notified slums in Hyderabad had come up on private properties) was the existence of ULCRA (Urban Land Ceiling Regulation Act, 1976). This Act placed a limit on extent of land that can be owned by individuals residing in urban areas (in the case of Hyderabad the limit was 1,000 sq yards). Large tracts of land owned by erstwhile noble families and land holding class of Hyderabad could not be openly claimed by them due to the fear of dispossession. This Act was a blessing in disguise for urban poor who could not find affordable land.

TABLE 7.2
Programmes, Schemes and Government Rules with
Implications for Slums

1961	Banned the granting of <i>pattas</i> for government land within 10 miles radius of the limits of MCH. (G.O. Ms. No. 1122, Revenue dept., dated 29-6-1961).
1967	The Urban Community Development (UCD) Project in MCH was sanctioned as a Government of India (GOI) Centrally Sponsored Scheme in one ward with a population of 50,000. The contribution of fund for the project was in the ratio of 2:1:1 by the Centre, State and the MCH respectively. (G.O. Ms. No. 583, MA., dated 20-9-1967).
1969	The UCD Scheme was transferred to the state sector funding and the funding was contributed half by the state and half by the MCH.
1974	Two more UCD projects sanctioned under state funding.
1976	UNICEF funding for UCD schemes (along with the state and MCH funds).
1976	Slum improvement and slum housing were included as part of the UCD programme, with a view to improve their living conditions and help them to construct <i>pucca</i> houses with loans from banks/ HUDCO on plots/land holdings when <i>pattas</i> were assigned to them. (G.O. Ms. No. 88, Housing, dated 26-10-1976 and G.O. Ms. No. 526, MA, dated 18-11-1976).
1979	Weaker Sections Housing Scheme was started. The Andhra Pradesh State Housing Corporation Limited was established to formulate, promote and execute housing schemes for the weaker sections of the society in the state.
1980	50 slums were listed as 'objectionable'—to be shifted to new locations where minimum infrastructure was to be provided and building of houses was to be facilitated. The ban on granting <i>pattas</i> as per the 1961 G.O. was removed. All eligible squatters/encroachers on government land were to be given <i>pattas</i> if in unobjectionable slums and were to be allotted alternative sites if occupying objectionable slums. Each encroacher was to be given up to 50 sq metre of land and if occupation of land was more than 50 sq metre the market value was to be collected for the portion in excess of 50 sq metre. (G.O. Ms. No. 3250, Revenue (L) dept., dated 24-7-1980).
1981	Of the 50 slums classified as 'objectionable', 30 were reclassified as 'unobjectionable' and one previously 'unobjectionable' slum was reclassified as 'objectionable'. (G.O. Ms. No. 1520, Revenue (L) dept., dated 01-10-1981).

(Table 7.2 Continued)

(Table 7.2 Continued)

1981	UCD proposed to construct (under the Habitat Slum Housing Programme) 10,000 houses in slum areas by obtaining loans from HUDCO. In the first phase it was proposed to build 3,955 houses in 26 schemes by taking a loan through the Andhra Pradesh State Housing Board with a state government guarantee. (G.O. Ms. No. 268, MA., dated 01-10-1981).
1981–83	The Hyderabad Slum Improvement Project Phase–I was initiated by the MCH with a proposal to develop 228 of the slums in two years with its own funds. However due to paucity of funds, only sporadic development of amenities could be taken up in 156 slums at about a fourth of the budget originally proposed. Out of 455 notified slums, 142 were covered under the Environmental Improvement Scheme (EIS) (a Five Year Plan activity that is budgeted and funded under the five year plans). The scheme envisaged the involvement and participation of the local people.
1983–89	The Hyderabad Slum Improvement Project Phase–II was taken up for the improvement of 210 slums. This time the financial outlay was enhanced due to the assistance from the ODA, United Kingdom.
1983	Under the Permanent Housing Programme, permanent houses were to be built in place of the ‘hutments’ scheme being implemented in the ‘sites and services’ programmes until then.
1989–96	The Hyderabad Slum Improvement Project Phase–III was taken up for the improvement of 300 slums. Per family expenditure norm adopted under this phase was Rs 4,000 and in addition to physical infrastructure the development programmes covered socio-economic as well as health activities. This phase also received financial sanction and assistance from the ODA, United Kingdom.
1989	Establishment of the Andhra Pradesh State Urban Development and Housing Corporation (APSUDHC) to cater to the development of urban areas with a special emphasis on housing in the slums and other areas occupied by the poorer sections of the society. The APSUDHC was to implement in the urban areas, the state government’s programmes of providing shelter to the weaker sections of the society, viz., Urban Permanent Housing Program (UPHP) and Shelter Up gradation and Scheme for Housing (SHASU). (G.O. Ms. No. 98, MA., dated 03-3-1989).
1993	Under the EWS housing scheme (started in 1981) undertaken by the MCH, 13,128 units were grounded in 95 slum areas, of which 10,000 houses were completed in all aspects. This housing programme was transferred to the Collectorate, Hyderabad. The district collector who is the Executive Director of the district level office of the

- Andhra Pradesh State Urban Development and Housing Corporation was made in charge of the implementation of the programme including planning, execution and monitoring of the programme.
- 1997 The Andhra Pradesh State Housing Corporation Limited (APSHCL) becomes the apex agency for all public schemes for the weaker sections. The Andhra Pradesh State Urban Development and Housing Corporation's activities and programmes are transferred to the APSHCL.
- 1998 A new category of dwelling unit named 'Township House' is introduced by the APSHCL. The cost ceiling for such 'Township Houses' is specified as Rs 50,000. This represents the net cost of a 24 sq. metre (plinth area) tenement completed in all respects, in a multi-storied building, including the cost of land, and the floor space, including common facilities such as the staircase and the corridor.
- 1998 'Policy Guidelines for Weaker Sections Housing in Urban Areas' identified certain problems such as selection of genuine beneficiaries, unnecessary interference by middle men, frequent sale of assigned house sites, low level of beneficiary participation, scarcity of funds to provide civic amenities, inadequate unit cost specifications for purposes of grant of loan, and so on, and established an 'Empowered Committees' at the district level which shall co-ordinate and monitor all the schemes in the respective districts in such a manner so as to overcome the identified problems.
- 1999 Relaxation of norms to expedite housing scheme in Hyderabad City. Wherever shelter up gradation programmes are taken up in existing slums, to enable such schemes, particularly where re-organisation of plots is resisted, the modified minimum plot size of 24 sq. metre has been permitted. The width of the internal roads also may be modified to the extent necessary instead of the otherwise minimum specified (6 metre) as long as it is motorable. Also, the layout open spaces may be reduced to 5 per cent instead of the stipulated 10 per cent.
- 2001 3,30,050 houses have been constructed by the Andhra Pradesh State Housing Corporation so far under the urban housing programme. Out of these 18,025 houses were built in Hyderabad. This figure excludes the 13,128 dwelling units built by the UCD, before the APSHCL. As per revised guidelines, houses are being allotted in the name of woman beneficiaries, wherever feasible.

Source Adapted from Adusumilli, U. 2001. 'Regulatory Guidelines for Urban Upgrading: Hyderabad, India', paper presented at International Workshop on Regulatory Guidelines for Urban Upgrading, Bourton-on-Dunsmore, 17 May.

Housing for Poor in Hyderabad

The availability or lack of it in terms of housing for poor in Hyderabad is highlighted by the statistics given in Table 7.3.

TABLE 7.3
Housing Data 1981–1991—HUDA Area

<i>Parameter</i>	<i>1981</i>	<i>1991</i>	<i>Rate of change</i>
Occupied residential houses	4,91,713	8,21,508	+67%
Households	51,727	8,39,421	+62%
Population	2,993,587	4,665,950	+55.86%
Persons per house	6.09	5.68	0.41
Persons per household	5.79	5.56	0.93

Source A Plan for Sustainable Development—Hyderabad—2020, Draft Master Plan for Hyderabad Metropolitan area, Hyderabad Urban Development Authority (HUDA).

The demand in 1991 for housing was pegged at around 2,00,000 (HUDA Draft Master Plan 1994) out of which the demand for EWS and LIG housing comprised roughly 1,50,000 units.

As per estimates, in 2001 the population for HUDA area was 63.83 lakhs. This shows that the decadal increase has been 17 lakhs from 1991 population. By 2021, it is expected to be around 136.43 lakhs and the demand till 2021 is approximately 80,000/year to remove backlog and replacement of old buildings demand.

Supply Agencies for Housing the Urban Poor

Government agencies

In the early days of planning, UCD and TIT were responsible for providing housing to urban poor. Later on it was taken up by A.P. Housing Board and HUDA. Currently, the unwanted burden has been shifted to APSHCL and the District Collectorate offices of Hyderabad and Ranga Reddy (Ranga Reddy district encircles the city of Hyderabad). APHB and HUDA are currently restricted to identification, acquisition/removal of encroachments of land and auctioning the same after providing facilities like roads, drainage, water supply, and so on.

This method of raising finances has been criticised vehemently by many. Unfortunately, the powers that be, in the state have not retracted

from this *modus-operandi*. The amount of land allotted either free of cost, or at nominal rates, or auctioned off in the last four-and-a-half years is close to 15,000 acres in areas in and around Hyderabad. Generosity displayed by the state in these allotments is alarming, considering that the asset being given away is of a permanent nature. The option of leasing out land has rarely been exercised. Land has been given away in certain cases for amounts less than Rs 50,000 per acre.

The nature of investments, objectives and activities occurring or intended to occur in these lands is quite diverse—software companies, semiconductor manufacturing industries, computer hardware manufacturing units, apparel units, multi-product SEZs, pharma SEZs and units, leather industry, hospitality industry, educational institutions, and so on.

In many cases it has been seen that the government is the one who is actually more eager to give away land to ensure that the proposed activity is grounded. The example of Georgia Institute of Technology (GIT) at Mucherla village in Ranga Reddy district is a classic case. When the proponents sought 50 acres of land for setting up a University, the government suggested that they turn it into a multi-services SEZ and allotted them 250 acres of land at a mere 8–9 per cent of the market value!²⁰ There are many examples like this where land has been doled out indiscriminately. Another project where prime land is handed over is the proposed Metro Rail Project which is attracting lot of criticism for lack of transparency and heavy subsidies linked to real estate business. Two Hundred Seventy acres of prime land in the heart of city are being handed over for a period of 35 years with an option of renewing the lease for a further 32 years.

APSHCL has so far (since 1983) built about 18,000 units for slum up gradation in Hyderabad. The norms of APSHCL specify a cost ceiling of Rs 30,000 per house in Hyderabad for the EWS category, considering a subsidy of Rs 3,000, a loan of Rs 25,000, and a beneficiary's contribution of Rs 2,000. The upper limit of income for an individual to be registered as a beneficiary was stipulated as Rs 18,000 per annum. Where the existing densities do not permit all ground floor structures, the buildings are constructed in two or more floors. The cost ceiling enables only the grant of land tenure and the building of the RCC frame structure for the multi-level tenements. The beneficiaries are then expected to build the walls/envelope on their own. In such cases, the experience shows, that the beneficiaries do not complete the dwellings for various reasons and therefore, they remain unoccupied. The local body is expected to develop the infrastructure networks and provide the other services.

The current approach to housing being evolved by the APSHCL is to take over the ownership of a piece of government land through official transfer, develop the infrastructure networks, build the tenements and sell the units. This would make the project integrated and ready for occupation. The cost ceiling for such ‘Township Houses’ was initially specified as Rs 50,000. Due to the increase in the cost of land, infrastructure development and construction, the cost ceiling of such ‘Township Houses’ has been increased to Rs 100,000. The net cost of a 24 sq metre (Plinth area) tenement completed in all respects, in a multi-storied building is thus estimated at about Rs 100,000 at current prices. This includes the cost of land, development of on-site infrastructure and construction of floor space.

After Congress government came to power in 2004, it was announced that 1 lakh houses in Hyderabad and 1.50 lakh houses in Ranga Reddy would be built. Due to scarcity of land and extremely high prices, the Government banned issue of *pattas* in these two districts and cancelled 1,600 *pattas* issued by the Telugu Desam government. When the revenue department conducted survey in October 2007, the housing demand in Hyderabad was for 2.40 Lakhs.

Under JNNURM, 49,000 houses were sanctioned in Hyderabad—only 5,000 have been completed and even when completed have not been allotted to beneficiaries in many cases. It is due to various reasons like, pending litigation on land, allotment of single tenement to multiple beneficiaries and consequent litigation, poor quality of housing due to which allottees are rejecting the units, and so on.

A major factor for the people not being receptive to government housing projects is the distance of relocation. In majority instances, the alternative housing being allocated to slum dwellers is far away from their original place of habitation. The new place also cuts out access to their old jobs and is a major dampening factor.

Most of the new projects being announced for providing housing to EWS and LIG housing are on the outskirts of the city. Instead of being developed on lands freed up after slum removal, they are being shunted away to far-away places with no access to basic amenities like, clean water, sanitation, schools, electricity and, most importantly, lack of access to a livelihood. It would appear that the government is not interested in removing poverty; instead it seems only interested in removing the poor from the main city. By default, dislocation happens under the guise of relocation and hence the opposition.

Private sector

Supply of serviced land for housing is mostly done by private real estate agencies which prior to 2008 were under no obligation to provide housing to poor. The supply by private agencies is mostly by way of large plots of land and apartments for the upper middle and higher income groups. Prior to 2008, no urban development or municipal legislation in Andhra Pradesh had any specific concessions for the urban poor.

The role of public agencies like Andhra Pradesh Housing Board and UDAs is insignificant in terms of number of houses constructed. A small sample survey was made by Confederation of Voluntary Agencies (COVA) an NGO, of HUDA approved residential layouts and the following details emerged:

An average plot size of 273 sq metre (350 sq yards) is far beyond the reach of most salaried persons even in the upper-middle-income groups. All others therefore depend on the supply from developers who sell plots with/without development of amenities and without taking permission from the UDAs and local bodies. These are commonly classified as unauthorised layouts. The main motivation for unauthorised layouts is the low cost compared to land in authorised layouts. A history of government regularising unauthorised layouts on payment of penalty on occasions helps. The latest regularisation drive of layouts is in progress, spread across the length and breadth of urban Andhra Pradesh and will help the middle and upper-middle classes only, without much relief for lower-middle class weaker sections.

Reforms and Policy Changes

The progression of government policies and projects is a mixed bag of tall promises and short achievements. On one hand a slew of projects and reforms intended to address the housing shortage are being announced, whereas, the end results are counter-productive.

The plan budgets for EWS and LIG locations are increasing while spending is stagnant or going down. The plan allocations and actual utilisation are a conclusive proof that the promises are far from being implemented. The allocation and spending disparity is clearly reflected in Table 7.4 which shows the spending of UCD project wing of Greater Hyderabad Municipal Corporation (GHMC) which is responsible for creating and developing infrastructure for urban poor in Hyderabad city.

TABLE 7.4
Budget and Spending Comparison of UCD Funds (in Lakhs)

<i>Year</i>	<i>Amount budgeted</i>	<i>Actual amount spent</i>
2002–2003	3,990	1,420
2003–2004	2,150	900
2004–2005	4,537	1,175
2005–2006	7,880	2,250

Source Information received under Right to Information Act.

JNNURM, the flagship programme of UPA for urban revival has been touted as the cure to ailing cities and has been aggressively pushed across the length and breadth of urban India, and Hyderabad is one of the seven major cities apart from 56 other smaller cities to be covered under this scheme. The total finances expected to pour in, into Hyderabad at the end of seven years of the mission are more than Rs 20,000 crores. This mission mode project has been launched in December 2005 and is a seven-year programme.

Under this programme, the central, state and local (municipal corporation) governments are expected to invest in key projects to help in the revival of cities facing a lack of funds and hence unable to develop. The central government's share is a grant. The programme has certain key policy and legislative changes which are mandatory. It is claimed that these changes will improve the finances, governance and growth of the city and help in the overall economic resurgence of the areas. The claims, however, are falling woefully short when counter-posed against the reality.

A City Development Plan (CDP) is mandatory for any city to access funds under this mission. The CDP comprises sectoral plans for the identified sectors for a time horizon of 20 years outlining policy framework and investment interventions to achieve the vision.

The document titled 'Guidelines for Project Proposal' issued to all the cities involved, clearly states the following:

The origin of project concepts is expected to be done by the concerned urban local body (ULB) governing the eligible city. The proposal for every such city is to be prepared by the concerned local body governing the city and/or the State government and through a consultative or participatory process with community participation.

—Jawaharlal Nehru National Urban Renewal Mission²¹

According to guidelines issued, the CDP should have emerged as a result of bottom-up discussions. The opposite has happened in the case of Hyderabad city. An existing City Development Strategy (CDS) document which was the product of UN-HABITAT project was used to prepare the CDP. CDS was prepared with minimal citizen participation.

Key objectives of CDP are:

1. Enhancing city productivity
2. Reducing poverty
3. Improving urban governance and
4. Enhancing financial sustainability

The CDP which thus emerged out of CDS was equally insensitive to demands from the voiceless urban poor.

The evaluation of CDP by National Institute of Urban Affairs (NIUA) came to the same conclusion but was very diplomatic while stating so (see Box 7.1).

BOX 7.1
Stakeholder Consultations—False Justifications

The CDP for Hyderabad gives the process of CDP preparation. It indicates that the consultations were broad-based and included representatives from different sectors, different interest groups and different sections of the society. However:

- The CDP Process shows that the draft CDP was prepared first (by the different agencies involved in service provision) and then approval was sought for the CDP through stakeholder consultations.
- If the plan did not get the approval of the stakeholders then it goes back for revision.
- The preparation of CDP (under JNNURM) was expected to follow the opposite process where the CDP was expected to evolve from the consultation process.

However, if the CDP, thus prepared, was discussed with stakeholders and the CDP modified accordingly to include their opinions and ideas, the CDP can be considered as having been prepared through a consultative process.

Source Appraisal of City Development Plan Hyderabad, March 2006 by NIUA.

The reforms have actually created a situation where urban land is prominently the key growth engine. This growth engine, unfortunately, drives events which result in benefits accruing to a minuscule proportion of the population.

An analysis of major developments in the recent past triggered by JNNURM will help one in understanding things better.

Repeal of Urban Land Ceiling and Regulation Act (ULCRA), 1976

As mentioned earlier, the purpose of this Act was to secure land for all in urban areas by limiting the amount of land that can be owned by an individual in an urban area. The limit fixed in Hyderabad was 1,000 sq yards per person. This Act was never implemented in the right spirit due to clout of landed class who were in key positions to influence the enforcing mechanism to go slow. However, to its credit, this law did help in freeing large tracts of urban land from the clutches of few people.

The land thus freed up helped in keeping the land prices in check. The landed class, however, did resort to a multitude of ways to escape from this Act. Land was registered in names of proxy persons, joint properties were sub-divided into numerous units, multiple registrations in the name of same person which could not be checked due to an outdated system of land registration, and so on.

As part of mandatory reforms to be implemented by any city/state intending to access funds from the central government under this programme, ULCRA had to be scrapped completely. Andhra Pradesh government has accordingly repealed the Act, in March 2008. The government has announced a scheme for regularising lands held in violation of ULCRA before the repeal and not surprisingly, applications requesting for regularisation to the tune of 18,000 acres have come in Hyderabad city alone. Apart from these, another 28,000 acres of land in various stages of litigation in different courts of law will also escape from the application of this law.

The huge amount of land clearly shows that the Act has never been implemented fully and that the landed gentry have escaped from its provisions by various methods and means. In contrast, the land requirement for EWS and LIG housing in Hyderabad and surroundings is only 3,400 acres till 2021. While the government has been busy allotting land to corporate industries to the tune of 15,000 acres, the poor, searching for housing have been suffering.

Government announced Rajiv Swagruha programme with much fanfare to cater to the demands of lower-income and moderate-income classes of people. In Hyderabad alone, the programme received more than 60,000 applications which are not processed even after two years due to a shortage of land availability in the city and surroundings. The scrapping of ULCRA will make availability of land much more difficult as there is no legal obligation anymore, to surrender land. The state of affairs clearly reflects the priorities of ruling class—rich over the poor.

Earmarking at least 20–25 per cent of developed land in all housing projects (both public and private agencies) for EWS/LIG category with a system of cross subsidisation

As per this reform requirement, the local bodies and government had to ensure that at least 20–25 per cent of developed land in all housing projects is allocated to EWS/LIG categories. The legal requirement was fulfilled by incorporating some provisions into the Master Plan of Hyderabad vide G.O. Ms. No. 288 Dated: 3 April 2008. While the requirement was to allocate 20–25 per cent, the government fixed the limit at 15 per cent (5 per cent for EWS and 10 per cent for LIG). This is a huge cut of 5–10 per cent in land allocations across the city and is a huge loss against which there was no informed debate/opposition. The realtors on the other hand have raised a hue and cry and have challenged the Master Plan provisions in the High Court of Andhra Pradesh claiming irreparable damages if it were to be enforced. While the case awaits adjudication the government has further modified this G.O. through G.O. Ms No. 526 Dated: 31 July 2008 and reduced it to 10 per cent (5 per cent for EWS and 5 per cent for LIG). At this point an intervention petition has been filed in High Court by groups working for Housing Rights on the need to enforce G.O. 288 as per the agreement signed with central government under JNNURM. The case awaits a decision.

Both the G.O.s show a nexus of politicians and bureaucrats with real estate developers and attempts to undermine the efforts of reforms. Unfortunately the central government which could have immediately stopped/suspended funding the project for non-compliance has not taken any action in spite of repeated appeals. This clearly shows preferences of the ruling class which are against the urban and unsheltered poor.

Forced relocation to new housing projects

Since 2005, after the launch of JNNURM and the massive funding for urban poor housing, most of the notified slums, along with many squatter settlements in Hyderabad, are facing the threat of eviction. This pressure of eviction is increasing because of the repeal of ULCRA due to which the dormant original landowners are increasing their attempts to 'reclaim' their land. The magnitude of the problem is understood when one realises the fact that nearly two-thirds of slums in Hyderabad are located on private lands.

The threat is from various quarters like local real estate developers and land mafia and bureaucrats under pressure from their superiors to meet the targets for the housing programmes initiated with JNNURM funding.

A large number of people in notified slums do not want to move out because of the organic linkages they have developed over years with their neighbourhoods. The relocation and resettlement sites have been till now only on the outskirts of the city, in spite of demands to locate the new housing stock in the same area of present settlement. This is due to the fact that most of them are located on lands of high real estate value. The lands for resettlement projects are relatively cheaper being on the outskirts. The whole process is intended to unlock the value of land by dispossessing the poor who are in possession of it.

The average distance of relocation has been around 17 km and most of the relocation sites do not have sufficient access to civic amenities. The new housing projects have a standard G+3 (Ground+3 floors) model design which does not give them the flexibility of their earlier homes in terms of maximisation of potential of space by innovative and creative designs. Further scope for additional built up area does not exist. The design of these houses is insensitive to requirements of women and the elderly.

Access to public transport is minimal in the current scenario and the future public transportation projects will also bypass these areas. This makes them highly dependant on private operators which is very expensive. In some instances the expenditure on transport to work and returning back home is as high as 22 per cent of the daily wages! This coupled with other reasons like lack of access to healthcare, education and fear of termination of existing opportunities of livelihood, severance of existing social networks and lack of political leverage in the new area, makes the slum dwellers extremely reluctant to move to the resettlement colonies. One other major factor is the quality of construction of the new housing

stock—which is very poor. There is however on the other hand a large segment of slum dwelling population which does not have any shelter. This segment feels that it need not repay for the new houses in future and is willing to migrate to these new dwellings.

Instead of offering urban poor the property rights and the freedom to design and build their own homes at their own pace and within their means, the governments are pushing them towards schemes and housing plans which take away their rights and subjugate them to very long mortgages.

Conclusion

It can be summed up that in the present neoliberal scenario the major focus of capital—local or global—is urban land. The link between urban land to livelihood a slum dweller's, middle-class plot/house owner's or a peri-urban farmer's is being severed remorselessly in a very systematic manner, putting millions of people to undue hardship and agony. The present governments are nothing but co-opted members of these capitalistic forces and have distanced themselves from the plight of the common and poor communities and are busy in either doing or not doing things which harm these vulnerable and voiceless communities.

Housing for poor (linked to land and real estate business) in Hyderabad has been neglected over the years and more so in the recent past. Agencies which were supposed to have built and delivered housing stock to poor have fallen woefully short in catering to the demand. Instead of correcting this trend, recent governments have allowed and abetted this trend. By not utilising provisions incorporated in laws like ULCRA which try to redistribute scarce resources like urban land in equitable manner, the governments seem to have done away with the directive principles of Constitution of India and have consciously moved away from the concept of a welfare state.

Citing scarcity of land for housing urban poor and simultaneously gifting away urban land at nominal rates to rich corporate entities reeks of double standards at the highest level.

The neoliberal reforms being pushed through under the guise of urban renewal in the form of JNNURM, Housing Reforms, and so on, are pushing urban poor to the brink by severing the social ties and tearing apart their livelihoods.

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8

Reconfiguring Power Relationships: Policies towards Urban Services in Mumbai

Marie-Hélène Zérah

Introduction

The processes of liberalisation, globalisation and restructuring of capitalist forms of production have not annihilated the importance of space and geography. On the contrary, these transformations favour economies of agglomeration, leading to concentration in large cities due to the importance of interpersonal relationships, the need for proximity and the insurance role of cities.¹ As Sassen² argues, cities are today's strategic places embedded in a hierarchy, where 'global cities' concentrate command and control functions. The number of global cities are limited but many others aspire to climb the ladder, among them many 'global city regions'.³ This concept of 'global city regions' is more encompassing as it includes large metropolitan cities that share common processes and are not necessarily characterised by holding central and command functions in the world economy. It highlights a number of processes, in particular, the changes towards polycentric urban spatial forms and increasing inequalities. These are ongoing processes in Indian cities according to Kennedy and Ramachandraiah.⁴ Nevertheless, these two authors also draw our attention to the specificities of Indian cities such as the lack of integration in the world economy, the relative absence of urban planning at the metropolitan level, and the weakness of local elected councilors. In this context, the impetus to 'globalise' Indian cities most often results from the states through strategies and plans (often called visions),

aggressively marketed to reap the benefits of urban economic growth through their capital cities (Bangalore for Karnataka, Chennai for Tamil Nadu, Hyderabad for Andhra Pradesh and Delhi).

Mumbai, though interestingly the most global city-regions of all Indian cities⁵ seems to have joined this competition later, both in terms of proposing its image of a future 'global city' and in defining a reform agenda. Despite losses in employment in financial services and a rise of unemployed informal labour force in the last decade, the government of Maharashtra wishes Mumbai to compare with Shanghai through the expansion of its banking and finance services and the development of high-end services (with the potential of special economic zones) as well as dynamic sectors such as IT, tourism and health services. In order to succeed, there is an 'adopted' agenda, that emanates from a business think tank report (the Vision Mumbai document), later re-appropriated by the state government (the Task Force report). This process is also supported (even though contested in some aspects) by a vocal globalised middle-class. The importance given to the ongoing reform agenda also suggests a change in the political economy of the state and an acknowledgement of the potential roles of cities as engines of growth. A basic premise of the reform agenda is that infrastructure is facing a major crisis and hampers growth. Expanding and improving the state of infrastructure, especially the large technical networks such as transport primarily but also power and water, is seen as the backbone for sustaining economic growth, increasing mobility and improving the quality of life for Mumbai and its agglomeration.

The starting point of the chapter is to consider that urban public services and the new modalities of providing them are a good entry point to understand the new geometry of powers in Mumbai that partly shape this reform agenda. The existing literature on urban services reforms has mainly dealt with questions of efficiency on the one hand or on impact on the poor on the other hand. Less attention has been given to the impact on urban physical spaces and urban segregation and even less to the understanding of the changing power relations in cities and the emergence of the middle class. The purpose of this paper is therefore to address some of these issues, through the lens of the changes noticeable in the governance of urban services (water, solid waste management, electricity distribution). A specific context in Mumbai has led the corporation to devise a number of schemes involving private operators and participatory programmes both in middle-class areas and slums.⁶ Consumer groups have also organised to take part in the debates surrounding the re-organisation

of the electricity distribution sector.⁷ In this chapter, we focus specifically the attention on the ability of inhabitants to derive benefits or not from these programmes and to put forward their claims on governance and public space. The main questions are: What are the main conceptual changes in the governance of urban services in the ongoing process? What are the impacts of participatory programmes in middle-class colonies? Does it lead to the setting up of new claims and which is the basis for these new claims? What are the impacts of participatory programmes in slums? Is there a process of empowerment and self-employment as propelled by the government? Finally, what are the consequences of both processes in a disjunctive democracy where there is a ‘discrepancy between form (the formal status of citizenships) and substance (the substantive rights people exercise)’.⁸

Placing the Discourse on Urban Services within the ‘Mumbai Transformation Project’ Context

Even before the adoption of the new vision for Mumbai, changes have occurred in relation to the provision of urban services with the unbundling of the power sector and a focus on community participation to provide basic amenities.⁹ However, the strong commitment demonstrated in the last few years by the Government of Maharashtra (GoM) has generated both a debate and a ‘corpus’ of documents, which make explicit the directions taken. One needs to make explicit the strategies regarding the modalities of service provision, as it is one of the ‘pillar’ of the strategy to restructure the functioning and the economy of Mumbai and to make it at par with ‘Shanghai’ in this sometimes called Shangaïisation process.

A first important landmark is the publication in 2004 of the Vision Mumbai report by the consulting firm McKinsey. This report was commissioned by Bombay First, a think tank of industrialists that represents the business interests of the city (more than 80 public or private companies are members of Bombay First). This report has three main objectives: identifying the existing infrastructure backlog, assessing the levels of investments required to be at par with performing Asian cities and making a number of suggestions to improve the situation. It estimates that Rs 200,000 million crores¹⁰ are to be invested during the 2003–13 decade. However, only the summary report is available, which makes it impossible to validate or not the basis for these calculations. This figure as

well as the philosophy of this report was presented to the GoM that decided to act upon it. It was taken up almost word for word in an official document, the 'Task Force Report', which stands as the official policy of the government. This shared vision is to 'Transforming Mumbai into a World Class City with a Vibrant Economy and Globally Comparable Quality of Life for its Citizens'.¹¹ For this purpose, five pillars are identified: strategic planning and finance, housing, physical infrastructure, governance and economic growth. Despite a rhetoric highlighting the need to provide low-income housing and to build an inclusive city, the plan suggests to develop high-premium spaces (office and residential complexes) with end to end transport connectivity, to relax land use control and to redevelop large chunks of land such as developing the sea front into a modern complex and to make Mumbai a consumption centre. Critics have been numerous, especially regarding the elite bias of the plan (see other contributions in this issue), the focus on private transport over public transport¹² and the overreliance on public-private partnerships. Further, one can be critical of the absence of clear assessment of the infrastructure need (including investment) based on sound economic scenario. If this policy is inspired by the growth model of other Asian cities, based upon the capture of the land market rent to fund infrastructure and on city-centre redevelopment as well as the planning of the sea face, the modalities of the policies are not yet properly identified and defined.

Our focus here is to understand what are the policies for urban services provided in the context of Mumbai by the MCGM (Municipal Corporation of Greater Mumbai). The GoM document clearly mentions: 'We believe that MCGM should play the role of regulator rather than the provider of services,'¹³ indicating a shift in the role of the urban local body. This policy is more clearly explicated in the document of the governance subgroup of the Mumbai Transformation Support Unit.¹⁴ This document reiterates a number of directions. First, the public sector should be an enabler that sets standards, designs objectives and monitors them rather than a producer of services. Second, the text brings a strong focus on citizens to improve local governance. Third, it acknowledges the limits of the democratic decentralisation and insists on increasing the powers of ward committees and on the deconcentration of administrative powers at the ward level. This leads to an emphasis on the improvement of service-delivery mechanisms that could be brought in with private partnerships or citizen's involvement; the promotion of a 'customer focused governance' with increased transparency and accountability. This document, which contains other proposals (property tax reforms, new institutional set-ups) reflects the role that the GoM still retains in guiding the policies of the urban local bodies.

Nevertheless, it is not in contradiction with the policies of the municipal corporation itself, which has focused part of its transformations on the development of e-tools, benchmarking and evaluation tools, the increased reliance on private operators, especially for solid waste management as well as the involvement of participatory practices for garbage collection, management and ‘adoption’ of parks.¹⁵

What are the underlying values of these new modes of service provision? First of all, there is an ongoing process of commodification. We insist here in differentiating commodification from privatisation. Commodification strictly relates to the introduction of commercial and market-based principles in the management of user services and can occur with public service provision. For Mumbai, at this point of time, it mostly implies that very few urban amenities remain free, especially since the introduction of participatory schemes is based on a financial contribution from users. In the case of water, many analyses underscore the need to increase water charges. Indeed, there are real critical issues related to the financing of the cost of urban services, especially for water as cost increases with new and further away resources. Nevertheless, the issue of affordability still remains very crucial, especially as poor users have to face new user charges (for toilets, garbage collection) as well as augmentation of some of their bills, in particular for electricity. This is also linked to a second common argument that denounces the (real) distortive effect of subsidies that favour the non-poor connected to a service. This weak efficiency of subsidies is demonstrated and can call for a restructuring of subsidies¹⁶ but a rapid phasing out of those subsidies linked with a corporatisation process would undermine redistributive policies, especially in Mumbai where electricity distribution does subsidise public transport.¹⁷

Second, there is a discourse to transform institutional set-ups. It promotes primarily corporatisation¹⁸ and the introduction of small private operators rather than ‘orthodox’ privatisation. By orthodox privatisation, we refer to contracts involving large-scale private operators, through concession or delegated management contracts. Part of the transformation of the institutional set-up also relies on accountability and transparency, implemented via partnerships with non-governmental organisations. Thus, a double process of corporatisation and ring fencing as well as subcontracting are the main tools to reform the public sector at this stage for the public urban services. As such, it demonstrates a different path compared to the privatisation seen in other countries and reflects a specificity of Indian cities, where no large private contracts were awarded to international infrastructure firms as compared to other Asian and Latin American cities.

Implementation of New Modalities in Governing and Managing Urban Services

However, this shift towards new service delivery mechanisms is related to the acceptance of the 'good governance agenda' that is partly based on the stand that public sector's functioning is deficient and not able to deliver. Therefore, the foundations of reforms are inscribed in a tryplich of decentralisation-participation-privatisation¹⁹ also inspired by neo-institutionalist economic thought that gives importance to institutions, recognises the importance of incentives, credible institutions and enforcement of contracts. In Mumbai, the challenge to improve existing services and to expand them to the growing suburbs, while the performance of the administrative machinery is insufficient, has led to a proliferation of 'new programmes' by the municipal corporation.

In Mumbai, the first panel of the tryplich, that is, decentralisation is afflicted with major flaws. In the domain of the urban local body per se, political decentralisation remains limited despite a process of democratisation due to seat reservation, especially for women.²⁰ Even though, contrary to most other Indian cities, NGOs are participating in ward committees, they have mostly been selected on the basis of clientelist relationships, thereby limiting their potential role.²¹ Most importantly, despite a vibrant tradition of local political life, the role of elected councillors remains marginal as compared to the Municipal Commissioner. Regarding administrative decentralisation (or de-concentration), the urban local body still remains centralised and functions in a command and control manner, hampering a process of changes in the functioning of the administrative and elected machinery of the BMC. The study of solid waste management highlights the lack of decisionary powers at the ward level as well as the failing of regulatory and monitoring abilities. Further, inefficient deconcentration goes along with uneven management capacities at the ward level. In a context of more complex and differentiated policies according to sectors and social groups, it leads to a process of increased differentiation among wards.²² Regarding power, in the first place, reforms are actually driven by the centre and implemented by the state. Tariff fixing and the functioning of the sector (license authorisation, organisation of competition) is vested with the Maharashtra Electricity Regulatory Commission. On the one hand, it ensures a depoliticising process related to tariff issues and on the other hand, for the case of Mumbai, where the

set-up for electricity distribution is very specific, local authorities have no role to play. Even if reasons are to be found within some technico-economic characteristics of the sector, the lack of involvement of local leaders into these debates, especially in a context of tariff increases, is also an indicator of their weakness to raise larger issues for the city.

The second 'panel' of the tryptich, the role of private operators is often the most decried and resisted one. Interestingly, in the case of Mumbai, large scale internationalised private firms do not play yet a significant role.²³ There are directions towards trying to implement a management contract for water in one ward of the city, despite a failure to do so a few years ago.²⁴ This project is mobilizing a large 'antiprivatisation front', which partly underlines the difficulty to follow an 'orthodox' privatisation path in Indian cities. Nevertheless, this project is far from being approved. At the same time a more discreet form of privatisation is being implemented as a response to expand services via the number of small contracts awarded to small private operators (and even as we will argue later to community-based organisations). Garbage collection provides once again an example of this policy of partnerships, used in order to bypass the freeze on hiring, to have more flexible labour and to expand services to the suburbs. In one such scheme, private contractors have to collect garbage and sweep the roads. The contract has established costs and provides a fixed profit margin of 8.5 per cent. Incentives are therefore limited and this form of privatisation is in fact a case of subcontracting, rather than betting on the claimed potential innovations and efficiency gains of private operation.²⁵ Regarding power, the case of Mumbai is peculiar with three operators for distribution, one of them being a private company, the second one a municipal utility and the third one a parastatal. The main issue at this stage is therefore increased competition and its consequences. The directives of the regulatory commission indicate a push for competition with the possibility to provide second license to providers. The industrial consumers and even the large domestic consumers could benefit from such a system, especially as the regulatory commission favours a restructuring of the cross-subsidies structure but one can perceive trends towards cherry picking for power and increased prices for lower sections of the population.

The third 'panel' of the tryptich corresponds to the whole gamut of schemes revolving around the notion of participation, user's involvement and civil society engagement. Many schemes have been promoted in Mumbai by the urban local body both in residential and slum areas with a

number of premises. The first premise is that services can be co-produced in the sense given by Öström where ‘citizens can play an active role in producing public goods and services of consequence to them’.²⁶ A second premise is the positive belief in the communities’ social capital despite potential flaws and issues. Thus, Durlauf²⁷ warns against the enthusiasm around this notion by highlighting some of the ‘social bads’ it can generate. For instance, mechanisms that reinforce group behaviour can also lead to group heterogeneity and intergroup hostility (such as racism in an extreme case), where outsiders are not accepted. Kapoor²⁸ also demonstrates how participatory method when transferred to urban areas have some limits related to justice, legitimacy and inclusion as some leaders tend to capture decision-making processes that exclude some specific groups (the poorest, the women, for instance). A third premise is that users can participate financially and that in slums, in particular, beneficiaries of programmes need to contribute monthly to the payment of services. These three premises are present in two of the main schemes related to basic amenities in slums: the Slum and Sanitation Programme (SSP) for the construction of toilets and the Slum Adoption Programme (SAP) for the collection of garbage.²⁹ In these schemes, and others (such as the rehabilitation programmes due to transport infrastructure projects), importance is given to the NGOs, supposed to understand better the demand, to be able to develop a social approach and to act as a bridge with the municipality. In both SAP and SSP, community based organisations from the area itself are formed and have to maintain the infrastructure and collect fees for the service provided. Somewhat differently, but within the same conceptual framework of involving users, the electricity regulatory commission has given a voice to consumer groups during hearings. Similarly, the municipality applied its participatory approach in residential areas with the very prominent and well-known scheme of the Advanced Locality Management, where at the street level, users organise themselves to collect and segregate waste and coordinate with the administration for collection. As these policies strengthened in the last few years and are being pursued consistently, we wish here to understand their consequences in the political sphere. These programmes and new roles given to users of public services could also be analysed purely in terms of economic efficiency. However, we choose here to shift the focus to the political sphere and to understand what these apparently managerial new approaches to service delivery mechanisms contribute in shaping urban citizenship as well as reconfiguring power relationships.

Better Urban Services: A Trojan Horse for the Claims of the 'New Middle Class'

We shall mostly base our analysis here³⁰ on the Advanced Locality Management (ALM) scheme devised to improve the garbage collection situation in residential areas. This programme started in July 1997 is conceived as a 'citizen-MCGM partnership for environmental friendly waste management'.³¹ The ALMs are usually registered micro-level institutions representing one building, or a group of buildings covering one or two lanes. ALMs either get funds from donations or collect a fee from their members. They commit to organise door-to-door collection their area, to segregate their waste and to compost the biodegradable waste. In return, their complaints and grievances are considered on a priority basis to evolve a 'proactive administration' by the municipal administration.³² A detailed analysis of this scheme demonstrates that they act as pressure groups, especially with the local bureaucracy at the ward level. In doing so, they not only use institutionalised mechanisms such as monthly meetings at the ward office, but also rely on interpersonal relationships, access to bureaucracy and continuous visits to the ward office. In general, even though in more recent times one can notice a stronger capacity and wish to interact with local elected councillors, ALM leaders tend to bypass the elected leaders as they consider most of them as being corrupt, non transparent and not favouring their vision of the city.³³ Apart from their relative impact on cleanliness (at the micro level, though), one positive outcome of this programme is the process of formation of a technical expertise that can counter the previously undisputed authority of municipal officers. As they themselves put it, they play the role of a watchdog. However, ALMs are not spread evenly in the city. According to official figures, around 70 per cent of those ALMs are concentrated in six or seven of the 24 administrative wards, and especially in wards with a larger share of middle-class residents.³⁴ Furthermore, their ability to put pressure on the administration is correlated with their capacity in creating a collective force and to enforce collective bargaining. To do so, they have regrouped in larger associations or federations that enable them to be more numerous and to create a more solid network at their locality and ward level. This is the case in the very elite area of Juhu with two federations with a very active network. They disseminate news through a local newsletters, organise a Juhu festival. This enables them to coordinate most of the ALM work at the administrative ward level. In other wards, despite informal or formal network, collective bargaining is not so strong.³⁵

Yet, in most cases, ALMs have expanded their activities to other urban services-related issues into beautification projects, water and electricity, coordination with police for traffic, among others. Like consumer groups in the power sector, they have been able to create a strong voice in the Hirschmanian meaning.³⁶

A second level of analysis consists in deciphering the identity claim of these ALMs and the voice it represents. Most interviews converge and members of ALMs insist on their status as taxpayers and law abiding citizens. As such, they can claim for better services and they are entitled to the administration responsiveness. Similarly, civil society groups involved in the discussions surrounding electricity distribution are able to stand as the representatives of the 'consumers', a semantic shift from the 'user of a public service' or the 'beneficiary of a public programme'. As 'consumers', their claims are built around the payment of a fair price for the service they are provided with. This approach values economic efficiency, which implies a principle of economic equity (rather than social equity). This explains that at the core of their argument stands a call for a reduction of cross-subsidies. In the same vein, some of the ALMs³⁷ argue for a 'subsidy' linked to the amount of waste composted and therefore not to be collected by the municipality.³⁸ This notion of paying a 'fair price' can indeed mean paying less when contributing to the general improvement of infrastructure. Figures are difficult to get on the budget spent for solid waste management in residential areas and in slums but approximate calculations show that the number of rupees spent in residential areas is significantly higher than in slums. Nevertheless, the position of consumer groups and ALMs displays a limited vision of the notion of redistribution and a lack of solidarity among users, as well as identifying slum dwellers to be outlaws.

Hence, a third level of analysis is to look at the outcomes of some of those middle-class groups and their ability to exert their claims on the urban space. Interviews with ALM members bring out their concern over public space, more so at their locality level, especially for active and networked ALMs. Their actions, in particular in the western suburbs, arouse and bring to the fore disputes over the hawkers, illegal encroachments and slums. In two elite-based wards, resident federations, often regrouping a number of ALMs, resort to PIL (public interest litigation)³⁹ or court proceedings to get stay orders against hawkers but also high premium infrastructure such as malls. This reflects upon the equivoqual and parochial desire of a clean, beautiful and modern system that co-exists with a NIMBY⁴⁰ syndrome. On hawkers, Anjaria⁴¹ shows similarly that ALMs are strongly

mobilised but he also underlines that large number of people belonging to the middle class do support hawkers. This supports the stand that ALM is rather an upper middle-class group, underlining the ambivalent use of the term of the 'middle class' in today's Indian cities. Their successful attempt to be recognised and to act as important actors in redefining urban services provision and use of public space can be explained by their socio-economic profile that give them direct access to bureaucracy on the one side but also to have networks with lawyers and professionals that can volunteer or provide services cheap to follow up their cases. Second, they have been able to form federations not only at the ward level but further to network with city level (most often theme-based) organisations, such as CitiSpace or Dignity Foundation, in order to escape their purely otherwise local dimension. Their ability to articulate scales of action has given them much stronger leverage in disproportion with their sheer number.

Finally, there is an assumed and clear shift towards political engagement of some of the ALM groups either through mobilisation during elections (encouraging middle class voting, organising platforms to discuss candidates' programmes) or through direct political engagement. This was the case in the last municipal elections in one of the electoral ward in Juhu, where the coordinator of the ALM stood and won the municipal election in one of the poshest ward of the city.⁴² This evolution, from civil society to political society,⁴³ still represents a marginal number of those movements and the sustainability of this political engagement cannot be asserted at this point of time. Nevertheless, it is a telling illustration of the renewed form of power of the middle class and the increasing role they can play in the management of local affairs.

Better Urban Services for the Poor: Informalisation, Patronage, Depoliticisation and Displacing Claims

Fascinatingly, ALMs built part of their strength out of a scheme devised by the municipal corporation. Even though, it was not very formally institutionalised, like the Bhagidari scheme in Delhi,⁴⁴ it gave a formal acceptance and tools for some informal groups to build a collective. Consequently, by analogy, one should try to analyse the impact of the public programmes in low-income areas, ever more so as their participatory stance is to improve services while also providing employment and empowerment. Have those schemes, which brought to the forefront

NGOs (large and small) and CBOs (community-based organisations) resulted in transforming or voicing the claims of the informal sector and the inhabitants of the slums?

A review of the role of NGOs constitutes a first leg of the analysis. Prominent NGOs are involved the municipal Slum and Sanitation Programme and in the rehabilitation and resettlement exercise linked to the displacement of thousands of people due to the various metropolitan transport projects in the city.⁴⁵ Despite their credentials, in both these programmes, the role of the NGOs is very ambivalent as it is a ‘producer’ of the service (the toilet blocks or the houses) contractually linked with the authorities as well as perceived as a bridge between the administration and the inhabitants. In both schemes, it provokes major troubles. First of all, NGOs turn out to put more emphasis on their role as a ‘contractor’ and end up being more concerned with the technical dimensions of building infrastructure than their role in informing and supporting communities. This is patently obvious in the transport rehabilitation programme where fieldwork displays the top-down approach of NGOs. They do not help inhabitants to make informed choices and on the contrary act as agents of the government and put pressure on people to accept schemes and get the work done.⁴⁶ In some cases, people are not even aware that those who collect their papers and visit them are representatives of the NGOs! (This also gives an idea of the very bureaucratic functioning of those NGO.) Yannic,⁴⁷ in her analysis of the Slum and Sanitation Programme, explicates some of the hurdles that an NGO faces in being in charge of a public programme that makes it a very complex set-up. On the one hand, they have to face strong resistance from the administration and on the other hand they have to rapidly scale up, which is a steep challenge in terms of organisation. Little focus is therefore put on the empowerment dimension as very critically argued by Sharma and Bhide.⁴⁸ Thus, it appears that from the government side, the reliance on NGOs is purely seen as contractually delegating responsibilities, another less criticised form of ‘privatizing’ service delivery mechanisms. As such, this is not specific to Mumbai but rather a shift in governance, and especially in urban governance and projects in slum areas as argued forcefully and convincingly by Dewan Varma.⁴⁹

Another layer of reflection is the new competences given to CBOs in a range of projects. Based on the study of one such programme, the Slum Adoption Programme, I argue that participation is mostly a smokescreen and perpetuates clientelist relationships. This programme aims specifically at ensuring proper waste collection and disposal in slums. Communities

are to be organised in CBOs who take charge of the implementation of the scheme and get some financial support by the corporation. A supportive grant is provided to the CBO for a period of three years. The grant is phased out over this period as the CBO should be able to fund itself through the monthly payment asked from the residents (Rs 10 per month). Field-work demonstrates that the corporator plays a key role in the selection process of the CBOs as well as the ability to get it selected at the ward level.⁵⁰ Desai and De Wit⁵¹ confirm these findings in other wards and detail more precisely the fluctuating relationships between the ward level administration, the elected councillor and the CBOs according to the existing links between the CBOs and the political leaders. In most cases, CBOs' leaders were involved in community activities (organisation of festivals, social work); they also have some political affiliation or keep a cordial working relationship with all political leaders of their area. Most CBOs whose contracts were not renewed had some problems with the local political leaders. Consequently, these leaders influenced the ward level administration not to renew the contract. In one of the extreme cases we studied, the councillor literally 'adopts' the slum by employing someone trustworthy in charge of ensuring cleanliness but officially registers a CBO. Thus, the corporator can say about the presence of this programme in his area: 'Yes, I know about Slum Adoption Programme, I manage them'.⁵² A number of such schemes have indeed promoted a form of empowerment and democratisation, where CBOs led by dedicated leaders have made a dent in the paternalist functioning of service delivery in slums. Nevertheless, these CBOs are fragile institutions, especially since they face opposition and they need to ensure long term financial sustainability.

Beyond reshaping patronage, such schemes also contribute to a process of informalisation. Both the sanitation and the cleanliness programme are an indigenous form of subcontracting. In some of the areas studied, the NGO even subcontracted the management of some toilet blocks to 'the community' without any checks and control, leading to a form of capture by selected groups within the community. From the municipal corporation's point of view, it is a way of delegating to a flexible, poorly paid and badly equipped labour force as there is a freeze on hiring. Bhide⁵³ even argues convincingly that the introduction of the Slum Adoption Programme is a way to cut employed labour and has led to a cartel of large CBOs, which in due course of time sidelined smaller organisations. Indeed, in some wards, the same organisations operate the Slum Adoption

Programme (designed for CBOs) and the street sweeping programme (designed for private operators).⁵⁴ In the end, though, officially, these schemes endorse a process of informalisation and low paid labour force. In this context, the claims of the poorer sections of the society get very little reflected in these programmes, which are promoted as a tool not only of providing services but also as poverty reduction and empowerment tools. Consequently, an underlying reaction of civic organisations might be to focus their activities on services and urban amenities, while in reality, this might not be the best locus for slum dwellers to claim their rights or demand stronger equity and social justice.

Conclusion

Urban services are a valid and relevant tool to analyse the shifts in the public sector agenda as well as to analyse the reconfigurations of power relationships in Indian cities. The 'good governance' agenda has led local and metropolitan authorities to reshape modalities of service delivery by introducing more flexible rules. In Mumbai, I argue that it takes the shape of delegating number of responsibilities to unobtrusive organisations (smaller private contractors, NGOs or CBOs) rather than the larger globalised forms that usually are involved in more classic forms of privatisation. Apart from maintaining a 'contractual chain' with a strong role behind the scene of larger contractors, it also contributes to reconfiguring power relationships.

First of all, these new mechanisms in urban governance enable the framing of counterclaims of the newly globalised as well as old residing middle class based on a control of urban space and an idea of a 'clean' city. These counterclaims are based on their perceived rights as tax payers, and also underline a desire for economic equity rather than social equity. In this model, each individual pays for what it consumes, undermining the potential and the very meaning of redistributive policies. Further, these counterclaims are also articulated at different scales and varying platforms, which in the end give them a presence disproportionate to the sheer number of people they actually represent.

On the contrary, on the other end of the spectrum, democratisation is a remote project as public policies seem to reinforce clientele and patronage relationships as well as leads to informalisation of labour in lower income areas. This situation fragments and localises the claims of the poorer sections, even though Mumbai has a strong tradition of claims of the poor and progressive social movements. In this dismantling process, NGOs,

focusing on poverty reduction through service delivery or rehabilitation programmes, to some extent, contribute to a depoliticising process. This appears as a paradoxical situation as the inability of the state to deliver services is weakened but cannot bypass solutions based upon some degree of involvement of users themselves, especially in poorer areas.

However, in a city such as Mumbai, where poverty and wealth coexist in close proximity, there is an ongoing and subdued battle for the position as the 'representatives' of the people. This not only refers to the power struggles between the claims of the poor and the counterclaims of the elite but also refers to the conflicting positions of many NGOs and civic movements to assert themselves as the representative voice, which also lead to unexpected alliances. Further, the political engagement of some elite-based groups that decided to enter political contest underlines a radical push for asserting new power tools. Even though, it could be interpreted also as a way of compelling an inefficient and corrupt local political system, it is built on a group interest. On the contrary, maintaining of patronage on the other end, impoverishes the collective claims for rights of the poorer in the city, contributing to this disjunctive democracy that partly characterises global city regions.

Notes

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5. According to the City Development Plan of 2006 (<http://www.mcgm.gov.in/forms/grindex1.aspx>), Mumbai accounts for 33 per cent of income tax collections and 60 per cent of custom duty collections. It also represents 40 per cent of India's foreign trade.
6. Zérah, M.H. 2009. 'Reforming Solid Waste Management in Mumbai and Hyderabad: Policy Convergence, Distinctive Processes', in J. Ruet and S. Tawa Lama-Rewal, *Governing India's Metropolises: Four Case Studies*, pp. 241–69. Delhi: Routledge.
7. Prayas. 2003. *Performance of Private Electricity Distribution Utilities in India: Need for In-depth Review and Benchmarking*. Pune: Prayas.
8. Hoslton identified another type of disjunction, the uneven citizenship that characterises democracies combining modern rule of laws and systematic violations of civil rights. See Holston, J. 2001. 'Urban Citizenship and Globalization', in A.J. Scott (ed.), *Global City-Regions*.

9. Zérah, M.H. 2008. 'Splintering Urbanism in Mumbai: Contrasting Trends in a Multilayered Society', *Geoforum*, 39(6): 1922–32.
10. Around USD 40 billion. Prud'homme considers, through a convincing method, that those figures are underestimated by a ratio of 1:5. See Prud'homme, R. 2005. 'Financing Mumbai Investment Needs', *Note for the World Bank and the Mumbai Transformation Project*, p. 15.
11. Government of Maharashtra. 2004. *Transforming Mumbai into a World-Class City. First Report of the Chief Minister's Task Force*, p. 24. Mumbai: Government of Maharashtra.
12. D'Monte in this volume.
13. Government of Maharashtra, *Transforming Mumbai into a World-Class City*, p. 21.
14. To implement the Vision Mumbai, a special cell, the 'Mumbai Transformation Support Unit' was set up in the end of 2005 with the objectives of preparing and discussing policies. This unit is organised in a number of subgroups that correspond to the different pillars of the Task Force Report. See Mumbai Transformation Project Support Unit. 2005. *Document of Sub-Group on Governance*, p. 18. Mumbai: MTSU.
15. Municipal Corporation of Greater Mumbai. 2001. *Charter of Good Governance, MCGM's Initiatives towards a Better Mumbai*, p. 43. Mumbai: MCGM.
16. Raghupathi, U. and V. Foster. 2002. *Water Tariffs and Subsidies in South Asia: A Scorecard for India*, p. 14. Washington D.C.: Water and Sanitation Program.
17. Zérah, 'Splintering Urbanism'.
18. The process of coporatisation transfers the management of services to government-owned corporations, rather than directly government controlled department. This process aims at reducing discretionary powers of political intervention.
19. This metaphor is used by Alain Dubresson (University of Paris X, Nanterre).
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23. With the exception of the two largest Indian conglomerates, Reliance and Tata, both present in the power and telecommunications sector.
24. For more information on the project, one can visit the official project website: <http://www.keastwardwater.org/> (downloaded on 1 October 2005).
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28. Kapoor, I. 2002. 'The Devil's in the Theory: A Critical Assessment of Robert Chambers' Work on Participatory Development', *Third World Quarterly*, 23(1): 101–17.
29. For an official presentation of these schemes, one can refer to <http://www.mcgm.gov.in/forms/grindex1.aspx>. For a detailed analysis of the Slum and Sanitation Programme, one can refer to Sharma, R.N. and A. Bhide. 2005. 'World Bank Funded Slum Sanitation Program in Mumbai. Participatory Approach and Lessons Learnt', *Economic and Political Weekly*, 40(17): 1784–89; Yannic, N. 2003. 'The Slum Sanitation Programme

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- For the Slum Adoption Scheme, one can refer to Desai, P. and J. De Wit. 2006. 'Slum Adoption Program—SAP in Mumbai—An Analysis', paper presented in IDPAD Seminar on New Forms of Urban Governance in Indian Mega-Cities in New Delhi.
30. This section partly draws from Zérah which presents the results of a survey of around 50 ALMs carried out by the author with the assistance of Ms Mitali Kamkhalia during the period of December 2005 till February 2006. See Zérah, 'Assessing Surfacing Collective Action in Mumbai'.
 31. See (Municipal Corporation of Greater Mumbai, 2001).
 32. Ibid.
 33. Nevertheless, in some cases, they are using the argument of 'vote bargaining' to garner the support of municipal councillors.
 34. The official figures on ALMs provided in www.karmayog.org do reflect this uneven distribution of ALMs according to ward, though imperfectly. Indeed, official figures mention the presence of ALMs in almost every ward, while surveys contradict this stand. For instance, one of the ward we surveyed (the S ward which includes part of Powai and Bhandup) had not one active ALM.
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9

Urban Transport Projects in a Globalised Scenario*

Darryl D'Monte

Since the 1990s, there has been a thrust in the country's transport sector towards increasing reliance on private investment. This can take many forms: private entrepreneurs constructing roads and bridges, often on a 'build, operate and transfer' basis, the entry of many multinational car manufacturers and easing of restrictions in imports of components. Throughout urban India, which now accounts for some 300 million people, the perception that the state is unwilling or unable to provide quick and reliable transport, is fast gaining ground. There is an increasing dependence on private modes of motorised transport, whether it is automobiles, two-wheelers or buses.

Middle-class citizens aspire to own or use these vehicles and believe that the state's responsibility is to provide the infrastructure for this purpose. This has led to a situation where private modes are swallowing the bulk of the funds earmarked for transport in cities and towns. Nowhere is this stark contrast more apparent than in Mumbai, the country's commercial and industrial capital. There has been heavy investment in a plethora of roadways and a near-total neglect of public transport in a metropolis where the overwhelming majority relies on this mode to commute to work.

Mumbai's peculiar geography has admittedly complicated the situation. The north-south transport axis has been part of the city's life for so many decades that it is difficult to think of changing it. The entire concept of

*An earlier version of this paper was presented at the SNTD Seminar in Mumbai on Globalisation & India's Urban Environment in February 2001.

building a twin city across the harbour in the early 1970s was meant to provide an east–west axis and alter the flow of traffic. Unfortunately, the planners first built a road bridge over the Thane creek to Vashi, which did not bring about a critical mass there. It was only a couple of decades later with the rail bridge alongside it that Navi Mumbai got the boost it badly needed.

However, the central business district (CBD) in the new city has not really taken off due to the reluctance of managements to shift across the harbour due to the inadequate transport links. Although the Mumbai Metropolitan Region Development Authority (MMRDA) has been developing Bandra–Kurla as an alternative CBD within Greater Mumbai, it is taking some time to grow into a full-fledged centre. While areas in the suburbs like Andheri are attracting some new sunrise service industries, the overwhelming importance of south Mumbai remains.

While successive state governments have been guilty of neglecting Mumbai's transport problems, it was the erstwhile Shiv Sena–BJP government which drastically altered the course. By initiating a range of road schemes, it unequivocally opted for private, motorised transport in preference to public transport. This may be said to fall in line with the economic liberalisation moves encouraged by successive national governments, with the state gradually withdrawing from area after area of public life. In Mumbai, this coalition government took the drastic step of bypassing the apex planning body, the MMRDA, as its transport expert, A.V. Ghangurde, publicly cited at a seminar. It instead entrusted both the planning and execution of the road projects to the Maharashtra State Road Development Corporation (MSRDC), which is an engineering agency and has no expertise to take an overall view of the merits of such schemes. The total cost of all these schemes was over Rs 8,000 crores, excluding the Eastern Freeway Sea Link (see Table 9.1).

TABLE 9.1
Rough Estimates of Cost of Mumbai Road Projects

<i>Cost of Mumbai Road Projects</i>	<i>Rs crore</i>
Flyovers built by MSRDC	1,500
Flyover built at Andheri by Jog builders	110
Bandra–Worli Sea Link	1,500
Western Freeway Sea Link: Worli–Nariman Point	1,585
Trans–Harbour Sea Link: Sewri–Nhava	4,300
Total	8,995

Source Various media reports sourced by author.

W.S. Atkins, the consultant hired by MMRDA to advise on a comprehensive transport plan for the metropolitan region in 1994, showed that Mumbai was unique in that 83 per cent of the passenger trips in peak hours were by public transport (train and bus), another 8 per cent by 'intermediate public transport' (taxis and three-wheelers) and only 9 per cent by private transport (both cars and two-wheelers). This is why critics castigate the overwhelming emphasis as the '9 per cent solution' for a city which is poised to become the world's most populous in two decades. One can also contrast the passenger carrying capacities of different modes: cars carry only 4,000 passengers per hour, versus 15,000 by bus, 45,000 by train and 75,000 if there was an underground system.

Flyovers

There are three sets of road projects which the Shiv Sena–BJP government initiated: flyovers, sea-links and freeways. By far the most controversial of these were the flyovers. The government appointed a committee to advise on the viability of flyovers, controversially chaired by a builder, V.M. Jog, who obviously had no expertise in this field. Mr Jog dutifully obeyed his political masters and recommended 50 flyovers, for which he was awarded an additional project at Andheri, the only one not to be constructed by the MSRDC. The 50 flyovers were to cost Rs 1,500 crores and the one at Andheri Rs 110 crores. Mr Jog's controversial flyover was the subject of a writ filed by the Bombay Environmental Action Group because he sought to cover the cost by selling commercial space beneath it. In other words, whatever congestion was meant to have been reduced by the flyover was created beneath it! He was originally permitted 9,000 sq metres but was eventually given 45,000 sq metres—five times the area—to exploit on the market. After a delay of several months, which caused interminable traffic jams, the court allowed him to proceed with less space.

According to the MSRDC, the flyovers were justified on the ground that the four major expressways being constructed to take traffic in and out of Greater Mumbai at a cost of another Rs 10,000 crores would not work unless there were flyovers to carry the vehicles smoothly through the city. These were to link the metropolis with Pune (this expressway has been completed at Rs 1,450 crores), Nashik, Talasari and Sawantwadi. The MSRDC cited how the earliest consultant on improving the city's transport links, the Los Angeles-based firm, Wilbur Smith, recommended flyovers as early in 1962. The consultants also mooted the highly

debatable West and East Island Freeways along the coasts of the island city, a scheme which the MSRDC is now reviving. Needless to say, Los Angeles experts are hardly qualified to advise Mumbai since the Californian city is notorious for sacrificing all planning norms for the benefit of the all-powerful automobile lobby.

The MSRDC also argued, illogically, that the flyovers would help to reduce air pollution. Maharashtra's Minister of Public Works, Nitin Gadkari, for whom the flyovers were a pet project, argued that since cars would move speedily, without being obstructed by traffic lights, there would be less emissions. However, he was supremely indifferent to the counter argument that by building flyovers, there would be a spurt in the number of vehicles and the total emissions from these would surely increase the overall load of pollutants. Already, vehicles account for 70 per cent of Mumbai's air pollution. Gadkari also believed with the coastal freeways and sea links the pollutants would vanish into thin air along the ocean, not realising that the prevalent wind currents are from the sea towards the land.

The World Bank, which had funded the first phase of the Mumbai Urban Transport Project (MUTP) and wanted to initiate the second phase, unequivocally came out against the flyovers during the course of a review of MUTP2 in October 1998. It pointed out that 'there appears to have been little traffic impact assessment' or financial evaluation of the project. The flyovers would increase road capacity and encourage (and probably generate new) car use in the city. Some of them, notably those in the island city like the Haji Ali-Wilson College viaduct, would have 'severe adverse environmental impact (noise, visual intrusion, and so on)'. There was no economic justification and the estimation of recovery of costs through tolls was also inadequate.

As it happened, there were legal stays on the proposed tolls. The state government eventually had to scrap the tolls on flyovers within the metropolis, including 14 within the island city, and only charge those who were entering the city. It will thus fall far short on recovery of costs. The Bank observed: 'While there is no objection to the tolls per se, this programme nevertheless subsidises and appears to encourage car commuting and could actually generate additional intra-Greater Mumbai, particularly in island city, traffic demand with consequent congestion impacts.'¹ The Bank also criticised the neglect of the bus system, since flyovers span too long distances to accommodate this form of public transport. Finally, it commented on the lack of public consultation prior to the project.

Tata Consultancy Services (TCS) examined the traffic, economic and environmental impact of flyovers and also opposed them. In particular, it cited those in congested areas as being undesirable. It found that ‘construction of flyovers in the island will increase the usage of private vehicles...this would increase the congestion levels and parking problems in the city.’ The investment in the island city would not be justified, as the overall social benefits would be lower than the cost. Dr B.R. Patankar, a former head of the BEST and now working with TCS, has also stressed: ‘The automobile, born in the beginning of the 20th century, can no longer remain the focus of the urban transport infrastructure planning as was the case four–five decades ago.’

To add insult to injury, the tolls with which the MSRDC had proposed to recover the cost of the flyovers were the subject of a writ petition in the High Court, which ruled against them. At present, only vehicles which enter the city and use the Western and Eastern Express Highways are liable to pay the toll which is unfair and exempts the regular users. This is a typical instance of the authorities proceeding without doing their homework and in the process, imposing a burden of Rs 1,500 crores on the state government which only benefits a tiny minority of motorists.

Sea-links

The first of the two sea-links is the eight-lane road bridge between Bandra and Worli, which is incomplete and is estimated to cost Rs 1,600 crore at present. This 4-km-long link will reduce the distance to Worli considerably but there are serious objections against it. The first concerns the environmental impact on the fishing community in the Mahim Bay, the loss of mangroves and so on, not to mention the congestion that is likely to be caused within Bandra as cars exit from the link in the evenings. The MSRDC has also reclaimed some 23 hectares for the approach road in Mahim bay—nearly five times more than it was permitted to. The state government stayed the project on this ground for some months and environmentalists have taken it to court as well.

Much more seriously, there has once again not been any proper application of mind: the West Island Freeway, as originally proposed by Wilbur Smith, was to connect Bandra all the way to Nariman Point. R.C. Sinha, the former head of the MSRDC, admitted that the Bandra–Worli Sea Link was a ‘partial solution’ which was better, in his estimation, than no solution. But the link from Worli to Nariman Point, at an estimated cost of Rs 1,585 crores, has not been cleared by the Environment Ministry.

If it is held up, cars will only be stuck in interminable jams at Worli, far from their south Mumbai destination. The state government ought to have envisaged the entire freeway, not just the initial stretch. This is typical of the ad hoc, knee-jerk type of planning, or rather the lack of it, which characterises Mumbai's road projects.

The second sea-link is proposed from Sewri on the east coast of the island city to Nhava Sheva in New Mumbai, a 25-km-long bridge across the harbour. If it remains restricted to cars, the Trans-Harbour Sea Link will cost Rs 4,300 crores, as the MSRDC announced at a public hearing in April 1999. If there are two rail tracks thrown in—which many critics believe is an eye-wash to sell the project—the cost will escalate to Rs 6,600 crores. Yet again, there has been no consultation and what was meant to be a public hearing—held at the instance of the Environment Ministry, unlike in the case of the Bandra–Worli link—turned out to be a dispute over access to documents. Although the authorities promised that another hearing would be held, once the public obtained copies of project reports, this never took place.

The authorities merely go through the motions of holding public hearings, without giving the affected people—fisherfolk and those who own land on the mainland—the opportunity to air their views. Indeed, the Maharashtra Pollution Control Board, which was asked to hold the hearing, resorted to the specious argument that parting with these documents would give people inside knowledge and enable them to buy land along the alignment of the link. They turned a blind eye to the possibility that without such recourse, only politicians and bureaucrats would have access to this knowledge! This is why the Indian People's Tribunal will shortly hold a public hearing on the Bandra–Worli Sea Link.²

Freeways

The last, and probably most controversial, road projects are the coastal freeways, recommended by Wilbur Smith four decades ago. In the 1970s, work began on the alignment which involved boring a tunnel through Malabar Hill, enabling motorists to reach Marine Drive from the West Coast Freeway. It ground to a halt, probably due to the lack of funds. The MSRDC has resurrected it, now renamed the Western Freeway Sea Link, a 15-km-long road which envisages a bridge from Worli across the Haji Ali Bay, a coastal freeway till Raj Bhavan and another bridge across the bay at Marine Drive, all the way to Nariman Point. When questioned what would happen in case the environment ministry turned down this

project, Mr Sinha said that there would be a viaduct along the existing highly congested road from Haji Ali to Wilson College. This has attracted the opposition of local residents who have indicated that they will resist it tooth and nail.

The MSRDC has also reiterated that since the existing north–south corridor will get decongested with the faster coastal route, it will reduce the noise and air pollution of the region. As we have pointed out, the air emissions can only increase with a greater number of cars coming into the central business district. What is more, there will be nowhere for these cars to park: at present there is a proposal to build just one multi-storey car park at Nariman Point. With the average speed of traffic steadily declining as more and more cars enter south Mumbai every day, the very rationale of using private motorised transport—which is speed and convenience—will vanish into thin air. According to the Maharashtra Maritime Board, which is championing the cause of sea ferries, the average flow of traffic in rush hour in the CBD was 20 km per hour in 1993 but declined to 12 km per hour in 1997.

As Wilbur Smith recommended, the Western Freeway makes sense only if it is accompanied by a counterpart along the east coast so that there is a ring around the island city, with easy exits and entries, as in Manhattan. There is such an Eastern Freeway Sea Link on the anvil, but at a very preliminary stage of planning. The MSRDC did claim, at a public meeting on the Trans-Harbour Sea Link, that when motorists arrive at Sewri, there would be provision for them to park and be whisked off to the Fort area by air-conditioned buses, which is another of this undertaking's figments of imagination. It is hardly likely that motorists would abandon their private vehicles for this form of transport. The Western Freeway also had another proponent, the flamboyant architect, Hafeez Contractor, who actually obtained, in principle, the okay from the Shiv Sena–BJP government for his version of the project at a 'reduced' cost of Rs 300 crores. He envisaged 'beautifying' the 200 hectares that were to be reclaimed between the coastal highway and the existing shoreline, claiming that this would amount to greening the city!

Public Transport: Buses

The obvious alternative to this 'highway robbery' of urban space, with the road schemes totalling a colossal Rs 8,200 crores—spent without any public scrutiny worth the name—is public transport. Cars are competing with buses for space on the roads. Proper deterrents to motorists would

include stiff parking charges, the reservation of lanes for buses, restrictions on entry into the CBD (by the last digit on number plates, as has been suggested by committee headed by former Transport Commissioner, V.M. Lal), pedestrianisation of certain precincts in the CBD and creation of bicycle lanes. A combination of these methods would ensure that buses have a much faster turn-around time. Commuters use buses to reach railway stations or for covering short distances. If the traffic arteries are clogged with cars, this negates the utility of this mode. In the UK, there was a proposal for local governments to charge fees for parking, which would be diverted to public transport. Singapore has been in the forefront of moves to curb the mobility of vehicles and auctions licences to purchase them, often for a fee which can exceed the cost of a car.

Proponents of the road schemes like Nitin Gadkari would argue that buses would also use flyovers and freeways and would therefore benefit by them. In the case of flyovers, these typically span major traffic intersections, which is precisely where commuters would like to alight. As the World Bank pointed out: 'It seems unlikely that buses will be able to use most of the flyovers; buses need access to stops which are usually located near junctions ("at ground level")'.³ TCS also argued that 'public buses will be the worse affected with respect to share of passengers and speed as they will have to necessarily play at the ground level along the reduced road widths when the flyovers are constructed'. In the case of the Western Freeway, the problem is even greater since the spans are enormous. The tolls on these freeways would also deter the average bus passenger.

As early as in 1969, a Mass Transportation Study conducted by the Traffic Cell of the Town Planning and Valuation Department—a sequel to the 1962 Wilbur Smith report—found that the BEST required a minimum of 250 buses for every one lakh passenger. Increasing the number of buses would only lead to greater competition for limited road space, and reduce the average speed of buses further. At that time, it was 6 km per hour and would be considerably less today. This highlights the need to reduce the cars coming into the CBD, as well as restricting the licensing of auto-rickshaws in the suburbs because they impede the movement of buses too.

In the second phase of the World Bank-funded MUTP, there is a precondition that a full-fledged Traffic Management Unit will be formed in the BMC, with staff that includes traffic engineers and planners. This would ensure that the BMC undertakes the responsibility for planning road transport and the police will be rightly relegated with enforcement alone.

This calls for an amendment to the Municipal Corporation Act, making traffic management an obligatory function. It is now before a joint committee of the state government. It will have full-fledged divisions for highway planning, traffic planning, parking controls and traffic signals, each headed by an executive engineer. A division will also collect traffic data. The scheme lays stress on the computerised coordination of traffic signals, which would reduce waiting time and make traffic much smoother.

The truly remarkable example of using bus transport for successful city planning is the city of Curitiba in Brazil. In the 1970s, it too was plagued like Mumbai by a north–south traffic axis but under an enlightened Mayor Jaime Lerner, an architect, it developed a system of bus services which radiated through the city in concentric circles, making access convenient. There are dedicated bus lanes, extra large buses for high density routes and tube-shaped shelters where passengers pay their fare in advance. The bus system has ended up costing USD 200,000 per km—less than one-third of 1 per cent of what an underground metro system would have cost at USD 60–70 million per km. What is more, the city has only paid for the roads, lighting, bus stops and staff to monitor the bus companies, which have borne the rest of the costs. Despite the fact that one in three citizens owns a car in a typically Brazilian scenario, three-quarters of the 1.7 million people take the bus. Amazingly, while the population has doubled since 1974, car traffic has declined by 30 per cent! There is a 150-km network of bicycle paths. Linear stretches of land along rivers were put out of bounds to builders and converted into parks—in sharp contrast to Mumbai’s Western Freeway Sea Link. Several key streets have been pedestrianised. On the city’s edge, there is a 40 sq km ‘industrial city’ where the poor are retrained for new job opportunities. Lerner was later elected Mayor of the State of Parana and is said to be a candidate for Brazil’s Presidency.

Public Transport: Trains

The train is the quintessential mode of Mumbai transport and everything possible ought to be done to augment the system’s capacity. This is precisely the purpose of MUTP2, to currently cost Rs 6,480 crores—less than the full-fledged trans-harbour sea link alone—and originally recommended by W.S. Atkins in 1994. The Atkins report had stated that economic analysis shows that the aggregate economic return is highest for a strategy with substantial investment in the metropolitan railways system and a modest investment in the road system, along with

demand management. In Atkins' plan, 69 per cent of the expenditure is on railways, 9 per cent on buses and ferries and only 22 per cent on highways, of which 2.7 per cent consists of 'road over and under bridges' (ROB/RUB) to replace level crossings. The investment in flyovers is just 1.1 per cent of the total plan. As we have shown, precisely the opposite is happening in Mumbai.

Atkins had recommended optimising the existing rail facilities as the most cost-effective means of increasing the capacity. The capacity had to be doubled on both the Central and Western Railway—north of Kurla and Andheri, respectively. What is more, the two systems had to be integrated to maximise capacity use, which only happens at Dadar today. All level crossings were to be replaced by road overbridges to minimise hold-ups. There would be longer 12-car rakes at three-minute intervals for fast lines. A fifth line would be built on the Western Railway from Santa Cruz to Borivli, which is here the bulk of the population has shifted today (70 per cent of the population lives outside the island city). There would be an additional sixth corridor from Borivli to Virar. The two systems would be connected by an additional corridor connecting Bandra–Kurla with Kurla and the Mankhurd line, once employment in the new suburban CBD reaches 80,000 and there is large scale residential development around Mankhurd. The report also suggested the shifting of slum dwellers along the rail tracks.

In 1997, during the Shiv Sena–BJP regime, the World Bank decided to drop its Rs 2,000 crores aid to MUTP2 (out of a project cost of Rs 3,500 crores at the time) due to the dilly-dallying of the state government. The Bank's insistence on the establishment of a Mumbai Railway Vikas Corporation, a joint venture between the Indian Railways and the state government, to handle this ambitious project was partly responsible for its failure to get off the ground. There was a great deal of mutual recrimination between the central government and Chief Minister Manohar Joshi. What appears self-evident is that, unlike in the case of the road schemes, there were no kickbacks to be made. Particularly in the case of the 50 flyovers built (efficiently and speedily, it must be noted) by the MSRDC, there were suspicions that the deadlines set were too long. The MSRDC offered Rs 1 lakh for every day completed in advance and contractors are alleged to have split this with the Sena government. Fortunately, with the Congress coalition government in power, the Bank has renegotiated the scheme and it is finally taking off, with resettlement of slum dwellers along the tracks.

Underground Railway

The Mumbai Metro Planning Group, a seven-member consortium led by TCS and included Autoriders Industries, which ran the abortive air-conditioned Limouzine bus service, conducted a pre-feasibility study of what is known in planners' parlance as the 'seventh rail corridor' in 1996. It found that the existing rail network handled about five-million-persons-trips a day but with inadequate investment on augmenting capacity, the railways accommodated a peak of 6,000 commuters per train as against a seating capacity of 900, a design capacity of 1,800 and a tolerable capacity of 2,600. In the late 1960s, the Metropolitan Transport Project (Railways) had identified two new metro corridors—designated as the city's sixth and seventh corridors.

The first would be a 12-km-long stretch from Goregaon to Bandra along the Western Railway track. There would be a Bandra–Wadala connector and a 9.5-km-long track along the Mumbai Port Trust land. The second corridor would be an extension of the Belapur (New Mumbai)–Mankhurd–Kurla corridor from Kurla to Bandra as a surface or elevated line, with an elevated or underground link to the airport. There would, controversially, also be a new 17.4-km-long underground corridor from Bandra to Colaba. The CBD would get a new terminal at Cuffe Parade near the President Hotel.

The group believed that 'The need for constructing a metro railways in Mumbai has been widely recognised as the only long term solution to the chaotic traffic situation in the city, especially because for non-availability of land for surface infrastructure facilities along the high density corridors.'⁴ It worked out the cost at Rs 7,433 crores, of which tunnelling would account of a third and rolling stock 30 per cent. Interestingly, it mooted an employment tax and location benefit tax to partly fund this scheme, the former being done in Paris to support its metro. However, the scheme has not found many takers, due to its high capital cost and long gestation period as well as the disruption it would cause to the city's transport during construction.

In 1999, TCS collaborated with German companies as part of a technical co-operation project with the German government to examine the feasibility of a high-capacity rail mass transit system. It primarily sought to serve the CBD south of both termini—CST and Churchgate—to the World Trade Centre in Cuffe Parade, at the southern tip of the CBD. This would rely either on light rail transit, constructed on elevated structures, or constructed in shallow tunnels (using the cut and cover method) or

heavy rail constructed in deep tunnels by boring. It concluded that the light rail transit from CST to the Trade Centre was feasible. It said that the combination of underground and elevated sections has been designed to minimise the line's impact in environmentally sensitive areas and achieve an affordable cost of construction. The report cited how there would be additional revenue from real estate developments proposed at Cuffe Parade, Badhwar Park and Hutatma Chowk to finance the project. The Hutatma Chowk underground station would combine entertainment, recreation and retail outlets.

Many experts feel that the underground system will be too expensive a solution for Mumbai's transport problems and one which will not carry large numbers of passengers, due to its exorbitant fares, as is the situation in Calcutta, though Delhi's system is a vast improvement. According to Enrique Penalosa, the former Mayor of Bogota in Colombia, no metro, with the exception of Mexico City's, carries more than 10 per cent of commuters. Even in London, with one of the best systems in the world, buses carry 1 million more commuters than the underground every day. Instead, some feel that the best alternative may be a 'rail over rail' system, where there is an elevated track over the existing railway lines. This also poses some technical problems in that there are overbridges which will have to be demolished to make way for these lines. In addition, it will pose a nuisance to all those residents of buildings which lie cheek by jowl with the tracks.

Sea Ferries

Yet another alternative which has been in the drawing boards for some time is marine transport, which seems about to get going. The Maharashtra Maritime Board is examining bids by various investors, including Four Seasons, promoted by a New York-based NRI, Mohan Shah, at an estimated cost of Rs 400 crores. It proposes to provide a ferry service from Marve on the west coast to Nariman Point, with stops at Versova and Bandra en route. On the east coast, it plans a service from Nerul in New Mumbai to the Gateway of India, with a stop at the Jawaharlal Nehru Port Trust in between. However, since the maximum single fare on both routes is Rs 100 or slightly more, this will only attract the motorist or first class rail passenger, who would be prepared to pay for travelling in air-conditioned comfort while roughly reducing his travelling time by half or even two-thirds.

Previous experience with services on the west coast and trans-harbour has not been at all happy. Triton, a joint venture between Mahindra & Mahindra, CIDCO (which is in charge of the twin city), Sicom and Infrastructure Leasing and Financial Services (IL&FS), ran Hovercraft services from Juhu to Chowpatty between 1996 and 1998 but had to close down. It attributes its failure to the refusal of the Maharashtra government to allocate proper terminal sites, which meant that the total travelling time remained the same, with the added inconvenience of reaching them from home and work. Another private ferry service from the Gateway to New Mumbai has also stopped for lack of users. This is due to the lack of a critical mass of commuters from New Mumbai, which once again reinforces the point that public transport alone can accommodate the real numbers in a huge metropolis.

At the same time, given Mumbai's geography, marine transport may well be a mode whose time has come, at least to absorb a certain number of high-end commuters initially. If these ferries get going, it could open up the distant suburbs and mainland for urban development, attracting people to live there and commute to work in New Mumbai.

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10

Urban Public Space and the Urban Poor

Sharit K. Bhowmik

This chapter attempts to examine the use of urban public space in the context of changing position of labour in Mumbai. It will cover mainly the changing employment patterns in the city and its effects on the use of public space. A more important issue is of the position of the urban working poor in the city. These people, who are a part of the rapidly growing informal economy, comprise the majority of the city's population and they contribute to its economy in a number of ways. However in a city where land is available at a high premium these people are targeted as the villains responsible for the growing urban crises. The slums where the working poor reside are projected as the causes of most, if not all, urban problems. They generate filth, they breed criminals, and they usurp facilities that should have rightfully gone to the 'tax paying' citizens. Whether slum dwellers are really responsible for such problems is never investigated but these views become a convenient handle for demolishing slums to make way for 'cleaner' and better housing for the better-off.

Before we move further let us examine what is urban public space and what it means for the working poor. In a broad sense urban public space includes areas that are used for public activities. It can be defined as, all physical spaces and social relations that use the space within the non-private realm of the city. Hence, urban public space includes pavements, public spaces such as parks, beaches, vacant spaces, and so on. In developing countries urban public space becomes a valuable resource for the urban working poor for their livelihood as well as their living.

Control of Urban Public Space

Who occupies urban public space? On the one side we have the working poor who use pavements for their work. The most prominent in developing countries are street vendors who can be found everywhere in the city. Another group is the casual workers who sell their labour every day. These people assemble in certain street corners where some of them are picked up for work by either labour contractors or employers. These workers include construction labour, carpenters, plumbers, painters, among others. In both cases the people are regarded as illegal encroachers on public land.

Control over public space by the state and/or the civic authorities are seen as control over the people, especially the working poor. Alison Brown¹ in her interesting exploration on public space points out that the fascist government of Benito Mussolini in Italy (1922–43) was one of the first to recognise the importance of dominating public space. His government strictly regulated the use of public space and encroachers (in almost all cases the poor) were removed with brute force. The approach of the state is of treating the working poor as illegal encroachers so that the local authorities can exert total control over them. These activities undoubtedly make the working poor feel that activities relating to their livelihood are illegal and they rarely challenge the authority of the bureaucracy in a collective manner.

The civic authorities can show laxity in encroachment on public space where necessary. For example, housing societies of the middle and upper middle classes frequently encroach on public space by usurping land around their residences. Shops and restaurants also encroach on public space by building extensions on to the pavements. In most such cases the civic authorities ignore such intrusions or at the most they frown on these activities but take no concrete action to remove the encroachers. In the case of the urban working poor, the civic authorities are only too keen to evict them whenever there are complaints. When street vendors and slums are evicted, the civic authorities make sure that their livelihood and their houses are destroyed. Raids conducted by the authorities to evict street vendors are similar to the carnage carried out by an invading army. The staff confiscates their goods and breaks their stalls. All this is done without recourse to any legal procedure. For example, the vendor is not provided with a list of goods confiscated. When the police raid the residences of suspected criminals and confiscate incriminating goods they make a list of these goods and get witnesses (at least five) to sign.

The civic authorities do not believe in such legalities when it comes to evicting street vendors. Similarly, while evicting slum dwellers they destroy their huts and whatever little movable assets they possess. Bulldozers, earth movers and cranes are used to destroy the residences of the poor.

Perceptions on Urban Public Spaces

Though urban public space is a fact in the sense that we know what it is and the land records of the civic authorities will have accurate records on it, the perception of urban public space differs between communities. For the wealthy, public spaces such as parks, pavements and beaches are places for recreation. Pavements should not be encroached by pavement dwellers or street vendors because these may come in the way of their morning walks. Beaches should be clean because the wealthier sections could relax on the sands and enjoy the sea breeze. Similarly public parks are often taken over (adopted) by local residents' associations and are beautified and converted to jogging parks that are no longer accessible to the city's working poor. The above examples are ways in which public spaces are usurped and converted to private space. The authorities play an active role in these processes because they encourage such 'adoptions' of public space.

For the working poor, public spaces have different connotations. For street vendors wide pavements would mean places where they could earn their livelihood and provide for their families. For the poorer sections, pavements are places where they can buy their daily needs from the street vendors who sell low-priced goods and food. For the urban poor, pavements and other public spaces could be places where they could reside as they cannot afford more expensive housing.

Similarly, for the poorer sections beaches or parks are places for relaxation and recreation where they can also feast on low cost food offered by street vendors. However, their behaviour and their clothes are vastly different from that of the upper classes who think that public spaces are their exclusive priority. The municipal authorities too seem to agree with this approach as they actively help in excluding the poor from public places. For example, Juhu beach is a popular place for all sections of Mumbai's population. The beach is filled with revellers on Sundays and holidays. These people are mainly the lower middle class and the poor as they have little forms of recreation in the city. The beach has an array of food stalls run by street vendors, many of these are licensed to sell

cooked food by the municipality. The main buyers are the poorer sections. There have been frequent protests about this state of affairs by the upper class residents of the area. These materialise in the form of protests by the local resident welfare associations (housing societies around Juhu are the most expensive in the city and they house the elites). They frequently protest about how the beach is dirtied by the vagabonds and irresponsible street vendors. The municipal authorities of the area have found a novel way of preventing street vendors and the poor from using this beach. They have decided to remove the food stalls and build car parking lots on that space for those who visit the beach. This would obviously mean that car owners have greater access to the beach than ordinary citizens.

Urban Poverty and Informal Employment

In most Indian cities the urban poor survive by working in the informal sector. Poverty and lack of gainful employment in the rural areas and in the smaller towns drive large numbers of people to the cities for work and livelihood. These people generally possess low skills and lack the level of education required for the better paid jobs in the organised sector. Besides, permanent protected jobs in the organised sector are shrinking; hence, even those having the requisite skills are unable to find proper employment. For these people, work in the informal sector is the only means for their survival as it requires low skills and, in the case of the self-employed, low investment. This has led to a rapid growth of the informal sector in most of the larger cities.

There is also another section of the urban population that has joined informal employment. These people, or their spouses, were once engaged in better paid jobs in the formal sector. Most of them were employed in the textile mills in Mumbai and Ahmedabad and engineering firms in Kolkata. Formal sector workers in these three metropolises have had to face large-scale unemployment due to the closure of these industries. Many of them, or their wives, have become street vendors in order to eke out a living. A study conducted by the author on street vending in seven cities show that around 30 per cent of the street vendors in Ahmedabad and Mumbai and 50 per cent in Kolkata were former workers in the formal sector.²

The plight of workers in Mumbai who were once employed in better paid formal sector jobs but are now engaged in informal employment is shown in a study by Bhowmik and More.³ The authors had followed up the situation of 100 families who were former textile workers in the heart

of the city. The main workers in these families were engaged in the textile mills and they had lost their jobs after the industry started declining after the textile workers strike in Mumbai from 1981–83. The study reconstructs the living conditions of the families before the strike and their travails during the strike and subsequently their life after the mills started to close down. It should be noted that the authors do not blame the textile strike for the decline in textile mills in the city. In fact, it is found that during the same period textile mills in another major centre, Ahmedabad, too declined though there was no strike there. The study found that almost all the hundred workers had joined low paid work in the informal economy. These were in the power loom sector, street vending, working in the service sector as watchmen or as head-loaders (coolies), and so on. Since the pay or earnings were not sufficient, they had withdrawn their children from school so that they too could work in the informal economy. Their wives started working as housemaids in order to add to the family income. In fact the total income of most of the families was, in absolute figures, the same as they had earned before 1981. In other words, real income had declined considerably.

Housing Mumbai's Urban Poor

At present, for the vast majority of the population, slums or other forms of cramped spaces provide the only form of housing. A study, sponsored by the Bureau of Economics and Statistics, by the state government, notes that, 'in almost 73 per cent of the metropolis, households live in 1 room tenements, another 18 per cent in 2 room tenements. In 1981 things were a little better with 69 per cent of the households living in 1 room tenements...'.⁴ Another survey conducted on behalf of the municipal corporation shows that a majority of the city's population lives in slums that do not have basic sanitation facilities.⁵ The survey covered 1959 slum settlements whose total population constituted 54 per cent of the city's population. A majority of these slums (60 per cent) had public toilet facilities, but these were over used or unusable as they were in dilapidated condition. Other amenities such as regular water supply, electricity, garbage disposal and drainage facilities were also woefully lacking. If we add another segment of the population, namely, the pavement dwellers, the proportion will increase further.

A significant fact about Mumbai is that despite the large slum population, the total area occupied by these settlements is almost negligible. It is estimated that slums occupy around 8 per cent of the city's land surface. In other words over half the population is squeezed into this tiny area.

While the majority lives in shanties, a small section of the population, which constitutes the upper middle classes and the rich have improved their living standards considerably, providing a stark contrast between poverty and unmitigated wealth. The rising affluence of this minority coupled with rapid growth of the poor has created new demands on the city's space. On the one hand, builders try to corner any space available for creating high-rise apartments and on the other hand the dispossessed poor try to find niches for building their shanties. Space in Mumbai is available at high premium and those who can pay are the winners in this game. Hence it is not quite uncommon to find hutments of the poor being demolished to create space for housing the better-off sections. 'Citizens' versus the Poor.

Proliferation of slums and lack of adequate living space for the overwhelming majority of the city's households have their roots in the growing size of the informal sector. With the low level of wages in this sector and the lack of regular employment, it is hardly likely that the working population can afford to buy or rent better accommodation.

Slums are projected as the causes of most, if not all, urban problems. They generate filth, they breed criminals, and they usurp facilities that should have rightfully gone to the 'tax paying' citizens. Whether slum dwellers are really responsible for such problems is never investigated but these views become a convenient handle for demolishing slums to make way for 'cleaner' and better priced housing which the affluent minority needs. These high-rise apartments cause greater strain on the public utilities (i.e., drainage, garbage disposal, water, sewerage, and so on), as their usage of these facilities is several times more than that of a large slum.

The main threat to Mumbai's poor comes from certain NGOs who claim to represent the citizens. These invariably refer to residents of middle and upper middle class housing societies. Their interests lie mainly in protecting public spaces from encroachment by the marginalised (street vendors, slums, and so on). Two significant NGOs need mention. One formed by a group of retired senior bureaucrats and police officers who feel that their expertise is needed for establishing good governance. Of course it would be rude to ask these veterans what they did to establish good governance when they were running the bureaucracy. Another NGO that has the backing of corporate houses commissioned a consultancy firm, McKinsey, to draw out a plan for improving the city so that it could attract foreign capital. Of the various suggestions given, one mentions that the city should be run by a Chief Executive Officer (CEO) who would preferably be from the corporate sector. An important finding is that the lowest

30 per cent of the city's households have an average monthly income of Rs 6,000 hence they could be shifted from slums to proper housing as they could afford to pay higher rent. How the company could come to the figure of Rs 6,000 is literally anyone's guess because nowhere in report does it detail its methodology. In fact the report mentions, in fine print, that the data presented is not necessarily authentic. Despite these shortcomings the state government has taken up the suggestions seriously (no matter how methodologically flawed the process is) and the Chief Minister has constituted a committee to advise him on the future of the city. All members of this advisory committee are from industry or organisations that are against the working poor. The only exception is an editor of a Marathi newspaper who is known for his left leanings. It is quite obvious that the state government too thinks that the city should exist only for the rich and the poor will be taken care of through the fall outs in the city's pro-rich development plans.

An unfortunate of the above is that the demands of the so-called citizens groups, despite their representing a microscopic minority of the city's population, are taken up seriously by the administration resulting in greater insecurity to the majority of the population through evictions, demolitions and disruption in their livelihood. NGOs genuinely representing the poor do exist in the city and their membership is several times larger than the supporters of the so-called citizens' groups, but their views are hardly considered by the authorities. One of the main problems is that these NGOs are not united in their stand. The voices of the marginalised majority could be heard if these groups could get together and in a united manner speak on issues of common concern. Instead, we have a situation where an organised minority can dominate over an unorganised and fragmented majority. This is the notion of good governance.

Organised Minority versus Unorganised Majority

In his study of the power elite in the USA, the renowned sociologist, the late C. Wright Mills⁶ had noted that the country was run by a cohesive elite that was able to impose its policies on the rest of the people. In the analysis of his study, Mills had warned of the dangers of having an organised minority dominating over an unorganised and fragmented majority. According to Mills, the power elite, comprising the military, the bureaucracy and the industrialists, assumed its dominant position

not merely by controlling the economy. It was able to gain acceptability through constant propaganda orchestrated by the mass media, which too it controlled. In this way the people of America were being literally brainwashed into believing that this self-seeking power elite was truly their representative.

The situation in Mumbai is similar to that described by Mills. Elitist groups that represent the interests of less than 1 per cent of the population are most vocal in espousing on the maladies of the city. Slums and street vendors are of course their prime targets. The media too plays a vital role in this process by highlighting these issues and thus influencing the policy makers of the urgent need to eradicate these irritants from the city's landscape. Yet none of these elite organisations have effectively raised their voices against the violation of the Coastal Regulation Zone (CRZ) rules by builders. The fact that having high-rise buildings in the rehabilitated sites will cause greater environmental problems, because of their excessive use of water and sewerage facilities and by the large number of cars owned by the occupants of these buildings, has never been raised even feebly by such groups.

Restoration of pavements as public space becomes important only when street vendors 'encroach' on them. The constant tirade by these elite that street vendors deprive pedestrians of their space, cause traffic jams and encourage anti-social activities finds favour with the media. The municipal authorities too act promptly on their advice by evicting these street vendors and depriving them of their livelihood. The inconvenience caused to the majority of the population who find it convenient to purchase from street vendors is never a consideration. The fact that no *chawl* committee, tenants' association or *jhoparpatti* (slum) committee has ever complained against street vendors is of course irrelevant as these groups represent the unorganised majority. The same enthusiasm is woefully lacking when pavements are leased for parking cars or when shops and private houses encroach on them.

The existence of slums as illegal settlements has certain positive features for sections of the authorities (police and municipal). Slum dwellers, because of their precarious existence, become easy victims of rent seeking by these authorities. The collections amount to several crores of rupees. In the case of another vulnerable section, street vendors, it is estimated that around Rs 4 billion is collected annually as rents. The contribution of slum dwellers could be higher given their vast numbers. Moreover, rents increase whenever there are raids or evictions by the municipal authorities. The provocations of the elite NGOs and the media

that encourage the authorities to evict these people only help to increase rent seeking by corrupt officials. In the case of hawkers, it was found that after the former Deputy Municipal Commissioner Khairnar conducted his eviction drives in the Central Business District, rent collection rose 10 times more than the normal.⁷ Hawkers were willing to pay large amounts to municipal or police personnel just to be forewarned of impending raids. The same is true of slum dwellers. Hence it becomes profitable for the authorities to allow slums to grow as they provide a source of illegal income. Other players such as slumlords and mafia also thrive because of the illegal status of slums.

Capturing of Public Spaces: Slum Redevelopment Schemes

The state government has initiated slum development programmes for providing better housing to slum dwellers. The most prevalent of these is of housing slum dwellers in high-rise buildings built on the slum land. The buildings are constructed by builders who charge the slum dwellers Rs 15,000 for each unit. The unit is of 225 sq feet and it includes a room, a toilet and a kitchen. Builders in turn are allowed extra Floor Space Index (FSI) so that they can build other flats that will be sold at market prices. These flats may be larger than those of the slum dwellers. The builders can thus recover their costs on the subsidised units. Initially, the flats of slum dwellers and the others were in the same complex and all owners (slum dwellers and those who buy their flats at market prices) belonged to the same co-operative housing society. This obviously reduced the market value of the flats to be sold at market prices. A few such ventures have come up so far.

The Shiv Sena–BJP government (1995–2000) proposed a new scheme. The Shiv Sena declared magnanimously that 40,00,000 houses would be built for slum dwellers in the city under the Shivshahi Punarvas Prakaalp Limited and would be provided free to bonafide slum dwellers. In this case too the scheme would be funded by builders. The only change in the scheme was that the builder was not compelled to use the extra FSI to build flats in the same complex as that of the slum dwellers. They were allowed to use the extra FSI to build houses in any part of the city provided it was in the north of the place built for slum dwellers. Second, land owners can transfer their rights to develop their plots to builders who are involved in such projects. This is known as Transfer of Development Rights (TDR).

In other words, builders can develop slums in Central Mumbai and in turn they get the right to build in the north. This is inevitably in the northern suburbs where real estate prices are high.

The 'rehabilitated' slum dwellers soon found that they were worse off than before. Besides being shifted to cramped residences, the taxes and outgoings for maintenance were also high. Each of them has to pay around Rs 1,000 per month for these charges. These buildings are seven stories high and the tenants need lifts to reach the upper floors. The cost of operating the lift is shared by the tenants, which again adds to the outgoing costs. In Dharavi, known as Asia's largest slum, there are several such buildings in which the residents have cut off the lift connection in order to save on maintenance costs. This means that many of them have to climb several stories to reach their tiny homes.

The problems of slum rehabilitation can be seen from some of the findings of a study conducted by CEHAT (Centre for Enquiry into Health and Allied Themes).⁸ The author too has done fieldwork in the area. This relates to the rehabilitation of slums near the Chatrapati Shivaji International Airport. Any air traveller will find that there are dense slums starting from the boundary walls of the airport. This area is known as Jarimari and these slums have been there for several decades. Surprisingly, despite this dense population near the airport, Mumbai has never seen a bird-hit. This also indicates that these slum dwellers are aware of the fact that throwing refuse indiscriminately in the neighbourhood could attract birds which in turn could prove disastrous for the air craft. Yet, after the attack on Parliament in December 2001 by terrorists, the government decided to remove these slums as they were potential security risk. It is not known on what basis the authorities came to such a conclusion. Perhaps the fact that a majority of these slum dwellers were Muslims could have prompted this step.

Alternative arrangements were made for the slum dwellers at a place called Dindoshi, around 10 km away. There were 33 multi-storied houses there to accommodate the displaced families. The authorities recruited an NGO to help convince the slum dwellers that a better life awaited them in their new environment. The transfers took place in early 2002. Some of the people had to climb 190 steps to reach the grounds. After that, if the room allotted was on the top floors, there is a further climb. The NGO however convinced them that once they settle there another road would be made that would connect them to the main road. The residents told us that they were assured by the NGO that they would get soft loans to set up their own business, since most of the males were self-employed.

On moving to the buildings the residents found that they had to face several problems. The promised road was never built because the land it had to cut through was private land. They also found that they had no direct access to the main road. Moreover there was no drainage and all the waste went down the passages below.

The economic conditions of the people have declined significantly. The men have no work and the promised loans did not materialise. When we asked a representative of the NGO about these promises we were told that the job of the NGO was to shift the people. Loans and roads were the responsibility of the government and not theirs. The men are casual labourers who are hired at the labour markets in the street corners (Naaka). Their Naaka was in Kurla or other nearby places at Jarimari. There was no place they could negotiate for work at this new place.

The women are even worse off. They were mostly home-based workers engaged in stitching work—*jari* or patchwork quilts. They could get their material from Kurla and the contractors were also from that area. Moreover, they were used to working together in groups. This not only reduced the monotony in their work but also ensured quicker turnovers. Their new houses do not have the public space that could be used for such activities. They have no access to the material and the contractors refuse to come to these far-off places. Other women engaged in making *papads*, pickles and other such items for the market have similar problems regarding space. The food items prepared require space for drying, which was available in their slums. The new multi-storied buildings do not provide them any space for their work.

The men too face problems in getting work. In most cases male workers do not have permanent jobs. They depend on the daily labour market in their vicinity for getting work. When they were shifted to Dindoshi, they started facing problems of finding a labour market. There were none in this area. The alternative they have is of going to their earlier place, the Naakas at Kurla, for finding work. Transport costs in Mumbai are the highest in the country as the municipal bus service operates on no-loss and no-subsidy basis. A bus ride from Dindoshi to Kurla costs over Rs 10 one way and takes over an hour. The suburban trains are cheaper and faster but they ply in limited arterial routes. For example, there is no rail route between Jarimari and Dindoshi. Hence, the high over-head costs coupled by lack of work prove strong disincentives for the people to stay on. This makes it difficult for the daily labourers to venture too far in search of work. It is therefore not surprising that many of these residents have started selling off their rooms and moving back to slums.

This situation has been created primarily because while making these plans the needs of the slum population was never considered. These plans were drawn by bureaucrats and builders who were least concerned with the welfare of slum dwellers. The idea of housing slum dwellers in multi-storied buildings is borrowed from the developed countries and from Singapore. It was believed that if these people are forced into high-rise buildings they would not mess up the city. The work opportunities and the needs of the people are of course not an important issue considering that the poor are not even considered as citizens.

This is not a new phenomenon. In fact, if one looks at the first rehabilitation scheme for the poor one will find a similarity. The first such scheme was planned to rehabilitate the fisher-folk at Mahim beach near Dharavi. Incidentally, these fisher-folk known as Kolis, are the original inhabitants of Mumbai. The government decided that instead of their living in huts along the beach, they deserved to stay in apartments like proper middle-class folks. A housing colony was built for them in the early 1960s in Dharavi which happened to be the first of such rehabilitation schemes. The place is around 2 km away from the beach. The colony still exists but not a single Koli fisher-folk live in these flats as they are totally unsuitable for their livelihood. For example, how was the fisherman to carry the huge nets to a flat on the second floor? Even if he did manage to do this there was not enough space in the flat to store it. Moreover, how could the fisher-folk keep a watch over their boats from their new houses that were 2 km away? These houses are now occupied by other tenants and the Kolis are back where they used to live. The scheme was thus a total failure. However the government does not seem to learn from past mistakes. It still continues to make them.

The question that now arises is, are such schemes merely a result of planning from above? If we examine the situation carefully we will find that there could be a method in the madness. Let us consider who the main beneficiaries of such schemes are. Are they the slum dwellers, who in fact do not want to reside in such places? In reality it is the builders, who form a powerful lobby in influencing urban planning in the city, who have gained the most. It would almost seem as if these plans were drawn up only for their gains.

A builder involved in rehabilitating slum dwellers in high-rise buildings has to bear only the construction costs. This would be around Rs 500 to 600 per sq foot. In exchange for his benevolence he gets a similar FSI in another site. He can use this extra FSI for an existing construction project of his in an up market area where the price for an apartment would

be Rs 7,000 per sq foot. The builder is allowed to build more apartments in exchange for the space he has built for the slum dwellers. He builds other apartments that are priced at Rs 7,000 per sq foot, and he does not have to bear the cost of the land because these are additional apartments on the land that is already bought for the earlier construction work. Hence the builder spends around Rs 600 per sq foot for slum houses and around Rs 3,000 per sq foot as construction costs for the upmarket apartments. His profits for the additional set of apartments will be Rs 3,500 per sq foot.

Thus, under the garb of slum rehabilitation, they are allowed to develop large areas through TDR and rake in huge profits, a part of which may be shared with the concerned sections responsible for drawing up such plans. Here is another incident of how the urban poor are made scapegoats for the benefit of others.

Contributions of the Urban Poor

The slum dwellers and the urban poor are frequently accused of draining the city's resources. In reality they contribute significantly to the city's economy through their activities. The following extract from the National Slum Policy of the Government of India explains this aspect:

Slums are an integral part of urban areas and contribute significantly to their economy both through their labour market contributions and informal production activities. This Policy, therefore, endorses an upgrading and improvement approach in all slums. It does not advocate the concept of slum clearance except under strict guidelines set down for resettlement and rehabilitation in respect of certain slums located on untenable sites.

—National Slum Policy⁹

The policy further states that though the poor are important actors in urban development, they are seen as the problem. The following extract is self-explanatory:

The poor represent an extremely important element of the urban labour force and contribute substantially to total productivity and labour market competitiveness. It is vital that all ULBs recognise the contribution of the urban poor in helping to build urban prosperity and make sufficient provision for them to have access to affordable land, house sites and services. The present planning and development framework is exclusive of slums and informal settlements. It views slums as 'problem areas' requiring corrective

action. The legal framework with its origin in the pre-independence socio-economic context requires modifications and progressive change. There is a need for a greater commitment to institutional re-orientation by adopting a more 'enabling' approach to the delivery of basic services accessible to the poor through the more effective mobilisation of community resources and skills to complement public resource allocations. Major areas of attention include: town planning, land management, poverty alleviation, basic service delivery and capacity building.

—National Slum Policy

All urban centres collect their resources through taxes. In India, a majority of the tax collection is through indirect taxes. These include octroi or entry tax and different cesses enforced by the municipal authorities. In fact, in most Indian cities, direct taxes constitute a small part of the tax contribution. The Municipal Corporation of Greater Mumbai depends heavily on octroi for its sustenance. In fact 60 per cent of its revenue is from this single source.

Indirect taxes are borne by all sections of the population, including the urban poor, because these are passed on to the consumer. For example, the burdens of octroi collected from goods that enter Mumbai are ultimately passed on to the consumer as it is included in the sale price. Hence any person who buys anything from shops or other places is paying a tax to the municipality. The urban poor too pay this tax when they make any purchases. Hence, they too are tax payers. However the question is do they get back as much as the taxes they pay?

We will argue that the urban poor pay more in terms of taxes and receive less in terms of services from the municipality. We can find that the better facilities for better urban living are provided for the middle- and upper middle classes. These include mechanised garbage collection done on regular basis, whereas garbage collection in the slums is largely left to the residents. Similarly facilities such as water, electricity and even civil supplies such as food grains and other food items, are supplied to the rich at lower rates than those provided to the poor. Prahalad¹⁰ has shown this contrast in concrete terms in the case of Mumbai. He has compared prices of these commodities in the upper-class area of Warden Road with those of Dharavi, once regarded as Asia's largest slum. The contrast is really striking. He finds that those in Dharavi pay annual interest on loans at a rate of between 600 and 1,000 per cent. For one cubic meter of Municipal grade water, the Dharavi resident pays USD 1.12 whereas the Warden Road resident pays only USD 0.03. Even for essential commodities

such as rice the Warden Road resident pays USD 0.24 per kilo while in Dharavi the same is available at USD 0.28. Besides these, slum dwellers pay much more for illness and medication than those in the richer areas.

What we find in reality is that the rich pay much less for essential services than the poor. In other words the former are subsidised in these services, but do they really need them? Moreover, where do these subsidies come from? We are stating that the poor pay more in terms of taxes to the municipality for receiving lesser services so that this surplus can be provided to the rich for the additional facilities provided by the municipality. Despite these facts, the poor are invariably blamed for the problems in urban areas.

Conclusion: Inclusive Planning for the Working Poor

We can see from the discussions that the urban working poor are largely left to fend for themselves. The state not only does not help them in any way but it also plays a leading role in harassing them through rent seeking and evictions. The situation is difficult for the poor but not insurmountable. If the state had any interest in the uplift of the poor, it would first of all include them in the planning process. Urban plans are designed keeping in mind the needs of the better-off sections. They stress on better quality of life for these sections. However, the poor are never included in these plans. They, thus, have to find places to live and work through their own initiatives.

Inclusive planning for the working poor would mean that the urban plans take into account the needs of the poor in terms of housing and livelihood. For example, slums do not normally grow where there is free space. The poor have a little more sense to do such things. In fact one can find that slums normally come up in places close to the work sites of the poor. Such slums not only provide cheap or low cost housing but their proximity to the work places ensures that costs of transport are reduced. The workers can offer their services at cheaper rates since they have cheap housing, no costs in transport and low cost goods and food through street vendors. All these put together helps the worker in reducing the wages. The main beneficiaries of these processes are those who buy the labour power as they get labour at reduced wages. Yet it is these same people who protest the most when slums crop up or when street vendors operate on the pavements. The state could take into account such

issues when it formulates the urban plans. Just as the plans leave public space for parks, hospital, educational institutions, and so on, why can't these plans provide for open markets in strategic places (near railway stations, bus terminus, hospitals, housing colonies, and so on) and spaces for housing for the urban poor where they are needed most? This could be possible only under two circumstances. First, if the state is strong enough to resist the pressures of the builder lobby from usurping public space for their personal profits, or, second, if the urban working poor are organised to articulate their class interests as this would pressurise the state into taking up their issues.

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Revisiting Accumulation by Dispossession: Neoliberalising Mumbai

Swapna Banerjee-Guha

Introduction

Several large and small cities, located in different parts of the world are undergoing huge transformations in their urbanscape. The power of globalising processes to wreak havoc on city space and lives of people is seen everywhere, its degree depending on the historical processes of development, the politico-economic structures of the respective countries and their hierarchical status in the global economy.¹ In a very systematic manner, cities are becoming hyper-active sites of ‘creative destruction’, to dismantle the old at the behest of capitalist imperatives and to give birth to the new. Along with the above, an expanding capital accumulation process accompanied by new technologies and new forms of governance is bringing in new spatial forms putting enormous stress upon the physical and social landscapes² of the urban settlements.

What are the manifestations of the above process? As cities get linked to global networks, their functions become increasingly diversified and less connected to their larger territorial entities. They start emerging as independent units, experiencing several contradictory articulations of growth and decline, getting functionally delinked from their regions, to be simultaneously linked with far-away places through global networks.³ The peri-urban regions containing settlements of various orders and development levels, on the other hand, remain distortedly connected with the cities through the imperatives of the emergent global economic and

social systems and become increasingly subservient. Increased mobility of capital creates diverse stakes on the less regulated spaces in the regions that increasingly are controlled by the emerging parastatal territorial entities. Disparity between cities and regions intensifies, gets juxtaposed to a drastic transformation of land-use, infrastructure and governance, exhibiting a close link between ideology and power, global and local.

Expansion of global networks, it has to be understood, not only controls the operation of urban systems, but also the internal geography of cities to a considerable extent. As a result, the intra-city landscape tends to emerge as a contradictory space, characterised by contestation and internal differentiation, succinctly bringing out the unequal impact of globalisation and global relations. Reflecting the fragmented praxis on which globalisation theory rests, they become solid expressions of the politics of urban space and built environment in contemporary times. It is obvious that the nature of urbanity undergoes a change through these processes in which some cities play key roles and some do not. The power geometry of time-space compression enters in a significant way at this stage implying that different groups have distinctly different relationships to this structurally differentiated and hierarchal framework: some are more in charge of it than others, some initiate flows and movements while some are more at the receiving end, effectively imprisoned by it.⁴ An inherent contradiction of 'concentration' and dispersal underlies the above framework that goes to aggravate unevenness within the urban system and following the laws of capitalist accumulation, carves out specific sets of 'central places', creates innumerable division in absolute spaces within cities, attuned to the requirement of capital's need for 'creative destruction'. The depressed areas of the cities thus go to form the areas of basis of conversion of surplus value into new variable capital through flexibilisation and informalisation while newer areas with new activities emerge by reconstructing the erstwhile space, epitomising the grandeur of technology but side by side a sinking base of employment. As these cities get linked to the global networks, their basic functions get disrupted, reoriented and refashioned. With a loss of basic identity, these cities become functionally more diverse while an increased mobility of capital drastically changes the claims over their built environment leading to diverse stakes. The reconstructed centre and the periphery enter into a tenuous link-up representing the contradictions of a global society and segmented localities associated with increasing space shift and social polarisation. Following the scheme of contemporary globalisation, they reflect the characteristics of a disjointed framework,⁵ bringing home the

idea that not all quarters of the city population and space are equally affected by this process. The beneficiaries constitute a minuscule proportion of the total population while the size of the marginalised sections steadily grows and is deemed permanent. The cities thus become sites for immense concentration of economic power as well as for an exceedingly large number of disadvantaged that grows fast in number. Cities like Mumbai, Bangalore, Karachi, Dhaka, Mexico City or Ho Chi Minh City along with New York, London and Paris become a part of a whole albeit with a sharpening inequality between the two sets. Cities of the Global South, as mentioned, under the flexist imposition of global imperatives, undergo huge transformations, exposing, as mentioned, the link between power and the ideology of globalisation and their impact at local levels.⁶

Trajectory of Accumulation by Dispossession: Cities in Transformation

Contemporary urban transformations reflecting a wider restructuring of the economy and society at national and global levels, thus, have emerged as a highly contentious issue within the discourse of urban studies as well as within cities. Central to the theme of this discourse is the link between ideology and power and their control over the urban space to reproduce newer socio-spatial formations impacting on the use-values of the erstwhile built environment. Ideology armed with power, in such situations, creates patterns of domination and repression with an objective of appropriating space for further accumulation.

Researchers working on metropolitan spatiality have come out with several ideas that help understand the processes of transformation of the metropolitan space. McGrew⁷ identifies a number of contradictory forms invoking differential and contingent reaches, embodying tensions and oppositions, rather than convergence and uniformity. Political relations in such disjointed city spaces tend towards poly-anarchy.⁸ Out of the interaction and accommodation between and within various class and ethnic groups, a politics of grudging tolerance emerges that finally results in the fragmentation of territories,⁹ reflecting economic decline and social inequality at the same time. Simultaneously, emergence of new activities in specific locales, as mentioned, initiates a process of dissociation leading to creation of intra-city 'spaces of difference'. As the built environment in its specificity includes both relations of production and consumption

as its material base, the ‘super-structural’ impact on the urban, social and political life are obvious. All these need deeper comparative analyses across cities and countries.

Debates on globalisation and related urban studies have developed a recognisable character that in most cases constitutes an effort to define the making of global cities as an objectified and essential reality.¹⁰ Urban attributes of economic globalisation identify a number of ‘nested’ elements, such as: (a) internationalisation of the world economy and transnationalisation of the economic space; (b) extremely high mobility of capital and destination to and concentration in a few global cities; (c) shift from manufacturing to finance, services and real estate; (d) intensification of a hierarchical order in the global urban system and; last but not the least; (e) flexibilisation of the urban economies. Based on the above, a number of studies have explicated the link between the urban transformation process and expansion of capitalist accumulation in the contemporary globalisation era.¹¹ Most studies point at a growing polarisation along class, gender and ethnic lines depending on the respective socio cultural set-up of cities and increasing displacement—from homes, jobs and livelihoods. The contradictory urban landscape created therefrom, essentially represents a global urban order orchestrated by a neoliberal praxis of governance and control,¹² rather than the socio-economic character of the city itself or of its surrounding region. Production of space in recent times in Mumbai or for that matter in other cities in the country reflects such complex inter-connections characterising the imperatives of global capital vis-à-vis the urban systems. Cultural implications of the above are intertwined with the economic fallouts even though a number of studies put stress on the interactive power of networks that are differently articulated, reflecting interplay of power relations and practices in the discursive and historical frameworks of locality and transnationality.¹³ The cultural implications of contemporary globalisation in the daily life of cities especially in the Global South, have been found to reflect the hegemony of a dominant culture and a supportive ideology, legitimised by a globally oriented hegemonic discourse¹⁴ that projects ‘creative destruction’ as the only path towards development, at regional and urban scales. The intense regulatory power of the discourse restricts serious and alternative viewpoints of a larger body and specifies a parameter of the ‘practical’ and ‘sensible’ among linked group of theoreticians, practitioners and policy makers.¹⁵

Post 1980, urban spatiality of large cities and subsequently of cities of diverse size classes, has been considerably determined by the above discourse that happens to be the underlying logic of the contemporary

world-wide regime of 'neo-liberalism'.¹⁶ Arising out of the crises of the Fordist–Keynesian accumulation regime and the break-down of the Bretton-Woods system, the above has impacted the socio-economic space of almost all countries, especially that of the Global South. Having a multi-faceted and multi-scalar framework, it is characterised by a universal backtracking of the welfare state, dismantling of institutional constraints upon marketisation, increased commodification, shrinking of organised jobs and a tremendous economic uncertainty.¹⁷ On the other hand, despite deregulation and privatisation of state-owned and state-provided services, a new kind of entrepreneurial state intervention is brought in, to role forward new forms of governance that ostensibly is suited to a market-driven globalising economy.¹⁸ At city level, it is characterised by increasing constraints in planning and the political capacity of municipal governments, privatisation of basic services, withdrawal of state form urban development, escalating support for public–private partnership, especially in infrastructure projects, increasing gentrification to expand space for elitist consumption and a growing exposure to global competition reflecting the power of a disciplinary finance regime and a hegemonic cultural framework. Cities in the present time, as can be seen from the upscaling of Mumbai, are getting crucially interconnected to the process of reproduction, reconstitution and mutation of neoliberalism as an ideology¹⁹ across the world.

As mentioned, cities located in the Global South are in doldrums due to the imposition of the above mentioned regime. Characterised by market priorities, a belligerent urbanism is seen promoted in these countries, advocating multi-scalar 'creative destruction' at various scales. Following the same logic, cities in these countries, are undergoing drastic transformations in their form and governance to become equipped to function as incubators of neoliberal strategies in the South.²⁰ With rescaling of the 'global' and recasting of the 'urban',²¹ they are emerging as embodiment of the current imperatives of capitalist production achieved through flexibilisation and disaggregation,²² reflecting, as mentioned, a wider restructuring of their respective regional and national economies. They produce two conflicting forms: the first being the network of interactions and flows that does not necessarily represent any specific urban unit but a hyper-modern urban form representing contemporary capitalism and the market economy; the second one characterises specific structures/architectures of a gigantic nature that lend a commonness to the conception of the current 'urban'²³ linked to a uniform process of dispossession of the urban poor and the disadvantaged, irrespective of their economic environment at the macro level.

It partly rests on existing inequalities but largely on the reproduction of newer areas of decline and growth, based on the current forms of economic momentum and regulatory framework of neoliberalism.²⁴

Contemporary Globalisation and Transformation of Indian Cities

Indian cities too in recent times are being remodelled as ‘world class cities’ to function as nodes of circulation of global finance and hi-tech activities of diverse nature. Apparently the essential objective is to make these cities sufficiently investment friendly, acceptable to the credit rating agencies and help them emerge as geo-strategic points to further neoliberalism in the Global South. To achieve this, a homogenised planning vision is being floated at the behest of global capital, ushering in a new era of remapping the ‘urban’ by intense gentrification of the urban space and recasting of the urban form and governance. Reconstructing a new geography of centrality and marginality, the said vision has aggravated the contradictions of ‘concentration’ and ‘dispersal’ in the existing institutional landscape and reformulated the relational character of specific locations for new users, for which a process of place-specific valorisation and devalorisation²⁵ is found to set in. The overall character represents a gradual fragmentation of territories, economic decline and displacement of a large majority, increasing socio-spatial inequality and a simultaneous emergence of new/modern activities in specific locales implying an aggravation of ‘spaces of difference’.²⁶ In the process of reconstructing space as a part of the above reconceptualisation of the contemporary ‘urban’, displacement and dispossession of the poor and weaker sections have surfaced as a fundamental aspect, aided by other methods of marginalisation, like closure of small scale manufacturing and retail units, anti-poor legal order, regulations against informal workers, hawkers, waste pickers, privatisation of basic services like water, sanitation, housing, health, education and last but not the least, restricting access to open spaces for opening up more spaces for elitist consumption. Ideology, armed with power, is found to creating patterns of domination and repression in many Indian cities²⁷ in current times.

Since independence, externally assisted urban sector projects in India have accounted for more than USD 230 million. In mid-1990s, following the introduction of the New Economic Policy, infrastructural face lift of cities was identified as a major panacea to get rid of urban decadence by the

pro-liberalisation forces in the country. Consequently, in 1996, the Expert Group on commercialisation of infrastructure estimated a requirement of around Rs 250,000 crore investment in urban infrastructure for the coming 10 years. This made the entry of private capital an imperative in the urban development scenario with the public sector, as announced, lacking funds. Accordingly, a major overhauling of the administrative and legislative frameworks of the government was suggested that smoothened the process of involving international financial institutions (IFIs) like World Bank, Asian Development Bank (ADB), USAID, DFID in the drafting of the urban reforms mandate. It marked the beginning of a new regime of regulation in the Indian urban sector that cleared the ground for vigorous implementation of state sponsored neoliberal programmes in a number of cities in subsequent years, impacting diverse sectors like municipal finance, infrastructure, basic services, land and housing market, land use, urban form, etc., and most importantly shelter and livelihoods of millions of urban poor. Reproduction of urban space in this manner reflected the contradictions of economic globalisation at a local scale,²⁸ exposing a deep structural imbalance in which modernity and post-modernity are marked with ephemerality and chaotic flux.²⁹ With the urban built environment having both production and consumption relations, 'superstructural' impacts of the above restructuring surfaced in the political and cultural life of these cities.³⁰ A point that needs to be mentioned here is that since 1990s, the IFIs have vigorously taken part, more than before, in drafting the policy framework of several nations. The agreements and treaties signed at their behest at cross-country levels have enforced a mandatory 'opening up' of the governance of these countries that has drastically gone to replace the state and democratic policy making framework by non-state bodies, sacrificing general welfare, labour security and environmental protection at various levels.

Holding the process of unrelenting urbanisation responsible for the acute urban crisis in the country, the Indian central government in December 2005, launched its largest post-independence urban planning initiative, entitled the 'Jawaharlal Nehru National Urban Renewal Mission (JNNURM)', henceforth mentioned as National Urban Renewal Mission (NURM), aimed at pursuing urban reforms and putting the cities on a fast track of development. The primary evil identified by the Mission was the gap between disproportionately fast pace of urban growth and urban infrastructural development. Simultaneously, urban poverty was labeled as the prime cause for unregulated urban growth, environmental damage and growing crime rates in cities. The *raison d'être* for the Mission echoed the rationale of neoliberal policies in general: that the reforms would

lead to economic growth assisted with a higher rate of urbanisation, that cities covered by the Mission would emerge as 'engines of growth' for respective urban systems, would be more livable, secure and of course global in character, materialising the concept of a modern homogenised urban society. That the premise of the above homogenisation rested on an acute contestation of the urban space³¹ and a selective 'first worlding' of certain areas,³² remained hidden. A careful examination shows that Indian cities are fast emerging as critical zones of contestation,³³ with a minuscule but exceedingly powerful global society and a huge majority of the marginalised and dispossessed poor, standing spatially anchored that goes to create backgrounds of intense conflict and utterly contradictory/competitive urban landscapes. Timing of the introduction of NURM juxtaposes with that of a number of anti-people policies at macro and micro levels that are essentially part of the New Economic Policy (NEP) of 1991. In case of urban policy, rebuilding cities became an ongoing leitmotif.

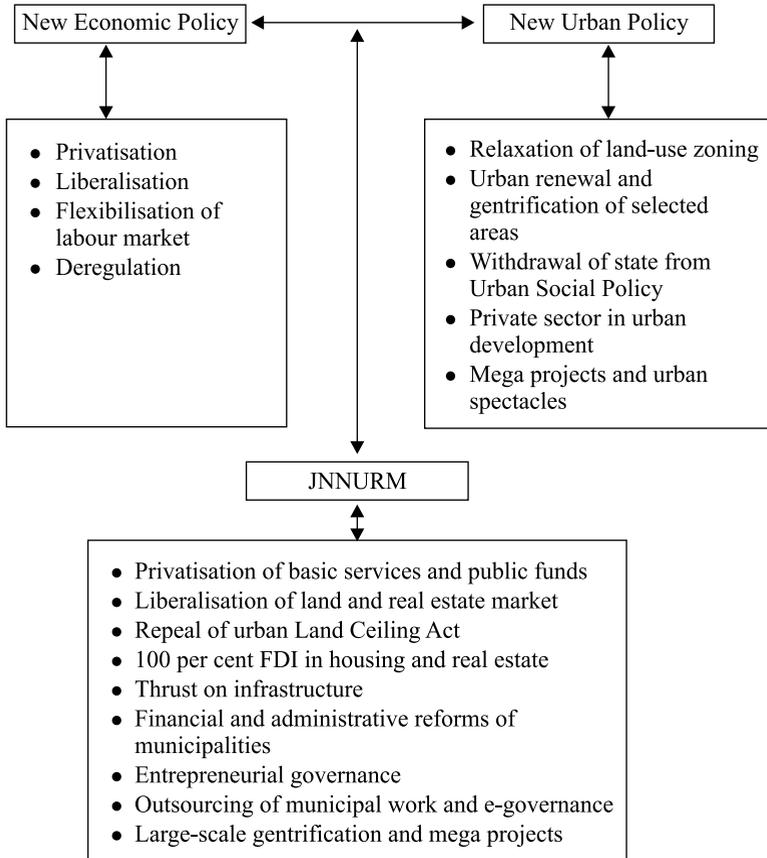
Total cost of the NURM was estimated at Rs 50,000 crores for a period of seven years beginning in April 2005. The Mission aimed at developing 63 Indian cities into 'world class' sustainable cities. Since early 1990s, as the concept of 'livable Indian cities' has disappeared from the Indian planning lexicon getting replaced by 'world class cities', the major thrust of the Mission went to infrastructure like wide roads, flyovers, tunnels, skyways, airports, mega commercial complexes, real estates, open spaces for recreation, all with an aspiration to achieve international standards. Cities of all size classes are targeted: seven from category A or mega cities, 28 from category B or metro cities and the remaining 25 of the 28 listed in category C are urban agglomerations (UAs) with less than 1 million population.³⁴ The Mission is classified into two parts: Submission A, entitled UIG (Urban infrastructure and governance) accounts for 65 per cent of the total funds, to be administered by the Ministry of Urban Development. Projects on roads, transport, associated infrastructure, water supply, sanitation and beautification (read gentrification) have come under this head. Submission B, having 35 per cent of the total funds, has been earmarked for providing Basic Services to the Urban Poor (BSUP) which is being administered by the Ministry of Urban Employment and Poverty Alleviation (MUEPA). Items like slum improvement, rehabilitation of the displaced, access to basic services and housing projects for urban poor come under this head.

Although a classification of reforms into 'optional' and 'mandatory' was theoretically made, essentially, in practice, all NURM prescribed urban governance reforms seem to be mandatory for cities undertaking

the Mission programmes. In addition, all Urban Local Bodies (ULBs) need to prove financial stability for accessing capital market funds.³⁵ A further precondition for the states to access funds is that they need to set up para-statal, non-elected nodal agencies that will be made responsible for evaluating projects, releasing funds to ULBs/para-statal units, managing the same funds and monitoring projects. Projects with private sector participation are to be given priority over projects submitted by the ULBs/para-statal units by themselves. A central government committee headed by a private bank chairman had earlier justified the 'inability' of the public sector to finance infrastructure projects in which subsequently 100 per cent FDI was invited. At the behest of the World Bank, in the Eleventh Plan draft, 'Public-Private Partnership' (PPP) had already been accepted as the prime alternative to fund infrastructure projects. From nearly Rs 260 crores in 2007-08 the infrastructure budget is expected to increase to a whopping Rs 574 crores (approximately) in 2011-12.³⁶ To woo private sector and safeguard their profit rates, the government even went ahead to provide 'viability gap funding', i.e., sharing 40 per cent of the capital cost of the projects. Similar concessions were termed as 'geobribes' by Smith (2002) in his analysis of fiscal concessions provided by the New York city administration to global corporations to make the New York Stock Exchange remain in the city. Public-private partnership models for provision of basic services thus were projected as the ultimate panacea in NURM too that went at par with central government's National Common Minimum Programme (NCMP) aiming at removing all impediments to land and housing markets. Interestingly, no provision was kept in the Mission for public debate on any of the projects.³⁷ The above direction in the urban policy in search of economic growth and competitiveness not only embodied the new politico-economic regime introduced in 1991 as a part of the prevailing global regime but also emerged as a catalyst of urban and political change in the country (Figure 11.1).

In order to be eligible, the municipal corporations required to prepare City Development Plans (CDP), a 25 year vision document defining the direction of development. The Mission's original idea to have the plans chalked out with 'active public consultation' was in reality a hypothetical myth: majority of the plans got ready by a month's time, hurriedly got evaluated by hired bodies following which within three months the central government disbursed Rs 86,482.95 crores for 23 infrastructure projects. All previous central government funding and urban development

FIGURE 11.1
Relationship between NEP, NUP and JNNURM
(Developed from Swynegedouw et al., 2002)



schemes, such as, National Slum Development Programme, Swarna Jayanti Sahakari Rozgar Yojana, Valmiki–Ambedkar Aawaas Yojana (for housing the socially marginalised urban poor), National Transport policy, etc., were brought under the Mission. Projects that were given priority were mega infrastructure projects, gigantic commercial complexes, shopping malls, cultural facilities and urban spectacles. One by one, cities started joining the bandwagon and pledged commitment to private capital for transforming their physical and institutional landscapes. With the central government retaining the right to assess the progress

of the development projects, 'efficiency' became the catchword that systematically went to justify the entry of private capital in running the projects. Several NGOs in different cities were co-opted to sway people about the efficacy of public-private partnerships.

A careful look at NURM proves that it is essentially a reform linked investment programme of the private capital targeting Indian cities. Based on subtle forms of competition, place-marketing and regulatory undercutting for attracting investment, it is tangled by a range of conditionalities at state and city government levels. The key items are: (a) privatisation/commercialisation of basic services through public-private partnership with an introduction of user fees; (b) liberalisation of land and real estate market through repeal of Urban Land Ceiling Acts and change in Rent Control Acts; (c) development of a stronger mortgage market, 100 per cent FDI in housing and real estate; (d) easier land use conversion norms; (e) reforms in property tax and reduction in stamp duties; (f) financial and administrative restructuring of municipalities through implementation of the 74th Amendment of the Constitution; (g) rationalisation and outsourcing; (h) introduction of e-governance; (i) valorisation of private sector and private credit rating agencies over elected civic bodies; (j) co-opting the middle class through high flown rules like the right to information, public disclosure law, citizens' participation law, etc.; (k) bringing the urban poor in the orbit of pay-and-use framework, for example, user fee for basic services, etc.³⁸ The sweeping transformation of urban governance is meant to create a functional impotence of democratically elected bodies and encroach upon the constitutionally devolved areas of state government jurisdiction. Such modalities are often eulogised by the country's business and industrial tycoons while justifying the need for having Chief Executive Officers (CEOs) for modern city administration in place of state urban ministers or municipal commissioners. In short, it is a total transformation in form and governance.

Urban projects that are being implemented in Indian cities are essentially a material expression of the developmental logic that views mega projects and place-marketing as means for waging a competitive struggle to attract investment capital. Their impact is felt at all levels: local, regional, national and international, illustrating the actual concrete process through which postmodern forms, post-Fordist economic dynamics and neoliberal systems of governance are crafted, producing a new articulation of regulatory scales. The associated new urban policy, developing in parallel with the neoliberal economic policy thus squarely revolves around

re-centring the city, replacing old forms, functions and organisational configurations by a new urbanity and assertive, entrepreneurial urban governance that will stand the tests imposed by a global and neoliberal world order. Simultaneously, the re-imaging of the city space is made keeping in mind the consumption pattern of the investor, developer³⁹ and the rich, and least of the common people whose sweat and toil have contributed to the city's growth in different phases.

In this backdrop, the following section takes a close look at the contemporary restructuring of Mumbai, the prime global city of India and a major recipient of NURM funds.

Transformation of Mumbai: Accumulation and Exclusion

Since the wave of liberalisation formally swept the country in early 1990s, efforts of the public and private sectors, to make Indian cities competitive, became stronger. Since 1980s, with the closure of cotton mills—the city's economic backbone till early 1980s, providing direct employment to 2,50,000 workers and indirect jobs to 2,50,000 more—Mumbai started experiencing industrial decline. Following the NEP, organised employment drastically fell in many other industries.⁴⁰ During the same time, however, a new identity for the city was getting reconstituted: Mumbai as the country's future international financial and service centre. Actually, the industrial decline was not an isolated phenomenon but an indicator of many other changes that were going to come, subsequent to the official implantation of neoliberal policy armed with its intense flexibilised model of planning. With the changing image of the city, the elected municipal body started being overpowered by powerful corporate consultant groups in terms of shaping the future course of urban development. The previous planning perspective with a focus on extension and upgradation of basic services, was replaced by competitive strategies that promoted cost competition through fiscal conservation, tax incentives, deregulation of land use planning, growing role of consultant firms, public-private partnerships, and last but not the least, privatisation and marketisation of the local state.⁴¹ In the following paragraphs, the above trajectory of neoliberalism in Mumbai, intertwined with the theme of entrepreneurial governance, economic regeneration and interventionist control of urban space will be discussed. All these issues are not only interrelated, but deeply conjoined in shaping the future expression of citizenship⁴² and social justice in the city.

The task of reconstituting the status of Mumbai as a globalised city was initially achieved through production disaggregation and flexibilisation of labour⁴³ that reflected a wider restructuring of the economy. Together, it reconstructed a new image of Mumbai as a 'world class' finance centre, seemingly more attractive than its former identity of being the industrial capital of the country. Interestingly, way back in 1993, McKinsey, the international consultancy firm, better known as a universal catalyst for private capital in urban projects, had made a strong case for developing Mumbai as a global financial centre. For improving the business environment of the city, it had two suggestions: relaxation of land acquisition rules and strict control of labour. Even if one overlooks the knotty link between improved business environment and easy land acquisition (for making upscale commercial and residential space easily available), the issue of labour management (read disciplining labour) should not be ignored. On the same line, Bombay First, a hallowed NGO of the Bombay Chamber of Commerce and Industry, set up in 1995, with directors of big corporate houses on its Board, came up with flamboyant ideas about Mumbai's crucial role in the country's progress in the liberalisation process and offered support in helping the city emerge as a finance and service centre. Such groups, promoted by finance and business capital, have become ever more instrumental in recent times in reformulating the development policies in several cities⁴⁴ in India.

For Mumbai, however, the story of state machinery, business and commercial capital forming a nexus to influence the implementation of anti-poor projects and appropriation of public land for private use is nothing new.⁴⁵ The interesting part is that in the post NEP years such practices were found more vehemently integrated into the city's planning corpus. Regional Plan (1996–2011) of Mumbai Metropolitan Regional Development Authority (MMRDA) evidenced it. Drastically contradicting its former position of prioritising decentralisation and dispersal, the Development Authority, in the new Plan, projected the metropolis as the capital of international trade, finance, services and high-tech industries and advocated for a more centralised investment⁴⁶ in the metropolis. The Plan had an eerie semblance to the 10 year 'Vision Plan' of Bombay First published in 2003, two years prior to the official announcement of NURM. The reason why I elaborate the features of the 'Vision' in the following paragraphs is that through this Plan the notion of neoliberalism as economic regeneration and governmentality was legitimised in Mumbai, following which the distinctions between state, civil society and market⁴⁷ got considerably blurred and the city space, in the name of planning, was mobilised as an arena for both market-oriented economic

growth and elite consumption practices. It was undauntedly arrogant about supporting the claim of the affluent for a larger share of city space and accordingly suggested several methods of capitalisation of space. The official city development plan and NURM projects in subsequent years thoroughly integrated it, in both letter and spirit, with a singular focus on corporatisation of city space.

The plan document, prepared by the same McKinsey & Company in ‘active collaboration’ with state government organisations like the MMRDA, and the Municipal Corporation of Greater Mumbai (MCGM), benchmarked Mumbai with 10 other cities, namely, London, New York, Singapore, Hong Kong, São Paulo, Sydney, Bangkok, Rio-de-Janeiro, Toronto and finally, Shanghai. In its preface the ‘Vision’ stated to have ‘conducted interviews with more than 30 key stakeholders of Mumbai, holding more than 10 brainstorming workshops with major government institutions, business groups and NGOs, researched and developed case studies of five international and five domestic city transformations... and consulted works done by McKinsey in other parts of the world in order to develop a framework and database for benchmarking Mumbai with other international cities’.⁴⁸ Targeting four ‘high-end services’ for the city, namely, financial services, health care, IT-enabled services and media/entertainment/telecom for the coming years, the plan advocated either total privatisation or public–private partnership for projects in all these services (one must recall that the maintenance of Mumbai–Pune Expressway⁴⁹ was privatised for 15 years in 2004). The relevant chapters of NURM almost echoed the heightening need for privatisation. The Vision identified job potentiality in construction, hotel/tourism/recreation and modern format retail that would create 500,000 jobs in the next 10 years in upgraded museums, multi-purpose indoor stadiums and convention centres (in line with Madison Square Garden), in cafés and restaurants in western and eastern sea-fronts, restaurants and bars, in supermarkets and hypermarkets to be located inside the city and on highways. Nowhere there was a mention of Mumbai’s potential as a strong production centre or the million jobs it had lost. The basis of ‘Vision Mumbai’ was a shift of capital from production to built environment for which the city was identified as the future consumption centre of the country. Growth of the city, targeted at 8–10 per cent a year, was envisaged through some specific sectors. First was the services market, to activate which, financial services were to gear up based on the already existing network of financial institutions, law firms, investment banks, etc. More than 100,000 jobs were envisaged to be provided by this sector. The second thrust was

on health sector and entertainment. With its creative class, production houses, financiers and distributors and with the overseas market accepting the mainstream Indian cinema, Mumbai was designated as the chosen Indian city to create 90,000 more jobs in entertainment and healthcare. The 'Vision' further intended to put the city back to its premier status as the capital of information technology (not industrial!). Upcoming localities of north-east Mumbai near Andheri, emerging as the future I.T hub were the forerunners (Business World, 2003) of such designs (Tables 11.1, 11.2 and 11.3). The state government endorsed the Vision Plan in totality and came out with its Mumbai Transformation Project in 2003 to transform Mumbai into an 'International Financial Centre' (IFC) with world class infrastructure, citizen-friendly services and business friendly environment. Neoliberalism thus became an overarching frame of reference for contradictory discursive events that linked livelihoods and everyday aspirations of individuals to a new conceptualisation of urban, legitimising the integration of the urban bourgeoisie into competitive city governance through the 'revanchist'⁵⁰ methodology of urban restructuring. The process was predicated on an aggressive rescaling of the state and ensuing reorganisation of alliances and coalition partners of urban development.

The entire project was estimated to have a cost of USD 40 billion (about Rs 182,600 crore) to be spent over 10 years out of which 25 per cent would have to be invested by the state government. The 75 per cent private investment in housing, telecom and services sector would be based on market demand.⁵¹ Again, not without logic, 'Vision Mumbai' in many sections ran identical with the 1996–2011 Regional Plan of MMRDA and almost in totality with NURM.

Clientele of the Vision plan was clearly earmarked. Upgraded infrastructure and entertainment facilities were slotted for a 'high quality talented' section of the population. New urban programmes specially focused on modernisation of security provisions (an eight pronged programme) was chalked out for the same target group 'in the face of economic decline, increasing violence, crime and worsening of quality of life due to proliferation of slums'.⁵² Reiterating the notion of 'spatiality of crime' the Vision Plan advocated a deeply interventionist agenda in justifying the need for maintaining private police forces for gated communities, welfare reform, community regeneration and designing public spaces with maximum surveillance. Objective of the Plan was to drastically segregate the poor areas by intensifying militarisation of the city space and increasing ghettoisation.

TABLE 11.1
Mumbai's Growth Potentials

<i>Sector</i>	<i>Potential GDP** (Rs crore)</i>	<i>Potential growth** (%)</i>	<i>Employment potential**</i>
Financial services	37,461	9	89,000
Healthcare	1,955	5	15,000
IT/TES	13,311	20	77,000
Media/entertainment/telecom	11,715	13	73,000
Construction	10,368	15	244,000
Hotel/tourism	6,763	13	46,000
Retail	27,575	12	263,000
Manufacturing	20,771	12	20,40,000
Transportation/logistics	1,942	10	4,000
Total*	140,186	11.5	807,000

Source *Business World*, December 2003, pp. 44–45.

Notes * Excludes mfg in the hinterland and transportation/logistics. Includes other sectors.

** By 2013.

TABLE 11.2
Funding Mumbai

(*Figures in Rs crore*)

Total investment required	200,000
Private investment	150,000
Available funding with municipality	5,000
User charges, better tax collection	30,000
Government equity	15,000

Source *Business World*, December 2003, pp. 44–45.

TABLE 11.3
Boosting Land Supply

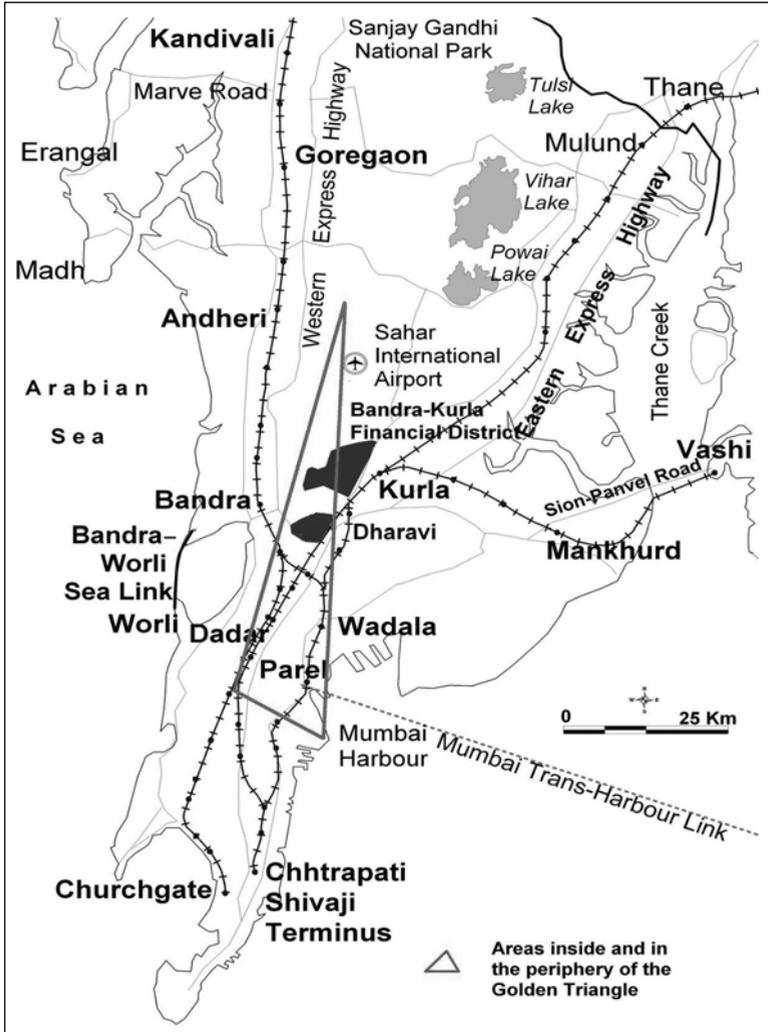
<i>Levers</i>	<i>Land supply (%)</i>
FSI increase	30–40
Mumbai trans-harbour link	15–20
CRZ II and III relaxation	15–20
Urban Land Ceiling Act/rent control	5–10
Slat pan, NDZ, Port Trust, NTC Mill Lands	3
Total	50–70

Source *Business World*, December 2003, pp. 44–45.

The primary source of land was identified in the heart of the city that roughly takes the shape of a triangle.⁵³ The northern point of this 'golden' triangle is located in the emerging I.T hub of Andheri (east); the right arm stretches from Andheri to the Dock area in the south and touches its south-eastern point; the base goes west and joins the south-western point in the mill areas of Parel and Matunga; the left arm traverses north to reach Andheri through (a) sprawling mill lands, now converted into upper class commercial-residential areas, (b) Dharavi, the huge slum that is being made ready for gentrification, and (c) Bandra-Kurla commercial complex built on evacuated slum land and the bed of Mithi river (Figure 11.2). In order to get to the heart of Mumbai's restructuring, it is extremely necessary to understand the nature of transformation of these areas inside the triangle. Together, they go to make the primary source of land for city's redevelopment, as indicated in the City Development Plan. The sheer quantity is enormous: 522 ha (600 acres) comes only from the mill lands (from where 200,000 workers have been displaced and many awaits it) with a sprawling working class area and a low-income neighbourhood. The original development control rules had suggested that one-third of each (sold out) mill land would be surrendered to the state government for the use of workers. Subsequently the clause was deleted. The estimated land in the dock area (three and a half time bigger than the mill lands) is 753 ha (1,860 acres) out of which 445 ha is reclaimed. Bandra-Kurla complex, coming up as an elite commercial area as a 'city within a city' (MMRDA, 1995) has 370 ha located near the international and domestic airports, to the north of the mill lands where office space was sold in 1994 at Rs 2,800 per sq feet, much higher than the prevailing rate. Next comes Dharavi, housing more than 70,000 hutments on 174 ha. The redevelopment cost of Dharavi has been estimated at Rs 5,600 crores that would convert the entire area into a model township (the plan has been prepared by a US-based urban designer) with a large number of high rise buildings for free sale in the market and a proportionate number for housing the slum dwellers. The state government has announced a modern sports complex for post-redevelopment Dharavi. The second destination of the sports activities is identified at Andheri, the IT hub that is already crowded with IT-enabled service units and real estate companies. Redevelopment projects in all these areas are with the private sector with the State acting as an abettor.

Transmogrification of Mumbai largely depends on the rate and intensity of gentrification of the above areas and the surroundings. McKinsey has identified mill areas in Dadar-Parel, Port Trust lands in the dock area,

Figure 11.2
Vision Mumbai: Location of the Golden Triangle in Mumbai



Bandra–Kurla Complex, BDD *chawls* in Worli and increased FSI in already built-up areas as source of land for redevelopment. By mid-2008 almost the entire mill area was shaped into a modern commercial hub with global chain shops, corporate houses and hyper market complexes.⁵⁴ Pro-active pursuit of real estate mega projects has been a primary component

in the redevelopment endeavours in the area. For example, China Mills with 500,000 sq feet of land has been sold to the Dosti Group Builders at a price of Rs 53 crores on which six residential high rise buildings, each about 20 storey high, will come up. With an entrepreneurial planning model facilitating speedy conversion of land use, financial institutions and private banks are found to come out as active partners and buyers of the renewed infrastructure and assets, initiating a fast track gentrification in the so long lower middle/working class area.⁵⁵ The segregated gated communities, shopping malls and publicly subsidised corporate plazas essentially represent the living embodiments of 'interdictory spaces',⁵⁶ designed to exclude those adjudged to be unsuitable and threatening, whose class and cultural positions diverge from the targeted consumers of the new space. Growing aesthetisation of the urban space and promotion of signature projects are drastically reconstructing the working class oriented local culture of this central Mumbai tract into a globally oriented homogenised one, similar to what happened in Toronto in the 1980s⁵⁷ and in hundreds of other cities as a fall-out of the neoliberal crack down. Land for urban redevelopment, according to McKinsey, will be further made available from Coastal Regulation Zones II and III (relaxation of rules has been suggested), no-development zones so far reserved as green areas, salt pan lands in distant Kanjurmarg area for housing the poor, Gorai beach to the north of Mumbai for making Special Entertainment Zone.

To preclude social unrest that may result due to dispossession, interventionist strategies suggested by Bombay First are formidable and being implemented in public and private domains in very many ways. These are done by integrating surveillance in urban planning, by cleansing the material space of pavement dwellers, hawkers, informal workers and homeless, relocating them in 'special housing zones' in peripheral lands, disregarding not only the issue of social justice but ecological considerations too. There has been a recent state government decision to re-house slum dwellers in salt pan areas of Kanjurmarg that has so long been the city's organic bulwark against nature's fury. Simultaneously, control of the urban space⁵⁸ by various power groups has increased. Singular identities of affluent citizens that had in the past remained fluid or fuzzy, are now found to take on a more aggressive collective form, redirecting urban development debates on class lines,⁵⁹ supporting strict zoning laws against hawkers or waste pickers, taking active part in elitist environmental movements having diverse 'green' strategies for specific areas and bringing in new hegemonic discourses for a sanitised/aesthetised city space. A bourgeoisie clientele is rapidly engulfing the urban governance terrain

resulting in an intense conflict over the right to reconvert homogenised urban spaces into lived places and the planning endeavour to re-commodify them which happens to be the crux of the problem.⁶⁰ With increasing intensity of claims and counter claims over the contested city space that is significant towards the construction of hegemony,⁶¹ innumerable projects are being sanctioned by the government recreating a totally new generation of spaces in the future ‘slum free’ city with heritage architecture, theme parks, infotech parks, golf course (in adjoining New Mumbai), sprawling commercial areas with permanent exhibition grounds, water-front development promenades and several other signature projects. Together they exude a modern, homogenous, one-dimensional vision of Mumbai, symbolise an extreme segmentation of communities of the underclass and thoroughly undermine the complexity of urban life of this multi-layered interactive city where 68 per cent of the population live in slums. Repressive and ideological state apparatus⁶² is found busy in combining disciplinary and authoritarian efforts⁶³ to misappropriate urban space.

Underlying Logic

In the above aggressive vision of redesigning Indian cities one can see embedded the concept of ‘new urbanism’ that has its central element resting on the alleged shift of capital from the primary circuit of production to the secondary circuit of built environment,⁶⁴ precisely a move towards financial manipulations as sources of profit. The consequences can be seen in the increasing focus on hyper forms and mega construction activities pointing towards sterility and sameness,⁶⁵ increased speculation and expanded investment in land and real estate (growth of real estate sector in urban India is estimated to go up from USD 12 billion in 2005 to USD 90 billion in 2015), service sector, signature projects, mega cultural events and a reduced focus on employment generating production process, affordable housing, collective sharing of urban space and resources. A larger restructuring of the economic system and a resultant transformation of urban form and the built environment constitute the basis of this new urbanism.⁶⁶

For understanding the logic of remaking Indian cities, we need to look at four basic issues. First, the changing position of Indian economy with the introduction of New Economic Policy and the role of ‘urban’ therein. In the Seventh Plan (1985–90), thrust was put on to private investment in urban development that went against the previous policy of urban decentralisation. The National Commission on Urbanisation in 1985

helped reconfigure the concept of 'urban' in India, heralded a major shift in the urban policy by advocating concentration and centralisation⁶⁷ and activated the discourse in favour of private sector entry in the provision of urban services, cost subsidies, user charges, and most importantly, efficiency of service provision. The Commission's Report was followed by the well known 74th Constitutional Amendment Act in 1992 that brought in political decentralisation, made the urban local bodies more independent (sic), politically weaker and functionally restricted with reduced budgetary allocations and shrunken economic base. Their additional responsibility of raising funds from the capital market surfaced as a debatable issue⁶⁸ as it led to compromises on pro-poor projects. Urban growth rate of 1981–91 shows that there was already an increasing population concentration in the relatively larger cities. The 300 urban agglomerations with a population of 100,000 and above, accounted for more than 65 per cent of the urban population in 1991 when the number of metropolitan cities rose to 23. Six from them (Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Bangalore) with a population of 4 to 8 million were termed as 'mega cities'.⁶⁹ The earlier objective of strengthening economic base of small and medium towns went backstage with renewed investment in large cities and metropolitan regions becoming an official priority. No anti-monopoly measures⁷⁰ were taken to curb the consequent inter-urban disparity or the stress on services and infrastructure in large cities that the above process led to. Following NEP, the Mega City Programme of the central government⁷¹ was launched with an objective to develop infrastructure of large cities (identified as GEM: generating economic momentum). The above focus on large cities actually fitted the bill of a larger neoliberal world order in which economic changes had huge organisational and spatial implications for cities, characterised by rescaling of their functions, activities and relations.⁷² The first issue thus gets interconnected with the second, that is, the ascendancy of neoliberalism as a capitalist model of accumulation and its umbilical link with the entrepreneurial model of governance, thrust on economic regeneration and urban restructuring.⁷³ Its authentic form, besides economic relations, includes a diversely patterned hegemonic structure. Tightening of control of the IFIs like World Bank, ADB, DFID, and like on urban development in India with a renewed focus on mega cities is a part of this hegemony that rests on a complex ensemble of institutional, social and political relations and practices. Forging a link with a wider process of capital accumulation, the above global–local nexus in the contemporary urban development praxis under NURM succinctly symbolises a state supported urban neoliberalism initiated as a market

imperative. Its spatial logic is entangled with the need to restructure cities in all fronts: land use, infrastructure, governance and so on, to enable them to be efficient and marketable in the new geographical axis of global competition that pits cities against cities⁷⁴ and facilitates accumulation. Connected to the above two issues, comes the third: the materialisation of an entrepreneurial city that will represent the praxis of neoliberal at local scale. The contemporary Marxian interpretation⁷⁵ of entrepreneurial city suggests that the contemporary neoliberal urban political arena gets ever more influenced by powerful business interests through public–private partnerships, much less concerned with wealth distribution and welfare, particularly interested in ‘signature projects’ to enhance the imageability of the city and finally, is driven by the political economy of ‘place’ rather than ‘territory’. The current entrepreneurial regime in India is all set to revive the competitive position of urban economies through privatisation, demunicipalisation and recommodification of social and economic life⁷⁶ at an unprecedented large scale. The fourth issue represents the regional component of the global strategy of the post-Fordist economy operating through fragmentation and distribution of production and services, more importantly financial services at wider spatial scales in the form of inter-related sub-processes. By this several cities are assigned specific roles in the hierarchical system for making the capital accumulation process more efficient. It is not only the cities like New York, Chicago, London or Tokyo, in other words, the global financial command centres that are important for this system, but given the current operational strategy of finance capital, it is also the cities of the Global South, in Africa, Asia and Latin America that are considerably, if not equally, important for the functioning of the above regulatory and competitive regime. Here lies the significance of cities like Mumbai, the financial capital of India, geared to take up the mantle of the country’s future international financial centre (IFC), failing which serious implications are anticipated.⁷⁷

India’s financial services industry will not become export-oriented, nor derive significant IFS (International financial services) export revenues, if Mumbai fails to become an IFC.... For Mumbai to become an IFC, India’s policy makers and financial operators need to fully understand the nature of opportunities in the global IFS market, the activities undertaken in global financial centres (GFCs), and the gap in the capabilities that now exists between Mumbai and the established GFCs.⁷⁸

The imploring statement explicates the imperatives of urban restructuring in countries like India and its significance as a universal strategy.

Associated with the entire logic is the restructuring of the welfare state into a more vociferous, interventionist and market friendly structure, aiding and abetting the above processes.

There are several associated sub-processes that are significant. First, urban elites, composed of assorted groups hailing from diverse entities like business, industry, media or films, are increasingly and vociferously making their presence felt in the discourse on 'urban' and getting integrated into the neoliberal urban planning manipulations. Their engagement goes beyond the city level and impacts the prevailing spatial relations of the peri-urban by drastically colonising the space out there, subsuming the former concept of city-hinterland symbiosis. Establishment of wealthy gated communities, farmhouses, luxurious entertainment complexes (including sprawling film-sets), impinging on the livelihoods and economic activities in areas like Karjat or Kasara in Mumbai Metropolitan region is a part of the above process that has drastically increased in recent years. For example, the number of farmhouses (excluding educational establishments, residential projects and resorts) in 48 gram panchayats in Karjat taluka has increased from 252 in 1997 to 1,247 in 2007. The above bourgeois urbanism⁷⁹ is systematically aided by the second sub-process, i.e., rescaling of the urban imagery. The previous role of cities as growth poles and diffusion centres is being replaced by the notion of a de-nationalised throughput node of a global economy. The newly restructured cities emerging as 'spaces of difference',⁸⁰ develop closer links with faraway places through global networks and gradually get de-linked from the surrounding region disrupting the organic and traditional spatial economic arrangements. Neoliberalism in this case acts as a mode of re-regulation of cities and their countryside. While the former experiences several contradictory articulations of growth and decline, the periphery, by the same process, loses its arable land, open spaces, resource-based economic vitality to get distortedly connected with the former through a subcontracting chain of a transnational economic system. Third is ecological modernisation, mentioned earlier, incorporating green strategies for both city and its periphery that essentially facilitates place-marketing in the neoliberal competitive framework and works towards a greater control of space by privileged social groups. Within city areas this entrepreneurial urban agenda risks deepening socio-economic polarities along social cleavages like class, caste, gender and occupation.⁸¹ The ensuing urban forms manifest a disturbed and uneven patchwork of microspaces that Soja⁸² identifies as splintering 'postmetropolitan' landscape, an archipelago of enclosures that both voluntarily and involuntarily barricade individuals inscribing an entirely new urban geography.

Summing Up: Polarisation and Resistance

A proper understanding and theorisation of the new urban form of the transformative cities will remain superficial if it does not involve a discourse on the deepening polarisation and disarticulation that the process creates and people's resistance that arises out of it. This is because cities under neoliberal imposition not only concentrate a disproportionate share of corporate capital to become key sites for their over-valorisation, but they also concentrate an increasingly disproportionate share of disadvantaged and dispossessed and become key sites for their continuing devalorisation.⁸³ I have discussed elsewhere⁸⁴ how the state in new urbanism turns out to be increasingly repressive and a stronger abettor to capital accumulation by instituting deregulation norms and initiating change in use-values of the reconstructed space for the benefit of a narrower citizenry. In the contemporary situation of 'neoliberal crackdown', the spatial 'see-saw'⁸⁵ of valorisation and devalorisation of city-spaces and the associated urban restructuring are leading to an increasing legitimisation of the dispossession of the poor, segregation of the city-space and regulatory access to resources that are getting directly linked to the basic question of the 'right to the city' and the right to eke out a livelihood according to the choice of the individuals. With large-scale stagnation and decline of the economy in villages, towns and smaller cities in several parts of the country, large cities have become destinations for millions of poor rural and urban migrants. Without an expandable employment base, they are becoming spaces of economic regeneration on the one hand and of contradiction and marginalisation on the other. Their glittering image as cities of consumers seems to be at odds with the growing number of impoverished urban poor.

The important question that needs to be raised here is whether these cities also will become spaces for new politics embedded in the claims and counterclaims of people from diverse classes and social groups. Because, even though the claims of the corporate sector and the rich pave the way for a repressive and revanchist urbanism⁸⁶ as evident from the consequences of the redevelopment projects, at the other extreme there are claims made by the dispossessed, struggling for entitlement and alternatives. It remains to be seen whether in the present climate of lack of accountability from the local state and the banality of the 'redevelopment projects' being imposed on the cities,⁸⁷ the powerful contradictions inherent in the interaction between the two lead to a more progressive, radical and democratic use

of the city space⁸⁸ or neoliberalism sits deeper with urban transformation emerging as the leitmotif for future. Although the patterns of claims may reflect an overvaloured and a powerful, small corporate centre occupying an ever expanding terrain, and a devaloured periphery with a large number of people evidently marginalised, it goes without saying that this new politics of claims and related struggles of the dispossessed will go to form the most solid part of the neoliberal urbanism in the coming days. At the same time, the changing urban economies will also call for a different genre of mobilisation of the unorganised and temporary workers, household workers and the self-employed groups of different order. A movement towards a city with an underlying basis of social justice would require development of counter-institutions, capable of reframing issues in broad terms, of mobilising organisational and financial resources to fight for fulfilling the aims of a larger section. Essentially, as Fainstein⁸⁹ suggests, social justice is not always and only a product of militant movements. It simultaneously needs to be asserted at an aggressively contested institutional landscape in which the transformative cities are interacting conflictually, providing a wider arena in which subsequent struggles over cities will get articulated.

Will it be practically possible? To answer this question, future researches on urban form and governance will have to draw inputs from the patterns that are emerging out of the contradictions and negotiations among various claimants of the city space in different parts of the world.

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Index

- aesthetisation of urban space, 216
Agenda for Bengaluru Infrastructure and Development Task Force (ABIDe), 94
'analytic borderlands', 36
The Andhra Pradesh Slum Area Act of 1956, 135
Andhra Pradesh State Housing Corporation Limited (APSHCL), 139–42
Area Sabba (AS), 95, 106–09
Asian Development Bank (ADB), 92, 98, 218
- Bangalore Agenda Task Force (BATF), 94–96, 101–06, 109
Bangalore, case study of, 92–96, 113–15
 institutional changes, by government, 96
 financial institutions, huge gross profits by, 100–01
 IT corporate groups, benefit to, 101–02
 KIADB, role of, 96–99
 land grabbing by big business, 97
 lifestyling Bangalore, aspects of, 96–100
 and role of neoliberal institutions, 99–100
 state role in elite favour, 102
 use of institutional 'inserts', by elites, 103–08
 middle-class activism in Bangalore, 111–13
 new civil society, role of, 105–06
 Area Sabba (AS) as weapon of elite and big business, 106–09
 micro-credit, promotion of, 109–11
Bangalore International Airport Limited (BIAL) project, 93
Bangalore–Mysore Infrastructure Corridor (BMIC), 93
Bangladesh Export Processing Zones Authority (BEPZA), 81–82
- Bhagidari Programme, 94
Bhoomi Programme, Bangalore, 97–98
Bombay First, 94, 153, 210
bourgeois urbanism, 220
Budha Purnima Project Authority, 132
building booms, 24
bus transport in Curitiba, Brazil, 177
- capitalism, 19
 capital circulation and expansion, 19
 crisis and devaluation, 20
 expansion of surplus production, 19
 obstacles to surplus production, 19
 and production of surplus value, 18–19
capital surplus disposal problem, in United States, 21–23
Centre for Enquiry into Health and Allied Themes (CEHAT), 191
cities as engines of growth, 152, 205
cities, transformations in urbanscape of, 198–200
 accumulation by dispossession and, 200–03
 basic identity of cities, loss of, 199
 contemporary globalisation and, 1–4, 203, 208–09 (*see also* Mumbai, transformation of)
 development of Indian cities as world-class cities, 205
 National Urban Renewal Mission, introduction of (*see* National Urban Renewal Mission [NURM])
 private capital entry in urban development, 203–04
expansion of global networks and, 198–99
polarisation and people's resistance, 221–22
remaking of Indian cities, logic of, 217–20

- sites of 'creative destruction', 198, 201, 202
- social inequality, sharpening of, 199–200
- City Development Plan (CDP), 144
- Civil Rights Movement, 17
- civil society activism, in Dhaka, 79–80
- commodification and privatisation, difference between, 155
- community-based organisations (CBOs), 162
- Confederation of Indian Industry (CII), 92, 113
- corporate social responsibility, 79
- corporatisation of city space, 210–11

- denationalising of urban space, 48
- Department for International Development (DFID), 92, 126, 204, 218
- Dhaka, globalisation and commercial growth in
 - Bangladeshi society, impact on, 84–85
 - change of residential land to commercial use, 85
 - city-wide expansion for high income groups, 85
 - commercial buildings, drawbacks of, 86
 - development of commercial use along road sides, 83–84
 - foreign and luxury goods, free flow of, 83–84
 - irregular development problems, no solution to, 85–86
 - multi-storied commercial buildings, existence of, 84
 - shopping malls, construction of, 84
- Dhaka, transformation of, 12
 - factors for, 74–75
 - buildable land, limited supply of, 76
 - globalisation, 80
 - growth of city's economy, 75–76
 - inadequate resource and weak infrastructure, 76
 - national economy, growth of, 75
 - population, rapid increase in, 75
 - globalisation, effects of, 81
 - on commercial development pattern, 83–86
 - on industrial growth, 81–83
 - on residential development pattern, 87–90
 - transformation of land use in 1984 to 2004, map of, 77–78
 - urban governance, poor quality of, 79–80
 - dispossession by policy. *See* outer ring road project, Hyderabad

- economic globalisation, and large cities
 - analysis of, 33
 - issues to be considered in, 33–34
 - cities as sites of transnational politics, 44–46
 - and geography of centrality and marginality, 36–38
 - master images in, 33
 - multiple localisations of, 41–44
 - new economic regime, elements for, 38–41
 - role of production and place in, 34–36
 - economic globalisation, urban attributes of, 201
 - economic restructuring, in global cities, 41–43
 - edge city, 62
 - E-Governments Foundation, 97
 - electronic space, 35
 - Elitist environmental movements, 216
 - entrepreneurial urban governance, 209
 - European Union, 57
 - Export Promotion Zones (EPZs), 12, 81

- Federation of Indian Chamber of Commerce and Industry (FICCI), 92, 113
- free market economy, 2, 74

- garment industries in Dhaka, globalisation and
 - creation of EPZs, 81–82
 - employees issues and city life, 83
 - female labour force, migration of, 82
 - government support to industry, 82
 - gated communities, 26, 88, 212, 216, 220
 - gentrification of urban space, 2, 12, 202, 203, 214, 216
 - 'global city regions', 151
 - global financial centres (GFCs), 219

- globalisation, 4, 90. *See also* cities, transformations in urban landscape of; right to city
- construction of, 4
- countries and regions specific impact of, 9
- and economies of agglomeration, 151
- examination of, need of, 4–5
- features of, 6–8
- impacts of, 5–6
- intra-country inequality, increase in, 9–10
- manifestations of, 74
- and rise of territorial differentiation, 8–9
- and spatial patterns of uneven development, 6
- transformations in cities due to, 10 (*see also* Dhaka, transformation of; Vienna)
- housing market, in United States, 23
- human rights, 17. *See also* right to city
- Hyderabad
- attack on urban land by global capitalistic forces, case studies
 - Hitec city, 131–132
 - Hussain Sagar Lake surrounding area, 132
 - Master Plan for new spaces, 133
 - outer ring road project, 127–29
 - Save Musi Campaign, 129–31
 - dispossession of underprivileged, 132, 142, 148
 - establishment of HITEC City, 126
 - gainers and losers in growth process, 126–27
 - housing for poor in, 140
 - rapid growth, result of, 126
 - reforms and policy changes, 143
 - allocation of land to EWS/LIG categories, 148
 - forced relocation to new housing projects, 148–49
 - JNNURM, 144–45
 - plan allocation and spending disparity, 143–44
 - repeal of ULCRA, 146–47
 - slums in Hyderabad, 134–39
 - Andhra Pradesh Slum Area Act of 1956 and, 135
 - government initiatives to upgrade slums, 135
 - government policies, guidelines and rules for slums, 137–39
 - growth of slums and slum population, 135
 - notification of slums, 136
 - reports of City Improvement Board (CIB), 134–35
 - supply agencies for housing urban poor
 - government agencies, 140–42
 - private sector, 143
 - urban poor in, 134
- Hyderabad Information Technology and Engineering Consultancy (HITEC), 126
- Hyderabad Urban Development Authority (HUDA), 125
- ideological state apparatus, 217
- immigrant women, in global cities, 42–44
- Indian cities, rebuilding of, 12–14, 205. *See also* Hyderabad; National Urban Renewal Mission (NURM)
- efforts of Indian elites in (*see* Bangalore, case study of)
- logic of, 217–20
- Indira Awaas Yojana (IAY), 131
- informalisation, in major cities, 42
- international capitalism, 23
- international financial institutions (IFIs), 8, 100, 204, 218
- Janaagraha, 94, 103, 106–11, 113
- Jawaharlal Nehru National Urban Renewal Mission (JNNURM), 95, 130, 142, 144. *See also* National Urban Renewal Mission (NURM)
- Karnataka Industrial Area Development Board (KIADB), 93, 96–99
- labour devaluation, 20
- Land Acquisition Act of 1894, 127
- Maharashtra State Road Development Corporation (MSRDC), 170
- Ministry of Urban Development, 205

- Ministry of Urban Employment and Poverty Alleviation (MUEPA), 205
- Mumbai, governance of urban services in, 151–53
- conceptual changes in, 153–55
 - commodification, process of, 155
 - customer focused governance, promotion of, 154–55
 - MCGM, role of, 154
 - private operators, introduction of, 155
 - Task Force Report, 154
 - urban local body, role of, 154
 - Vision Mumbai report, 153–54
- middle class, power and role of
- Advanced Locality Management (ALM) scheme, analysis of, 159–61
- new service delivery mechanisms, implementation of, 156–58
- decentralisation, flaws in, 156–57
 - private operators, role of, 157
 - user's involvement and civil society engagement, 157–58
- for poor, 161–62
- CBOs, functioning of, 162–63
 - clientele and patronage relationships, promotion of, 162–63
 - informalisation of labour, process of, 163–64
 - NGOs, role of, 162
 - reform agenda for Mumbai, 152
- Mumbai Metropolitan Region Development Authority (MMRDA), 170, 210
- Mumbai Railway Vikas Corporation, 178
- Mumbai, transformation of, 216–17
- change in course of urban development, 209
 - control of urban space by power groups, 216–17
 - development policies by corporate houses, 210
 - global financial centre, projection as, 210
 - industrial decline, and NEP, 209
 - location of the golden triangle in Mumbai, 215
 - Mumbai Transformation Project, 212
 - regional Plan of MMRDA, 210
 - source of land for redevelopment, 214–16
 - special housing zones for urban poor, 216
 - Vision Plan of Bombay, 210–13
- Mumbai Urban Transport Project (MUTP), 172
- Municipal Corporation of Greater Mumbai (MCGM), 154
- National River Conservation Plan (NRCP), 130
- National Urban Renewal Mission (NURM), 204–05
- City Development Plans (CDP), preparation of, 206
 - cost and aim of, 205
 - funding of projects, 206
 - key items of, 208
 - mandatory reforms for cities, 205–06
 - parts of, 205
 - private sector, participation of, 206, 208
 - relationship with NEP and NUP, 207
- neoliberal urbanism, 222
- New Economic Policy (NEP), 203, 205, 207, 217
- 'new geography of centrality', 34
- 'new urbanism' movement, 26, 217
- NGOs in Bangladesh, 79
- 'occupancy urbanism', 114
- orthodox privatisation, 155
- outer ring road project, Hyderabad, 127–29
- Paris Commune, 21
- Paris crisis of 1848, and Bonaparte time, 20–21
- Park, Robert, 17–18
- politics of capitalism, 19
- power elite in USA, study of, 188–89
- public-private partnership models in NURM, 206
- Rajdhani Unyan Kartripokkha (RAJUK), Dhaka, 79, 84–86, 88
- Rajiv Swagraha programme, 147
- 'regulatory fractures', 41

- residential development pattern in Dhaka, globalisation impact on, 87
 high income residential areas, 87–88
 low income residential areas, 89–90
 middle income residential areas, 88–89
- revanchist urbanism, 221
- right to city, 11, 17
 as collective right, 18
 democratic control over deployment of surpluses and, 30–31
 democratisation of, 32
 as human right, 18
 Indian constitution and, 28
 neoliberal ethic, spread of, 26
 Park concept of city, 17
 private/quasi-private interests and, 31
 and right to change city, 18
 for shaping power over urbanisation processes, 18
 surplus absorption through urban transformation, 30
 and revolts signs, 30
 Second Empire Paris case, 20–21
 in United States, 21–23
 urbanisation boom, 23–25
 urbanisation of China, 23–24
- urbanisation
 and capitalism, connection between, 18–20
 displacement and dispossession process, 28–30
 and restructuring through creative destruction, 26–28
 transformations of lifestyle, 25–26
- Save Musi Campaign, Hyderabad, 129–131
 signature projects, 216
- single window clearance scheme, of KIADB, 97, 99
- slum dwellers right to compensation, Supreme Court on, 29
- slum notification, process of, 136
- ‘spaces of difference’, creation of, 3, 200, 203, 220
- special economic development zones policy, 29
- state control, on public space, 183–84
- street vendors, eviction of, 183–84
- Township Houses, 139, 142
- transport sector, private investment in, 169.
See also urban transport, in Mumbai ‘trickle down theorem’, 72
- Trojan horses, 96. *See also* Bangalore, case study of
- unauthorised layouts, 143
- urbanisation
 of China, 23–24
 and development of capitalism, 18–19
 Haussmanisation of Paris, 20–21
- Urban Land Ceiling Regulation Act (ULCRA), 1976, 136, 146–47
- urban poor, plight of, 134
- urban poor’s right to public spaces, in Mumbai, 182
- contributions of urban poor to city’s economy, 194–95
- housing of urban poor
 insecurity to marginalised majority, 188
 slums for majority of population, 186–87
 threat to slums by NGOs, 187–88
- inclusive planning for working poor, need of, 196–97
- organised minority, dominance of, 188–89
 media, role of, 189
 rent seeking authorities, profits for, 189–90
 slums and street vendors, as prime targets, 189
- slum development scheme, by state government, 190
 builders, benefits to, 193–94
 economic conditions of people, decline in, 192
 high maintenance costs for poor people, 191
 multi-storied buildings for slum dwellers, 190–91
 needs of slum population, no consideration to, 193
 slums rehabilitation, case study on, 191–92
- urban public space, concept of, 182–85

- workers in informal employment, plight of, 185–86
- urban poverty alleviation, Constitution on, 136
- urban public space
 - control of, 183–84
 - definition of, 182
 - developing countries, importance in, 182
 - informal employment, increase in, 185–86
 - occupants of, 183
 - perception of
 - poorer sections, 184–85
 - upper and middle classes, 184
- Urban Reforms Agenda (URA), 92
- urban transport, in Mumbai, 169–70
 - flyovers projects, 171
 - Bombay Environmental Action Group on, 171
 - High Court on issue of tolls, 173
 - MSRDC justification on, 171–72
 - Tata Consultancy Services opposition to, 173
 - World Bank criticism of, 172
 - freeways, 174
 - Western Freeway Sea Link, construction of, 174–75
 - private modes of transport, preference to, 170–71
 - public transport
 - buses, 175–77
 - trains, 177–78
 - road projects by Shiv Sena–BJP government, 170, 171
 - sea ferries, 180–81
 - sea-links
 - congestion problem, 173–74
 - construction of, 173
 - environmental impact on fishing community, 173
 - public hearings, drama of, 174
 - underground railway, 179–80
- USAID, 92
- Valmiki–Ambedkar Awaas Yojana (VAMBAY), 131
- viability gap funding, 206
- Vienna, 11–12, 55
 - centre, inner and outer district in, 60–61
 - economic growth and position in Europe, 56–57
 - history of, 56
 - housing policies in, 65–66
 - industrial sector, effect on, 66–67
 - integration, problems of, 64–65
 - marketing of, 67–69
 - migration pattern in, 63–64
 - multicultural legacy of, 62–63
 - neoliberal politics and global capital, effect of, 55–56
 - neoliberal thinking, and division in society, 58
 - public housing and rent control regulations in, 59–60
 - service sector, upliftment of, 67
 - suburbanisation in, 61–62
 - world economy, position in, 69–72
- Vision plan. *See* Mumbai, transformation of
- ‘Vote Bank’ politics, 98, 111
- Vote India Campaign, 111
- Vote Mumbai campaign, 94
- Western Freeway Sea Link, 174–75
- World Bank, 8, 9, 92, 97, 99, 100, 113, 126, 204, 218
 - on MUTP, 172
 - and public–private partnership model, 206