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### ***Understanding the contribution of the BSUP (JNNURM) to inclusive cities in India***

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## **Abstract**

The Basic Services for the Urban Poor (BSUP) sub-Mission of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) sought to address the needs of some of the lowest-income and most vulnerable urban dwellers in Indian cities. The promise was that these residents would receive ‘a garland of 7 entitlements’ – security of tenure, affordable housing, water, sanitation, health, education and social security in low-income settlements in the 63 Mission cities. We researched the outcomes of the BSUP in five Indian cities (Bhopal, Bhubaneswar, Patna, Pune and Visakhapatnam), which were selected because of their diversity. They presented a wide range of socio-economic contexts and economic development and also differed in the nature and extent of civil society involvement in BSUP programming.

The research findings analysed outcomes of the BSUP interventions and addressed the significance of State capacities, commitments and vision for urban development for these outcomes. The analysis then considered the ‘drivers of capacity, commitment and vision’. The vision (or idea) of urban development emerged as a significant indicator of outcomes. In practice, the BSUP became a housing programme. The extent to which informal settlement upgrading was preferred over resettlement and site redevelopment with the construction of medium-rise apartments made a significant difference to the satisfaction of residents. Also important, and particularly exemplified by experiences in Pune, was willingness to work with civil society organisations, incorporating their expertise and skills. However, these were not present in all cities. Residents in Bhopal and Visakhapatnam may face particular affordability challenges due to high levels of debt incurred through participation in the BSUP.

In summary, BSUP experiences and outcomes provide evidence of the significance of vision capacity and commitment. While in part these are determined by levels of economic and institutional development, they are also influenced by government willingness to collaborate with civil society agencies with appropriate experiences and skills.

**Keywords:** JNNURM, India, urban poverty reduction, urban governance, housing

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Apart from the above, we met a number of NGO leaders in different parts of the country, who enriched our comprehension through the perspective of the grassroots: we learnt from them the gaps and dissonances between well-drafted policies and plans and the reality upon the ground. We are grateful to them.

Ownership of research of this kind cannot be claimed by particular authors alone: rather, it can be seen as a product born of collaboration, conversation and cooperation between multiple institutions and individuals in a range of geographical and social contexts. It was our good fortune that we could play a role in bringing together diverse strands of experience and thought into a coherent whole. It will be for the reader to judge how far we have been successful or otherwise.

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## Introduction

### 1.1 Orientation

This project focused on the Basic Services for the Urban Poor (BSUP), sub-Mission of the Jawaharlal Nehru National Urban Renewal Mission (JNNURM).<sup>1</sup> We consider the limited success of the BSUP/JNNURM in achieving pro-poor urban development, and explore the reasons that account for such success. The research was designed to have a particular focus on the contribution of civil society to BSUP design and implementation, and here we see greater success. In this respect, our research is ambitious, seeking to understand pathways that offer reductions in urban poverty and inequality, despite the acknowledged shortcomings in previous strategies offered by both state and civil society, and continuing processes of exclusion. Drawing on the ESID conceptual framework, we have a particular focus on the ideas (or normative values) that lie behind the programme, the commitment of the state to realise the programme and the capacities of the state (Hickey, Sen and Bukonya, 2015).

The JNNURM sought to change the pattern of urban development in 65 cities in India, primarily through reforms that advanced democratic devolution and improved city finances, and through investments in infrastructure and basic services. This final component was partially implemented through the BSUP. The second sub-Mission, the Urban Infrastructure and Governance (UIG), provided capital for infrastructure and promoted the reforms that were required by State and city governments. The JNNURM was recognised to be the first India-wide urban development programme, although more limited interventions had taken place previously. Sub-Missions BSUP and UIG have been implemented by two ministries in the Government of India: the Ministry for Housing and Urban Poverty Alleviation; and the Ministry for Urban Development, respectively.<sup>2</sup> Mission investments in the BSUP were financed through a combination of central, State, city and beneficiary contributions; this percentage varied by categories of States. From this summary, it can be seen that researching the BSUP requires an engagement with outcomes at three levels of government: central government, State governments and city authorities.

The BSUP sub-Mission was launched in 2007 with a promise that it would address the need for universal access to basic infrastructure and services. However, in practice the BSUP has provided housing to limited numbers of selected beneficiaries.<sup>3</sup> Housing has been provided primarily through medium-rise apartment blocks, both at relocation sites and within in-situ developments in which existing shacks have been demolished and the site redeveloped. The exception in some locations has been in-situ upgrading, which improves dwellings on existing plots with minimal changes to the layout of the settlement.

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<sup>1</sup> This research was undertaken as a contribution to the DfID-funded research centre, Effective States and Inclusive Development (ESID).

<sup>2</sup> The JNNURM was launched in 2007 for five years. It was extended several times.

<sup>3</sup> These households were selected because: tenure was secured and held by the local authority (for in-situ development); or they had to be relocated due to UIG investments; or for some other reason their land was required by the local authority.

## **1.2 Summary of outcomes**

In summary, and as elaborated in Section 4, outcomes have been disappointing. The numbers assisted have been small. Many benefiting households have been moved into medium-rise apartment blocks. Such dwellings are not suitable for many livelihood activities, and beneficiaries have been frustrated at the poor quality of construction. Relocation is common and creates further difficulties in maintaining the social networks critical to wellbeing and in increasing expenditure on transport for those attending schools and workplaces. Satisfaction is higher among those who have not been relocated. The BSUP has been studied in five cities: Bhopal, Bhubaneswar, Patna, Pune and Visakhapatnam. Outcomes are more positive in Pune, where the second phase of the BSUP supported the in situ upgrading of informal settlements with the active engagement of community organisations working with NGO support.

## **1.3 Summary of vision, commitment and capacity**

Sections 5 and 6 report on and analyse the contribution of vision, commitment and capacity to the outcomes of the BSUP programming and projects. Vision (considered here both at the city scale and through the micro-design of housing) emerges as being particularly significant. Without vision, it is difficult for either commitment or capacity to achieve much. Commitment without vision appears to produce physical outputs, but little more. Despite the BSUP design providing for capacity strengthening, limitations in capacity are notable in the most poorly performing cities, especially Patna.

## **1.4 What are the drivers of vision commitment and capacity?**

Section 6 analyses four reasons put forward to explain our findings with respect to vision, capacity and commitment. First, the historical development of State government and the level of economic development help to explain outcomes. Second, the level of devolved authority to city governments is seen as catalysing capacity strengthening. Third, the collaboration between key individuals in either/both city or/and State governments and civil society activists has opened up new opportunities for pro-poor interventions. Fourth, individuals were acknowledged to be important in influencing outcomes.

## **1.5 Research questions**

The five cities were selected due to their diversity with respect to economic prosperity, the reputation of the State government, the presence of civil society agencies and the nature and scale of development needs. Need is assessed according to the significance of 'slum' households.<sup>4</sup> The research process has sought to answer three research questions:

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<sup>4</sup> 'Slum' is widely used as a pejorative term, although in India it has a legal meaning, with notified and non-notified slums (and those on neither list). Generally it is replaced by the term 'informal settlement' in the text below, but there are points in the discussion where this is not possible.

RQ 1: what have been the outcomes of the BSUP in that city (both with respect to city planning and project implementation)?

RQ 2: what is the contribution of State commitment, capacity and vision for urban development in that city to these outcomes?

RQ 3: what are the drivers or influences that help us to understand differences in State capacity, commitment and vision, and associated outcomes?

The study is not an evaluation of BSUP planning and implementation. Rather, the sub-mission is a lens through which to understand issues related to State-led pro-poor urban development policy and programming. We have included an analysis of the contribution of civil society agencies due to our hypothesis that such agencies contribute to pro-poor outcomes. We have considered both the veracity of this hypothesis and the modalities used by civil society.

### **1.6 Structure of the paper**

Section 2 summarises the methodology. Section 3 discusses the conceptual framework of ESID, highlighting key relevant factors, and introduces the Indian context. Section 4 summarises the outcomes of the BSUP sub-mission in our five research locations (RQ1). Sections 5 and 6 answer RQ2 and RQ3, respectively. Section 7 concludes.

## **2: Methodology**

The research team included academics from the Universities of Manchester and Azim Premji, a senior Indian ex-bureaucrat and an action research NGO, SPARC. SPARC collaborate with two networks of grassroots organisations, the National Slum Dwellers Federation (NSDF) and *Mahila Milan*, a collective of women's savings groups, who also contributed to the research.<sup>5</sup> The Indian Alliance had supported BSUP implementation in two of the cities; in Pune this was direct, and in Bhubaneswar it was through another NGO, the Urban and Development Resource Centre (UDRC).

SPARC staff had completed an earlier study of the BSUP in 2011 (SPARC, 2012). Data collection built on these foundations, with respect to the analysis of both city-wide and project outcomes. Further visits were made to three or more projects within each city (all of which had been included in the 2011 study) as well as to State and local government offices. Data was collected through semi-structured interviews with a range of stakeholders, including government officials, and through focus groups and structured meetings. Most research activities took place at the city scale, with additional interviewing within State governments and national government officials and senior advisors. Data was collected between 2013 and 2015, with the final period being focused on the reporting back of findings for review and further input. Additional information was secured through the review of JNNURM documentation available through government websites and other public sources.

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<sup>5</sup> This collaboration is called the Indian Alliance.

The five cities and associated States<sup>6</sup> are introduced in Table 1. Summary statistics on the BSUP are provided in Table 2, with a brief introduction to BSUP outcomes in Box 1.

**Table 1: Summary of differences between the BSUP cities studied**

	% of State popn. in urban centres	Prosperity	Govt. capacity	Devolved powers to city govt.	Civil society presence	Need
Bhopal (Madhya Pradesh)	28%	Low	Mixed	Insignificant	Some (not re BSUP)	Middling
Bhubaneswar (Odisha)	17%	Very low	Mixed	Insignificant	In recent years	High
Patna (Bihar)	11%	Very low	Weak	Insignificant	None	High
Pune (Maharashtra)	45%	High	Strong	Significant	Strong	Low
Visakhapatnam (Andhra Pradesh)	33%	High	Strong	Significant	Some (not re BSUP)	Middling

**Table 2: Summary of need and BSUP provision across the five cities, measured by dwelling units (DU) provided**

	Hhs in slums	DU sanctioned in 2011	DU completed 2015	% completed of sanctioned	DU occupied 2015	% occupied of completed
Bhopal	142,000	23,609	12,424	52.6%	2,785	22.4%
Bhubaneswar	72,000	2,153	1,509	70.1%	1,317	87.3%
Patna	191,100	20,372	480	2.4%	480	100.0%
Pune	211,400	35,746	20,144	56.4%	8,976	44.6%
Visakhapatnam	154,000	24,423	23,250	95.2%	17,241	74.2%

Outcomes have been analysed through selected indicators. A first set of indicators is related to political inclusion. This is an explicit Mission and sub-Mission ambition, to be realised through stakeholder involvement in setting vision and strategies through the City Development Plan (CDP), citizen involvement in project planning and the

<sup>6</sup> This State was divided in 2014, with Visakhapatnam remaining in Andhra Pradesh.

Detailed Project Reports (DPRs), and the commitment to secure adoption of the 74th Constitutional Amendment by State governments. The JNNURM conception was that the work across both sub-Missions would begin with a CDP that would involve all stakeholders in discussing the situation and required responses. State and city reforms, such as the enactment and implementation of a law for community

**BOX 1: A very brief introduction to BSUP interventions in the five research locations**

**Bhopal:** BSUP provision is in multi-storey apartment blocks. There was very little relocation and households are on, or close to, their original location. Previously households enjoyed larger plots with reasonably secure tenure following historic State commitments and hence they were dissatisfied with the BSUP. There is a high beneficiary contribution required, due to cost escalations being passed onto households. A social audit in 2011 verified complaints about construction quality, and consequently standards improved, although costs increased.

**Bhubaneswar:** The programme coincided with an interest in the State government to address urban poverty more systematically. However, the city authority had limited capacity. The construction contracts were passed from a private developer to an NGO developer, the SPARC Samudaya Nirman Sahayak (SSNS), which had to invest their own resources, due to the lack of provision for cost escalations and no State agencies increasing their contribution. Most households benefited from in-situ upgrading and were broadly satisfied, but some struggled to cover their financial contribution.

**Patna:** There are particularly significant levels of need. The State government did not prepare or plan for the BSUP and made an opportunistic application. Their inability to complete sanctioned dwelling units led to a significant downscaling. Households were concerned about not receiving allotment letters, poor construction quality and high cost of transit accommodation. The State government promised to cover their financial contribution.

**Pune:** The first phase of BSUP provided medium-rise apartments on the periphery of the city; however, households were reluctant to relocate. Consequently the second phase offered in-situ upgrading, with NGO involvement being required by the authorities. Progress has been slow, but households were satisfied with in-situ provision.

**Visakhapatnam:** The BSUP funds have been used to finance urban expansion following a growth in the area over which the city has jurisdiction. Medium-rise apartment blocks have been constructed. Beneficiary households have struggled when being relocated to areas that are still awaiting infrastructure. Households are concerned about the high financial contributions.

participation, also seek to improve local representation and advance participative democracy. A second set of indicators is the absolute scale of the programme when compared to need, and the inclusion of those who are most vulnerable and marginalised. A third set are the required financial contributions and their affordability. The fourth set relates to the physical modality of development. There have been three forms of settlement development: greenfield developments, redevelopment of informal settlements on existing plots, and informal settlement upgrading. The first two require beneficiaries to move into medium-rise apartment blocks.

Our analysis of drivers relied primarily on individual interviews with key informants, particularly senior government officials with long experience of programming, the testing of conclusions through meetings with such interviewees (and associated debates with academics and consultants), and more detailed investigation of particular events or outcomes that added analytical insight and hence deepened our interrogation and understanding of the causes of outcomes.

### **3. Discussion of ESID's concepts and perspective, together with an introduction to poverty programming and the JNNURM in urban India**

#### **3.1 Drawing on ESID's work**

The Effective States and Inclusive Development (ESID) Research Centre seeks to understand why and how states engage with development, and particularly with development that is inclusive. Related to this are questions about the nature and scale of elite commitment towards this goal and related targets, and the capacity of the state to engage with policy-making, implementation and delivery once commitment is secured. While capacity focuses on the ability of states to 'do' development, be it the provision of services, the extraction and redistribution of resources, knowledge and learning from outcomes, and/or the enactment of authorities, questions of commitment highlight both the ideologies used by political elites, and the balance of power between competing groups who seek to capture at least part of the state to shift policies, programmes and general practices to their own advantage. Much of ESID's work has been focused on political elites, but competition for power and contestation over state resources extends beyond elite groups, and we consider this through our study with its explicit focus on the contribution of civil society.

We consider politics primarily through the relations that the state has with a range of groups concerned with or otherwise involved in determining outcomes related to the BSUP in the five cities. However, while the focus is on the BSUP sub-Mission of the JNNURM, to understand relations we have to give attention to the wider context, both over time and beyond the boundaries of our specific cities and neighbourhoods. Politics involves both the formal transactions of the state, and the systems and content of informal relations with a wide range of groups and individuals. Relevant political relations are particularly those between State and city governments, and those between government and civil society. We explore how such relations affect

the priorities of the State (their vision and commitment); and their ability to get things done.

Hickey (2013) argues that capacity is very much a product of economy and society and our discussion is consistent with this. Vom Hau (2012: 4) distinguishes a number of types of capacity and elaborates on the concept, recognising its links to ‘...both the organisational and relational qualities of states’. Vom Hau identifies three ‘...distinct, but interrelated dimensions: (1) the *external embeddedness* with non-state actors; (2) the *organisational competence* of state agencies; and (3) the *territorial reach* of state institutions’ (original emphasis, *ibid.*, page 5). Our research uses this threefold definition. Territorial reach takes a specific form; the commitment of the BSUP is to extending services to the urban poor, which necessarily requires a focus on provision in informal settlements with some kind of formal status (either notified or un-notified). The residents are very much involved in political relations with the State (Chatterjee, 2004), but are not granted the status of legitimate citizens (Menon 2010). Vom Hau (2012, 11) suggests that the existing literature concludes that political elites strengthen state capacity because of insecurity, either from external threats and/or from internal protest. A second reason for capacity building is to establish greater legitimacy through securing the willingness of other groups to accept their authority; and hence legitimacy has to be understood as a consequence of state capacity, as well as a cause.

Vom Hau (2012: 22) suggests that the literature identifies the demands of democratisation on capacity and commitment; ‘In democratic contexts citizens, legislatures and elected politicians make greater demands on the accountability and transparency of state officials’. However, he also notes that the literature suggests that the impact of democracy may be ambiguous, with, for example, electoral cycles and clientelist politics. ESID research on public sector reform in Uganda analyses issues of capacity development and suggests that while the government has designed and introduced measures to improve effectiveness, there has been little impact, with continuing shortcomings in service delivery and poverty reduction. Andrews and Bategeka (2013) argue that developing state capacities requires a deep engagement with relevant agencies, a substantive engagement with coalitions (state and non-state) pressing for reform, and learning systems that enable iterative adjustment to secure incremental improvements. Reforms also need to recognise opportunities within local contexts: ‘reform sometimes starts with introducing new ideas into a pregnant space ... but often reform needs to start with creating the space itself’ (*ibid.*, page 27). We return to this finding in the conclusion.

Relatively little explicit attention has been given by ESID to the formation of development visions, i.e. the objectives to which states direct their commitment, and hence their capacity building. However, ESID’s framing documents discuss the significance of both ideas and ideologies. Hickey (2013) challenges the reduction of elite objectives to simple resource maximisation, and argues that those writing on open access orders and political settlements have been overly focused on ‘instrumental rather than value-based forms of rationality [which] ...offers at best a

narrow reading of elite political behaviour and motivation' (Hickey, 2013: 15). He emphasises that elites may have objectives beyond simply gaining power, and these may be ideological. At the same time, their legitimacy depends in part on how they can represent their power-seeking ambitions as addressing wider interests, and hence the representations of the common good that they use are also important.

We discuss ideas through the lens of an urban 'vision', i.e. the representation of what cities offer to their citizens (and questions of redistribution), and what kind of city they want to 'be'. We argue that, in practice, ideas about what is possible, the causal links by which visions might be achieved and the ways in which such visions are represented to secure the advancement of those providing political leadership, are connected. Ideas matter in terms of the articulation of what is possible, i.e. what is a credible aspiration for a city's future, and hence how they influence citizen action. Ideas are consistently being remade through articulation, practice and experience. For example, the question is not only whether pro-poor provision is more likely when the state derives legitimacy through provision of a particular service (McCloughlin 2015: 142), but also how ideas about legitimacy may change through the scale and nature of service provision. How might the co-production of specific services have second-order effects influencing how government agencies understand how other services can be provided? And how can the demonstrated effectiveness of government mobilise coalitions to push for more radical change, leading to greater inclusion? Ideas, as we explore below, have links to both commitment and capacity. Hickey (2013: 16) argues that such an understanding of the contribution of ideas makes reference back to the idea of a 'social contract' between states and their citizens, which he summarises as including 'popular expectations and demands ... [that] establish the norms by which elites operate and ... define what is permissible'. India's urban centres are places in which such social contracts appear to be 'under review' as ideas about what cities can and should be, and might offer to their citizens, are changing as economic growth occurs, the percentage of the population living in urban centres increases and social values change.

### **3.2 Introduction to vision, capacity and commitment in the context of JNNURM**

The JNNURM's vision is threefold, with aspirations to support economic growth, devolve government and secure greater inclusion in the benefits of urban development (Ministry of Urban Employment and Poverty Alleviation and Ministry of Urban Development, 2011). With respect to economic development, the JNNURM provides for cities to be 'effective engines of growth' (*ibid.*, page 4), with both infrastructure investment and the urban reforms (at the national, State and city scales) needed to 'create an investor-friendly environment' (*ibid.*, page 3). Specific reforms are intended to enable greater efficiency in urban service delivery. With respect to devolved government, the Mission is seen as signalling the Indian State's commitment to realising the aims of the 74th Constitutional Amendment Act passed in 1992, which called for a devolution of funds, functions and functionaries to city governments (Ramachandran, 2014). The BSUP is considered to be particularly responsible for the poverty-reducing component, providing 'a garland of 7

entitlements – security of tenure, affordable housing, water, sanitation, health, education and social security in low-income settlements in the 63 Mission cities’ (NHP, 2007, quoted in Sivaramakrishnan, 2011: 50).<sup>7</sup>

By the time we began the analysis, a number of critiques of the JNNURM were already emerging. A first critique is that the neoliberal underpinnings of the Mission are more hostile to the interests of the urban poor than implied by the Mission’s own narrative (Harriss, 2010; Coelho, Kamath and Vijaybaskar, 2011; Maringanti, 2012; Gopakumar, 2014). The critique focuses on Mission outcomes related to the spatial development of the city, the use of land and associated attempts to relocate low-income households and the extent to which these activities involve the extension of formal markets over slum land and hence the increased vulnerability of low-income beneficiaries (Roy, 2014). The critique is developed by Roy (2014), who argues that the Mission failings demonstrate the challenges of reconciling growth and poverty reduction within a broadly neoliberal policy framework. Even those who are positive about the practice and potential of the JNNURM recognise these tensions (Sivaramakrishnan, 2011).

Second, Sivaramakrishnan (2011: 95) and Ahluwalia (2014) argue that the design of JNNURM is flawed, due to the assumption that cities will be able to determine their own development. They suggest that the lack of commitment of States to city democracy is a serious obstacle to JNNURM ambitions. State governments have previously failed to implement the 74th Constitutional Amendment (in place since 1992) and there has been little sustained devolution of powers to urban local bodies. Gopakumar (2014) goes further when he argues that the JNNURM weakens any impetus towards devolution and undermines the development of local capacity. He suggests that the Mission’s ‘techno-managerial orientation in addressing development problems’ (*ibid.*, 6) will fail to achieve greater equity and/or poverty reduction.

Third, reforms will not be introduced, due to inadequate incentives and inadequate commitment to the incentives that are in place. Central government ministries have to spend the funds allocated and have been held hostage by State governments, who had little interest in substantive reform. Moreover, officials have little incentive to deliver the Mission objectives, as they are assessed on achieving spending and output targets, rather than on outcomes related to a participatory process to provide public services to the lowest-income households (Murthy, 2012). The problems of weak incentives and conditionalities have been exacerbated, due to the split of the Mission between two ministries.<sup>8</sup> The implication of this critique is that a more committed and/or capacitated central government could have introduced an improved programme design. Sivaramakrishnan (2011: 13) elaborates on the historical experience of the Indian government and concludes both that finance has

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<sup>7</sup> The sub-Mission is considered by the government to be within the National Housing and Habitat Policy of 2007. The number of cities has grown from 63 to 67.

<sup>8</sup> Gautam Chatterjee, a senior IAS officer of the Govt of Maharashtra, Mumbai, 11 June 2014.

to be allocated through State governments and that securing central government monies has to be conditional on adopting reforms. Singh (2014) argues that central government's understanding of the most effective strategies for urban poverty reduction changed significantly between JNNURM and its successor, the Rajiv Awas Yojana (RAY). RAY, Singh argues, offered an improved programme design, with improved interventions for access to basic services and provision to tackle the shortage of land. His conclusions suggest that learning is taking place; although RAY did not progress beyond a pilot phase.

A further critique of the JNNURM relates specifically to the inadequacy of measures to secure citizen participation. Patel (2013), Mahadevia, Datey and Mishra (2013) and Chatterjee (2013: 108) are all critical of JNNURM outcomes. Modes of participation in Indian cities have been critiqued beyond the BSUP/JNNURM, with Bhan (2009), Ghertner (2011) and Harriss (2010) noting the ability of middle-income groups to organise and influence the vision of the city through their engagement with government. It is suggested that, whatever the intention, the JNNURM did not change participation to favour low-income groups.

#### **4. Summary of BSUP outcomes; a contribution to inclusion?**

This section reports on our findings with respect to the BSUP. We consider issues related to the extent to which political inclusion (formal consultation, project participation) was secured (4.1), the scale of housing provision (4.2), the issue of affordability (4.3) and the diversity of provision to address the needs of heterogeneous populations and the form of the dwellings provided (4.4).

##### **4.1 Continuing political exclusion and lack of reform**

As summarised above, the design of the JNNURM sought to secure political inclusion in multiple ways. These included improved decentralisation and hence more local democracy, legislative reforms to ensure greater citizen participation, a City Development Plan (CDP) visioning and planning process, and project-level beneficiary involvement (in the Detailed Project Report or DPR).

It is widely agreed that efforts to achieve the implementation of the 74th Amendment have not been achieved. For many State officials, the JNNURM conditionality-based policy reform programme offered welcome resources, but was evidence of the central government's over-reach that breached the spirit of federalism governing State–centre relations and demarcated distinct policy jurisdictions. In practice, and consistent with the literature summarised in Section 3, States resisted this reform and were reluctant to devolve powers and resources to city authorities and enable local self-government.

In terms of the package of required reforms, progress has been slow.<sup>9</sup> While the JNNURM website reports success in securing such legislation, we were offered no evidence to show that these reforms are anything but token compliance with the JNNURM requirements to secure funds. In Visakhapatnam, for example, those being housed under the BSUP will get access to basic services, but the remaining informal settlement population continues to be deprived of access to basic services and/or upgrading. The 2013 CDP does not assess progress towards providing basic services in all notified slums and there is no way of knowing if a commitment to this target will be met. Bhubaneshwar scores well in terms of central government monitoring on the two reforms related to internal earmarking of funds for the poor and provision of seven basic services for the poor. However, the corporation did not show any utilisation of the budget earmarked for the poor.<sup>10</sup> In Patna and Bhopal, the reforms do not appear to have been implemented, even if laws have been passed.<sup>11</sup> Pune does better in terms of basic service provision, but it is not clear that this is related to the required reforms.

The BSUP/JNNURM website identifies both Odisha (Bhubaneshwar) and Andhra Pradesh (Visakhapatnam) as exemplar cities for 'best practice in urban reforms'<sup>12</sup> and for 'provision of basic services to the urban poor' (JNNURM Directorate, 2007; JNNURM Directorate, 2012), Andhra as best practice for the community participation law (JNNURM Directorate, undated b), and Bhopal as one of two examples of the internal earmarking of funds (JNNURM Directorate, undated c). However, in practice, results appear to be considerably more disappointing than these awards suggest. There is discrepancy between reform adoption within the Ministry's own website<sup>13</sup> and the interview evidence. In summary, in Patna (Bihar) there is no evidence of the internal earmarking to support the delivery of basic services. In Visakhapatnam

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<sup>9</sup> Specific commitments to enact a law to support community participation, as well as commitments to support more inclusive outcomes with an earmarking requirement (25 per cent of the budget for basic services to be dedicated to the urban poor and 20-25 percent of all developed land for housing to be dedicated to low-income groups) and the implementation of Seven-Point Charter, i.e. provision of basic services to urban poor, including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuring convergence of existing universal services for education, health and social security (JNNURM Directorate, undated a).

<sup>10</sup> The ground conditions do not reflect the score, where provision of basic services to the existing slums in the city continues to be very poor and ad hoc. According to the reform status on the JNNURM website, the overall state performance (calibrated) on the reform progress stands at 76.8 percent, as of January 2014. Of the 23 different reforms, it has completed 12 reforms and the remaining 11 reforms are partially completed. The Urban Local Body (ULB) reform score stands at 46.3 out of 60. The term 'urban local bodies' refers to all constitutionally provided administrative units that provide infrastructure and municipal services in cities (Nandi and Gamkhar, 2013).

<sup>11</sup> According to the progress of reforms, as reported in the JNNURM website, Bihar has completed nine of the 23 reforms and the remaining 11 are in progress. Patna's reform score stands at 43.0 out of 60.0. The State of Bihar has a reform score of 71.7 percent overall. These statistics are as of 31 January, 2015. In Bhopal, the reforms undertaken were mostly related to e-governance, finance, accounting and revenue. There did not seem to be any evidence of pro-poor reforms. Bhopal scores 87 percent on the reforms calibrated score as of 31 January 2014, whereas MP State scores 86 percent.

<sup>12</sup> <http://jnnurm.nic.in/state.html> (accessed: 24 July 2015).

<sup>13</sup> <http://jnnurm.nic.in/scoring.html> (accessed 24 July 2015).

(Andhra Pradesh), the MoHUPA website documentation makes specific reference to the extension of water, sanitation, education, health and social security (including the strengthening of self-help groups);<sup>14</sup> however, the numbers do not correspond to the numbers of dwelling units being constructed as reported elsewhere (MoHUPA, 2015). We were told that Visakhapatnam is the only city in the country to have completely implemented the eight mandatory reforms that are a pre-requisite for JNNURM participation. However, we were offered little evidence to how those reforms had been implemented. While the slum dwellers being housed under the BSUP will get access to basic services, remaining slums while recognised have not been included under the BSUP and continue to be deprived of access to basic services or upgradation. The 2005 CDP<sup>15</sup> mentions progress between 1988 and 1996, and indicates that one-third of the population then in slums (estimated over 600,000) received access to individual water connections and about 64,056 toilet seats (mostly individual). The 2013 CDP does not assess further progress to improve services in slums.

Across all five cities, we found only partial participation of key groups in the CDP process (see Table 3). In many cases there was only minimal consultation and little attention was given to stakeholder contributions, even when they were made. The exception is Pune, where the preparation of the CDP built on practices established prior to the JNNURM. In terms of project-level participation, there was little evidence of consultation with the beneficiaries in many cases.

Priority groups, i.e. the most disadvantaged, were not reached. Generally, there was a lack of access to suitable land. However, governments were required to deliver outcomes in a relatively short timeframe. Consequently, BSUP resources were concentrated in the few settlements that already had tenure or that needed to be relocated in order to make way for a UIG investment. Settlements so selected were rarely those that included the populations most in need.

**Table 3: Levels of participation in the consultative processes of the CDP**

	Senior administration and officials	Politicians	Community members	Other civil society	Prepared by ...
Bhopal	Superficial	Superficial	None	None	Consultants
Bhubaneswar	Superficial	Superficial	None	None	Consultants
Patna	Superficial	Superficial	None	None	Consultants
Pune	Substantial	Substantial	Substantial	Substantial	In house
Vizag	Superficial	Superficial	None	None	Consultants

<sup>14</sup> Undated brochure. JNNURM Directorate (2012). (accessed 24 July 2015).

<sup>15</sup> Available at: [2005 CDP pre-JNNURM](#) (accessed 20 October 2017).

## 4.2 Scale of housing provision

The initial framing of the BSUP reported in Section 2 was as a sub-Mission to reach large numbers of the urban poor with basic services. The reality has been very different and here our findings are consistent with earlier studies (Mahadevia et al., 2013). The programme is insignificant when compared to the scale of need, as shown in Table 4.

**Table 4: Estimates of the scale of need and the reach of the BSUP**

	Estimated households in notified, un-notified and other slums	Households without water in dwelling	Households without sanitation provision (open defecation)	Total no. of households in city	% of slum hhs reached by approved BSUP dwellings	% of slum hhs reached by completed and occupied BSUP dwellings
Bhopal	142,000	160,956	46,094	371,722	9.4%	2.0%
Bhubaneswar	72,000	57,332	34,722	201,873	2.3%	1.8%
Patna	15,200 <sup>1</sup>	34,684	13,535	281,986	3.2%	3.2%
Pune	211,400	65,325	16,148	733,990	12.6%	4.2%
Visakhapatnam	154,000	138,247	16,701	463,915	15.8%	11.2%

<sup>1</sup> Estimate for inner city – figure comparable with total population not available.

*Source:* Census data city populations and those without water and sanitation (open defecation). Slum households estimated from various sources. Dwelling units from the MoHUPA website.

## 4.3 Tension between cost recovery and affordability

Concerns about affordability due to the size of the financial contribution were frequently raised. Further problems of affordability with respect to the costs incurred when occupying the new dwellings were also raised; this was particularly raised with respect to electricity costs.

Under the BSUP, central, State governments and municipalities were to bear most of the cost, and the beneficiary was to pay (at least) between 10 and 12 percent. Most projects faced delays in implementation and hence cost escalations. In Bhopal and Visakhapatnam, most of this cost escalation was passed to beneficiaries, hence there was little incentive to contain or avoid cost-escalating delays. (In the three other cities this was not a significant problem.) This can be illustrated through project-level data. Costs at Kalpana Nagar (Bhopal) rose from an estimated Rs.120,000 to Rs. 217,000 on completion, with the beneficiary contribution increasing from Rs.18,000 to Rs. 89,000, 41 percent of the total cost. Costs at Shabri Nagar (Bhopal) increased from an initial estimate of Rs. 131,000 to Rs. 183,000 on completion, with the beneficiary contribution increasing from Rs. 34,000 to Rs. 57,000 (36 percent of the total cost). Costs at Madrasi Colony (Bhopal) rose from an initial estimate of

Rs.100,000 to Rs. 256,000 on completion, with the beneficiary share rising from an estimated Rs.10,000 to Rs.89,000. Bhopal urban slum dwellers earned an average income of Rs.6,283 per month in 2013, out of which they spend Rs.5,480. Forty nine percent of households have a monthly income below Rs.5,000 (PRIA 2014). The corporation's staff argued that their plan was not insensitive to beneficiaries as they had made provision for bank loans to be available for households that wished to participate.

Beneficiaries in Visakhapatnam also faced rising costs. The corporation negotiated access to a State housing programme (Indiraamma) in lieu of the local authority's share. Each beneficiary family is expected to pay a total of Rs.61,300 or Rs.69,300 (about 30 percent of the total cost) for their dwellings.

In both Bhopal and Visakhapatnam, households appear not to have been fully informed prior to moving into the new dwellings. Officials in both cities were clear that households that did not make the required loan repayments would be evicted. Officials were also clear that only those households able to afford the beneficiary contribution were included in the projects, with other households being displaced. Interviewees with beneficiaries identified specific cases where individuals were excluded because the required contribution was unaffordable.

#### 4.4 Patterns of urban spatial growth and the significance of urban design

The projects developed under the BSUP take one of three forms: in-situ upgrading, in-situ redevelopment and relocation. Table 5 reports on the units that fell into each category in each city.

**Table 5: Types of accommodation provided**

	No. of units approved	In-situ upgrading	In-situ redevelopment	Relocation and redevelopment
Bhopal	13,399		Most in this category	
Bhubaneswar	1,641	1,449		192
Patna	480		288	192
Pune	26,606	5,280		21,326
Visakhapatnam	24,423		64	24,359

In-situ upgrading offers considerable advantages for households, with minimal disruption to livelihoods. In terms of resource use, it respects the existing pattern of development, and the investment in dwellings and infrastructure that has already taken place. In-situ upgrading means that existing residences, social networks and political capital are maintained. Residents are more likely to take ownership of the neighbourhood, and manage and maintain the public areas. Upgrading offers households the opportunity to plan for additional improvements (observed in both Pune and Bhubaneswar), augmenting their asset base and, in some cases, improving income-generation opportunities. Some relocation within neighbourhoods

is likely to be required as infrastructure is installed and some re-blocking of individual plots may need to take place. However, strong local ownership enables communities to manage these shifts and plan to minimise disruption. Material advantages are augmented by the imperative for strong local participation. Resident participation is required because of the need to secure agreement to re-design plots and restructure physical space. Finally, all residents tend to be included in the development, as it begins with existing dwellings. However, as evident from Table 5, this has not been the approach followed in the BSUP cities.<sup>16</sup>

Consequences can be illustrated from Visakhapatnam. Households who moved into locations with better transport links and/or close to their previous site (such as East Point and Pineapple Colony), are generally satisfied. When resettlement takes place in a manner sensitive to people's livelihood and transport links, it can be welcomed by them. However, there are problems in areas such as Madhurwada, on the periphery of the city, where frustrated residents are refusing to pay their beneficiary contribution due to the difficulties they are facing.

Several reasons were given to explain the preference for relocation. One is that relocation is required when the informal settlement is in a high-risk location. A second is that in-situ upgrading is more expensive, due to the long delays that occur with citizen participation. One senior official argued: 'If you ask about learnings from BSUP, then I feel it is better not to have in-situ projects because there is lot of resistance and that's why projects get delayed.'<sup>17</sup> Thirdly, and perhaps most significantly, is an assessment by city and State government of the city's economic interests. In the first BSUP phase in both Pune and Visakhapatnam (designated a BSUP Best Practice city by central government), BSUP interventions were used to change the physical shape of the city through increased development on the periphery. These resettlement sites were far away from beneficiaries' original location and, at least in the years immediately following relocation, unconnected or poorly connected by public transport to the places of work, schooling and care (hospitals, welfare offices, etc.). One senior official<sup>18</sup> explained:

'...[the] better option is to relocate people into areas outside the city and provide connectivity to the city via buses, so that livelihoods are not affected. All required facilities can be provided in the new areas.... We need to create pockets outside the city and create precedents where all facilities are provided and move people there. Once such good models are created, it will encourage people to settle there and encourage additional development near those areas.'

His comments reflect the view that low-income households should not have a place in the inner city, despite labour needs (Bhan 2009).

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<sup>16</sup> See Patel (2013: 178-89) for further discussion. Problems related to relocation are also discussed in Chen and Sinha (2016).

<sup>17</sup> Municipal Commissioner of Bhopal, Vishesh Garphale, 29 November 2013, Bhopal.

<sup>18</sup> Ex- BDA authority, Ashish Das 23 November 2013 Bhubaneswar.

In addition to difficulties associated with relocation, there are difficulties with medium-rise buildings. The costs of construction are likely to exceed those of improvements to existing dwellings. Medium-rise offers more opportunities for corruption, due to higher construction costs and lower accountability as residents are less directly involved. Households are selected based on affordability and others are displaced and have to find alternative dwellings. Medium-rise apartments are not suited to some livelihoods. Many trading activities (household goods, hairdressing) require easy access for customers, or require ground-level storage (for example, for rickshaws). In smaller towns, such as Bhubaneswar, Bhopal and Patna, rural or semi-rural livelihood strategies continue and some households own cattle.<sup>19</sup> Many households still use biomass for cooking and multi-storey blocks do not allow for this.

## **5. What is the significance of VCC in determining inclusive outcomes?**

This section reviews findings through ESID's framework of vision (ideas), commitment and capacity (VCC) and seeks to understand the form and significance of these three elements. Section 6 considers the drivers of VCC, i.e. why they take the form and intensity that they do.

In all cases, vision, capacity and commitment are multi-scalar and to understand BSUP outcomes it is necessary to consider central, State and city governments. Findings suggest that capacity and commitment work interactively and iteratively. For capacity to exist at all, commitment needs to be in place. Lack of capacity was repeatedly referred to during the course of our interviews; and it is recognised that building capacity reflects a type of commitment. Vision is also influenced by capacity (and hence less directly by commitment). As capacity enables new possibilities to be demonstrated, so visions may change, or, looked at another way, alternative visions are legitimated. It might be argued that the discussion of capacity should precede the discussion of vision (and commitment). However, we suggest it is probably more helpful to recognise that capacity has to be understood within the context of vision, as well as within the level of commitment. Given this, the order of vision, commitment and capacity appears to be the most helpful sequence. Commitment has two sub-sections, the first discussing commitment to required reforms and the second to poverty reduction more generally.

### **5.1 Significance of vision (i.e. the *idea* of urban development)**

Vision emerges as a positive factor. Indeed vision appears to be a necessary (although not sufficient) condition for progress. Vision is important at the city scale, in terms of where the urban centre is 'heading'; and important in terms of ideas to achieve poverty reduction and/or economic growth (for example, trickle-down theories of growth). Vision is also manifest through general perspectives; for

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<sup>19</sup> There is an apocryphal story of how a government project in Chennai, capital of Tamil Nadu, sought to build multi-storeyed housing for fishermen on Marina Beach. Since they could not take their boats up to the flats, the fishermen camped outside and used the rooms for storage.

example, the attitude to housing type and the willingness to support informal settlement upgrading rather than 'modern' medium-rise apartment blocks.

The reforms of the Mission are consistent with the understanding that cities set their own political direction. Only two city authorities (Pune and Visakhapatnam) demonstrated the ability to set their own vision; in both cases it is broadly consistent with the JNNURM, recognising both the need to strengthen economic development in the city, and to share the benefits of such development through the provision of improved access to housing and basic services for low-income groups. Pune's vision is more pro-poor than that of Visakhapatnam. In Pune, a long-standing commitment of the authorities has already seen the construction of community toilet blocks in all notified slums (see Box 3) (Patel and the SPARC team, 2015). This experience includes the design of the second phase of the BSUP in Pune, when funds were used in community-led slum upgrading in which civil society organisations co-produced housing with government. In Visakhapatnam, the city used the BSUP funds to expand the urban footprint through identifying locations on the periphery which had been recently incorporated into the city and to which they wished to extend infrastructure and services. Both cities are relatively prosperous in Indian terms, with well-developed economies (Box 2).

### **BOX 2: Visakhapatnam: recreation of the city**

The JNNURM provided finance to extend infrastructure into recently incorporated areas and provide new housing there for the city's residents. More than 23,000 units were built on the periphery, while only 64 households were taken up for in-situ upgrading. While the record of building new housing is impressive, it violates the BSUP principle that in-situ slum upgrading should be the first and preferred option, in order to protect livelihoods and preserve social and cultural networks.

The vision for city development, as articulated in the CDP, is orientated to economic growth. The Plan summarised the vision as: [t]o become an economically vibrant, safe and inclusive city providing the best social and physical infrastructure facilities for its residents, businesses and visitors. Required infrastructure improvements are detailed at considerable length within the Plan. While a further component is to be a 'city without slums' by 2021, just three pages are given to outlining measures for housing and poverty reduction. The problems of poverty are acknowledged in the CDP, which recognises 472 slums, with a population of over 600,000.

In Bhopal, Bhubaneswar and Patna, the city governments rely on State governments who drive policy-making and programme delivery in the cities. However, we found little evidence of State government vision. In Bihar and Odisha, the urban agenda has been rarely considered and no attention is given to urban poverty reduction. Most elected members of the State assemblies (legislatures) are from rural areas,<sup>20</sup> and rural poverty dominates political and bureaucratic processes in both States. This

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<sup>20</sup> [http://eci.nic.in/eci\\_main1/ElectionStatistics.aspx](http://eci.nic.in/eci_main1/ElectionStatistics.aspx) (accessed 19 September 2015).

contrasts to Maharashtra, Madhya Pradesh and, to a lesser extent, Andhra Pradesh, where the political representation of urban voters is high in the State assemblies. Considerably fewer central funds have been drawn down in Bihar, Madhya Pradesh and Odisha under the JNNURM compared to Maharashtra and Andhra Pradesh (see Table 6) despite more favourable financing conditions for Patna and Bhubaneswar.<sup>21</sup> This suggests low commitment, to which we now turn.

**Table 6: JNNURM investment in the five cities**

	Planned inv. in UIG Rs crores	Central govt. contribution <sup>1</sup>	Planned inv. in BSUP Rs crores	Central govt. contribution <sup>1</sup>
Bhopal	1,068	48%	281	55%
Bhubaneswar	573	80%	60	70%
Patna	58	50%	11	45%
Pune	3,183	48%	629	66%
Visakhapatnam	1,547	50%	764	42%

<sup>1</sup> This is the central government share approved for all projects in each city, respectively UIG and BSUP.

Source:

[http://jnnurmmis.nic.in/jnnurm\\_hupa/jnnurm/Jnnurm\\_Ray\\_AHP\\_Progress\\_Report/City-wise\\_BSUP.pdf](http://jnnurmmis.nic.in/jnnurm_hupa/jnnurm/Jnnurm_Ray_AHP_Progress_Report/City-wise_BSUP.pdf) (accessed 20 July 2015)

## 5.2 Commitment to JNNURM reforms

Commitment is analysed through three areas specified in the BSUP: the implementation of reforms; addressing urban poverty; and including the urban poor in city decision-making.

As noted above, the JNNURM sought, through a series of reforms, to support economic growth and more inclusive models of urban development in major cities. With respect to the reforms, we have already reported on the enactment and realisation of laws and policies (see Section 4.2).<sup>22</sup>

The devolution of powers to urban local bodies provides an example at the level of a specific reform. In three of the cities, Bhopal, Bhubaneswar and Patna, this had not taken place. One senior official<sup>23</sup> in Bhopal argued to us that there needed to be greater commitment to local government autonomy. One councillor<sup>24</sup> in Patna (Bihar) emphasised the lack of commitment of government at all levels:

‘[I]n Patna, government is not ready to solve the problems of the people. They don’t want to take the responsibility. ... There were a few Commissioners who

<sup>21</sup> See Govinda (2014: 215).

<sup>22</sup> [http://jnnurmmis.nic.in/jnnurm\\_hupa/jnnurm/Overview.pdf](http://jnnurmmis.nic.in/jnnurm_hupa/jnnurm/Overview.pdf) (accessed: 24 July 2015).

<sup>23</sup> Municipal Commissioner of Bhopal, Vishesh Garphale (29 November 2013).

<sup>24</sup> Councillor Abhalata AME, Patna ward no. 4, interviewed 21 January 2014.

were trying to bring change in the system, but within three to four months they were transferred.’

Concerns that the cities had failed to adopt the reform package, and hence lacked the frameworks needed to be effective in poverty reduction, were raised by one very senior retired official.<sup>25</sup> Mr Buch emphasised that there had not been any meaningful devolution of powers or funds to urban local bodies, as envisaged in the 74th Amendment, and there was no institutional mechanism for community participation. He argued that the JNNURM had failed to ensure that the participatory process is routinised in the planning and implementation cycles. Other interviewees acknowledged that while many of the required reforms had been included in State and city legislation, few had been implemented. One senior policy advisor<sup>26</sup> concluded that:

‘Though JNNURM was intended to address structural and systemic issues by introducing reforms that would, amongst other things, make markets work, even after seven years the balance sheet showed that very little reform had taken place. Funds should have been released on the basis of outcomes, rather than on the basis of inputs.’

One senior politician<sup>27</sup> explained that there had been ‘Reform in form but not in substance’ in Bhubaneswar. Part of the problem, explained a senior official in the same city,<sup>28</sup> is that ‘A single policy for the entire country will not work’. The lack of flexibility, and hence difficulties in realisation, was also noted by officials in Pune.

It was suggested that central government had not persisted in efforts to secure reforms. By 2011, there was public acknowledgement that there was little compliance with reforms (Grant Thornton, 2011). One senior government adviser<sup>29</sup> noted that: ‘Over a period of time, reform conditionalities were relaxed and expenditure became the measure of project success. Many reforms remained on paper and JNNURM became project-oriented’. The reporting through the ministry websites of reform ‘completion’ suggests that there was no interest in pursuing reform requirements. Physical and financial progress is emphasised, rather than outcomes.

### **5.3 The commitment of State governments to urban poverty reduction**

Section 4 has reported on the poor outcomes in terms of the scale of households reached, quality of provision, lack of participation at multiple levels and dubious

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<sup>25</sup> The late M. N. Buch, IAS (Retd.), New Delhi, Interview, October 2014. Mr. Buch had been at one time the Chairman of the National Commission on Urbanisation and is widely respected and acknowledged for his role in creating the new Bhopal.

<sup>26</sup> 21 October 2013, with Dr. O. P. Mathur, urban specialist and senior fellow, Institute of Social Sciences, New Delhi.

<sup>27</sup> Addl Ch. Secretary, Housing and Urban Development and chairman of Bhubaneswar Development Authority, Bhubaneswar, 8 August 2013.

<sup>28</sup> Ex- BDA authority, Ashish Das 23 November.2013.

<sup>29</sup> Rakesh Ranjan, a former adviser to the erstwhile Planning Commission, New Delhi, 19 October 2013.

quality of accommodation provided. This sub-section considers policies and programmes on urban poverty reduction.

In Bihar, neither the political nor the bureaucratic leadership has taken up the cause of urban poverty with any seriousness. The government of Bihar declared a slum policy in 2011. The provisions of that policy are progressive, with the intention to integrate slums into the city. Where slums are on tenable lands, in-situ development is to be the first option, with relocation only being used when the lands are not tenable. Tenure of lands is to be given for 25 years, with community mobilisation as a central organising principle. Unfortunately, we did not come across any evidence that the policy has been implemented. Tenure was given only at one site out of four in the BSUP projects.

In Odisha, we were told by the Secretary of the Housing and Urban Development Department of the State government that a bill had been drafted to give property rights to slum-dwellers. However, that bill was sent for examination to a sub-committee of the legislature and has not yet been processed.<sup>30</sup> We could not locate any clearly articulated slum policy of the government of Odisha. There was no practice of giving land tenure, except for those shifted to resettlement sites. The acknowledgement that the commitment to the BSUP was recognised in Bhubaneswar by one senior official,<sup>31</sup> who concluded that: '[the] required amount of planning and strategising that should have preceded programmatic requirements has not happened under BSUP'. The lack of operation and maintenance provision in housing developments is further evidence of low commitment.

In Madhya Pradesh, a policy of tenure security for slum-dwellers was instituted in the 1980s. The late Arjun Singh, when he was Chief Minister of the State, initiated a policy of granting tenure of land (patta) on an 'as is where is basis' to all slum dwellers. People were entitled to keep however much land they had occupied and for the last 30 years, slum dwellers have enjoyed security of tenure and have been occupying lands measuring between 300 and 700 square feet or more. However, the original 30-year lease period is now over and the present status of this commitment is unclear.<sup>32</sup> State policy towards street vendors is progressive, which provides evidence of commitment. Commitment from junior staff in operational activities appears to be significantly more limited.

In Andhra Pradesh, there is no law or policy for the protection of residents of informal settlements, but there are general guidelines. An innovative State agency, the Mission for Elimination of Poverty in Municipal Areas (MEPMA), was set up in 2007

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<sup>30</sup> Progress was achieved in August 2017: <https://www.reuters.com/article/us-india-landrights-lawmaking/indian-state-to-give-property-rights-to-slum-dwellers-in-historic-step-idUSKBN1AO1TR> (accessed 8 January 2018).

<sup>31</sup> Addl. Ch. Secretary, HUD and Chairman, BDA, Bhubaneswar 18 August 2013.

<sup>32</sup> One activist pointed out that the tenure policy did not apply to those 30 percent of slum dwellers in Bhopal who lived on lands belonging to central government undertakings, like the Bharat Heavy Electricals Limited and the India Railways. Both entities owned vast tracts of land in the city.

‘to promote, nurture and strengthen self-sustainable institutions of the poor and through them, address all poverty issues like access to credit, financial freedom, health, disability and vulnerability’.<sup>33</sup> MEPMA was implemented by the Urban Community Development department (UCD) within the corporation, but there is no evidence of the involvement of this department in the BSUP, although interviewees recognised this would have added to the effectiveness of the implementation of BSUP housing projects.

In Maharashtra, there is a law to protect slum dwellers, subject to some conditions. Hence, policies are in place and tenure is given in well-defined circumstances. Over the years, cut-off dates have been announced for the protection of slums and these have been regularly extended, usually by five years. Today, if a slum dweller can prove residence at a particular place as of 1 January 2000, the hut will not be demolished without provision of an alternative. The government of Maharashtra has set up a Slum Rehabilitation Authority (SRA) to resettle slum dwellers in multi-storeyed apartment blocks, by offering incentives to private developers; this is effective in Pune and other cities. Tenure of land is then given to the cooperative society of slum dwellers. A progressive resettlement and rehabilitation policy applies when land is required for public projects. Generally, a family is entitled to a free 225 square feet apartment with a private toilet and basic amenities. At least in part, this is due to a high degree of urbanisation: given the significant proportion of slum dwellers, their voices and aspirations are reflected in the ULBs and the State assembly.

As discussed above in Section 4, lack of commitment to urban inclusion in Bhopal and Visakhapatnam is indicated by their approach to the beneficiary contributions required for the BSUP. Interviewees in both cities indicated that there is a crisis linked to non-payment or poor repayment of BSUP-related loans, which are unaffordable. In Bhopal, there appears to be little interest addressing difficulties; one senior official<sup>34</sup> explained that:

‘BMC will not intervene to sort out the issues in Shabri Nagar [a BSUP settlement] because communities are not paying their contribution. Unless and until they don’t pay their contribution, their society will not be registered either. Further, if they don’t pay within a year their allotment will be cancelled permanently and will be given to someone else.’

The absence of savings and credit groups exacerbates this problem. Savings groups enable people to save money regularly in advance of the need to provide the contribution and have been helpful in Bhubaneswar and Pune. In Visakhapatnam, such groups do exist for livelihoods, but the links have not been made for BSUP purposes.

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<sup>33</sup> From the Objectives section of the MEPMA website: <http://apmepma.gov.in/home.do> (accessed 31 October 2017).

<sup>34</sup> Mr Jolly (earlier in 2011 working in PIU, but at the time of second round working in RAY cell) (29 November 2013).

A further indication of low commitment is the issue of relocation. The BSUP project guidelines recommend that relocation should be only when it is absolutely necessary for the city, otherwise the project should be undertaken in situ. However, commitment to this recommendation is mixed (see Table 5). Only in Bhopal, Bhubaneswar and the second phase of Pune is this guideline taken seriously. A senior official<sup>35</sup> in Visakhapatnam explained that the city authorities lack control over land in the city, in part due to the significant land holdings of central government agencies and parastatals, which are not available to them, even when they include slum populations. Hence they blame their use of relocation, at least in part, on a lack of commitment from central government.

Limited commitment to participation is also evident. One senior technical specialist from Pune<sup>36</sup> explained that: 'If there is an intervention from the community, the engineers running the project see it as a hurdle to completion'. Participation is viewed as challenging and requiring particular commitment (which may be lacking). Even with commitment from senior staff, lower-ranking officials and politicians may not share this perspective. In Bhubaneswar, for example, the director<sup>37</sup> of the BSUP implementing agency explained:

'When we were doing a survey in a slum in Bhubaneswar, the local corporator – an elected member of the municipality – physically bullied our team and took over the survey. He wanted to include his supporters and exclude his opponents. It was only with the intervention of senior municipal staff that we could later do a proper survey.'

#### **5.4 The challenge of capacity**

Analysis of the interviews and documentation suggests that capacity in the BSUP context has four significant dimensions. The first is capacity across the hierarchies of government. The experience highlights the importance of capacitated lower-level government officials, in addition to more senior staff. The second dimension is the capacity to design, plan and implement as required. Third is the need for specific expertise in urban poverty reduction and pro-poor economic development. Fourthly, there is the capacity to learn from experience and implement improvements.

We begin with shortcomings in central and State government capacity. One senior civil society activist<sup>38</sup> explained that:

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<sup>35</sup> Ex-UCD director.

<sup>36</sup> Engineer from Pune Municipal Corporation, Maharashtra, participating in a meeting to review project findings in New Delhi, 25 May 2015.

<sup>37</sup> Monalisa Mohanty, executive director, Urban and Development Resource Centre (UDRC), an NGO based in Bhubaneswar in Odisha State. Ms Mohanty made regular inputs throughout the research.

<sup>38</sup> Dr. Rajesh Tandon, president, Participatory Research in Asia (PRIA), a training and capacity-building NGO in New Delhi, 28 October 2013.

‘When we discuss the capacity of State governments and urban local bodies in relation to JNNURM, we must also ask about the capacity gaps at the national level – of the Ministry of Housing and Urban Poverty Alleviation and Housing and Urban Development Corporation (HUDCO) – and examine what needs to be done.’

Shortcomings were noted by an ex-Secretary to the Planning Commission,<sup>39</sup> who argued that the lack of monitoring and evaluation capacity at the level of central government means that –‘there is no pressure for good performance’. This is consistent with our own observation that expenditure was monitored (for example by the Comptroller and Auditor General of India reports), there was little evidence of sustained effort to collect and analyse data on process /progress indicators. Central government officials also acknowledge their own limitations. One senior official<sup>40</sup> from HUDCO (Housing and Urban Development Corporation) explained that there is ‘...no capacity at the centre to assess DPRs and CDPs’. In May 2015, a senior official<sup>41</sup> in the MoHUPA was still recognising that: ‘Capacity is a major lacuna, and it will be a long battle. But it has to be seen in *toto*, not in isolation’. Officials note that the skills and expertise required for the BSUP have not been introduced into the engineering and architecture curriculum – and ‘this would help to institutionalise the approaches and improve performance at all levels of government’.<sup>42</sup>

Central government recognised that longstanding weaknesses in capacity needed to be addressed for the JNNURM to be implemented successfully. Hence JNNURM’s design included a Project Implementation Unit (PIU) established within each municipality to facilitate the work and build capacities, and a Project Management Unit (PMU) within each state government. That is, the route to capacity building that was typically taken was to import consultants, who would be housed in government agencies, rather than the more laborious and time-consuming but arguably more effective route of training existing government officers and recruiting appropriately skilled candidates to the posts required to plan for, implement and monitor JNNURM-BSUP. In four of the five cities we found no evidence that the PIUs had built capacity. The exception was in Pune, where there was agreement that the PIU had worked well. In Bhopal, the PIU personnel were used as additional staff to implement BSUP projects (rather than to build the capacity of officials); the Municipal Commissioner candidly admitted that this was the case. In Patna, the PMU was reported to be the main custodian of BSUP documentation and supported the functioning of the department.

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<sup>39</sup> N. C. Saxena, IAS (retired), former Secretary, Planning Commission, New Delhi, 23 October 2013.

<sup>40</sup> Working with Ministry, State and city government officials. Workshop in New Delhi, 25 May 2015

<sup>41</sup> Sanjeev Kumar, joint Secretary and Mission Director of Housing for All, New Delhi, 25 May 2015. Mr Kumar was also interviewed in October 2013.

<sup>42</sup> Superintendent Engineer, Greater Visakhapatnam Municipal Corporation, Andhra Pradesh. Participating in meeting in New Delhi, 25 May 2015.

As noted above, the power of State governments is significant in Bhopal, Patna and Bhubaneswar, and it is State capacity that has made the difference for BSUP design, planning and implementation. Notable here is the recognition by Madhya Pradesh that it needs to develop an urban cadre within state administration,<sup>43</sup> an idea that has now been taken up nationwide. However, the State is yet to implement this plan in Bhopal. This intention to build city capacity contrasts to the situation in Bihar, where there was a recognition that capacity was not in place, but no understanding about how to move forward. In Odisha, it appears that a capable State government had very little understanding about what was needed for urban development. However, the posting of a senior bureaucrat with expertise has had a positive impact.

Turning to the five cities, it is necessary to distinguish between the capacity to plan and design policies and programmes, and the capacity to implement them. Only in Pune and Visakhapatnam were both sets of capacities in place.

In Bhopal, planning, design and implementation capacity appears lacking. The design of the sub-Mission projects appears perverse, shifting people from ground structures within large plots and security of tenure into apartments of 270 square feet in medium-rise apartment blocks. There was no discernible rationale for the demolition of some houses. The relocation was done without the consent of residents and against their wishes. Residents are now in cramped quarters, burdened with loans and facing higher maintenance costs. The selection of settlements appears random and arbitrary, as if to fulfil a target rather than respond to the felt needs of the residents. Construction delays have occurred for many reasons.

In Bhubaneswar, the DPRs were of poor quality and had to be redone by the NGO taking on the project. Planning for implementation was very poor. The failure to allow for cost escalations meant that there were no bids from commercial contractors. The Urban and Development Resource Centre and Indian Alliance agreed to take on the project, and have built up capacity within both city government and local communities. The Alliance has added financial resources.

In Patna, there is an evident lack of capacity. The target for house construction has been periodically reduced from 20,372 and, by 2015, was only 480 houses. Out of four projects, three sites (436 families) were redeveloped in situ, with no provision for transit accommodation. There was poor documentation of process and implementation, leading to the absence of an institutional memory. Frequent transfers of officials led to disruptions in planning and implementation. The beneficiaries were not organised as a group and no effort was made to share information and knowledge. In some cases, there were forcible demolitions; hence people did not trust government agencies and did not willingly move. There were no opportunities for community participation.

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<sup>43</sup> There is also an innovative plan to pool professionals from various disciplines related to urban work into a separate entity. The idea was that their services would be made available to the ULBs to build their municipal capacities and help them prepare projects. Systematic training programmes for personnel at different levels are being developed.

In Patna, there is evidence of an awareness of shortcomings, but no structured approach to addressing capacity deficiencies. The Project Management Unit (PMU) of the BSUP, housed in the Urban Development Department of the State government, has assisted in operational issues, but did not build capacity. Across this State, urban local bodies are without staff and officials from the Office of the Collector (a senior district official) take care of routine matters. There has been no chief town planner in Patna for seven years and there are no building laws. Discussions with officials of the Housing and Urban Development Corporation (HUDCO), a parastatal of central government and the main BSUP implementing agency in Patna, revealed that the key challenge in BSUP implementation was to secure land with clear title for the projects. Confusion remained, with respect to both land acquisition and the relocation of slum dwellers. In Patna, problems of urban development go beyond the BSUP. In the absence of a sound legal and regulatory framework for urban development, given the lack of capacity and weak governance structures and given the absence of coordination amongst different agencies, the research team was told that the judiciary in Patna has begun playing a strong and assertive role in urban governance. One observer remarked that the High Court was also playing the role of civil society by repeatedly drawing attention to the glaring inadequacies in urban public administration. Patna's Municipal Commissioner confirmed that he regularly attends the High Court, as it is monitoring compliance to its orders. The very fact that the judiciary had stepped into the vacuum of urban governance is a severe indictment of the administrative apparatus. However, this is clearly a temporary measure, rather than a coherent plan to improve capacity.

Only Pune and Visakhapatnam had capacity to design, plan and implement the BSUP. In Pune, the BSUP was driven by a charismatic Municipal Commissioner (Praveen Pardeshi, IAS) who was in post from 2007 to 2009 and who strengthened partnerships with civil society. The Commissioner decided, after difficulties in phase one, that the most effective way to implement the BSUP was through coproduction with civil society, and for phase two contracts were offered only to developers working with NGOs (see Box 3). Pune had a realistic implementation plan, with support provided by the city authorities. Management of projects appears competent, with problems being identified and resolved. Implementation of the BSUP benefited from non-state capacities and particularly the ability of numerous self-help groups to work with NGOs and deliver project outcomes. Unusually for Indian municipalities, the corporation contracted NGOs to do a variety of tasks for the BSUP, including baseline surveys, collection of biometric information, community mobilisation and construction of houses. Most levels of the municipal administration were reported to us as being both efficient and responsive, and civil society groups considered that this is a partnership that works well. NGO staff noted that in their experience some lower-rank personnel did not exhibit the same level of enthusiasm for working with NGOs as did the senior staff in the corporation. However, flows of information from project implementation to senior staff resolved this problem and senior staff remained firm in their conviction to partner civil society.

At the city scale, the successful delivery of BSUP interventions requires capacities and systems to:

- identify settlements suitable for BSUP developments, and those requiring relocation due to UIG investments;
- provide for beneficiary identification: to prevent the inclusion of ineligible households and to protect households with a legitimate entitlement;
- prepare DPRs;
- address land issues, ensure tenure security and site accessibility and to plan for temporary accommodation while construction work is taking place;
- to provide on-site infrastructure, given existing bulk infrastructure and planned improvements to infrastructure systems;
- to design and construct housing (including in situ) in ways that are both affordable and appropriate to livelihood, cultural and social needs;
- to ensure the quality of construction work;
- to ensure the beneficiary contributions are affordable, either as a one-off contribution and/or through loan repayments;
- to ensure project finance is in place with provision for cost escalation; and
- to maintain housing investments and adjacent public spaces.

## **6. What are the drivers of VCC?**

This section analyses the drivers of vision, capacity and commitment. Four significant factors emerge from the interviews: first, the levels of historical institutional and economic development; second, the degree of existing decentralisation and devolution; third, the historical experiences of working with non-state agencies; and, fourth, the presence of leadership offering vision and commitment.

### **6.1 Development helps**

Many interviewees commented that the delivery of services in southern and western States has been better than in much of north and east India. Andhra Pradesh and Maharashtra are recognised to have been well-administered states, at least in the first few decades after Independence. One reason advanced is that social reform movements began in the former from the 19th century onwards and spread the message of equality; consequently measures to raise the living conditions of marginalised populations, and to build public goods, gained a degree of broad-based legitimacy.

With respect to economic development, there is a considerable difference between the five cities (see Table 7). Interviewees argued that there is no simple relationship between economic status and ability to set an urban vision, and economic development was presented to us as a necessary, rather than sufficient, condition. Low economic development was thought to create constraints and this is exemplified by the State of Bihar, where there is a low level of urbanisation, a small urban population, dominance of feudal-style social relations and where both the political and administrative wings of government are accustomed to acting in a top-down manner. In Bihar, urban local bodies including local government are treated as

agencies of the State government, rather than as exemplars of democratic decentralisation.

**Table 7: Summary of State development indicators<sup>44</sup>**

	State NDP per capita (current prices 2013/14)	State popn. (million)	Percentage of state population in urban centres	State popn. in urban centres (millions)	Est. city revenue receipts 2014-15 in Rs. Lakhs
Bhopal (Madhya Pradesh)	51,798	72.7	27.6	20.0	75,804
Bhubaneswar (Odisha)	52,559	42.0	16.7	7.0	46,218
Patna (Bihar)	31,199	104.1	11.3	11.8	47,332
Pune (Maharashtra)	117,091	112.4	45.2	50.8	360,802
Visag (Andhra Pradesh)	81,397	84.6	33.4	14.6	199,189

Source: Data from 2011 Census, municipal websites and the Ministry of Statistics and Programme Implementation:

[http://mospi.nic.in/Mospi\\_New/site/inner.aspx?status=3&menu\\_id=82](http://mospi.nic.in/Mospi_New/site/inner.aspx?status=3&menu_id=82) (accessed 31 October 2017).

Economic development is considered to be significant with respect to commitment and capacity as well as vision. First, higher levels of economic development are associated with higher levels of urbanisation and hence a shift in electoral interests away from rural constituencies. This suggests that interviewees believe governments respond to the balance of power within elected bodies. Secondly, prosperity enables government to address the needs of disadvantaged groups that have previously been ignored. This is broadly reflective of the underlying vision and aspirations of the JNNURM itself. Third, a greater political commitment to the urban poverty reduction agenda may also be related to the need for greater investment in the social reproduction of the labour force (Sankhe et al., 2010). Finally, it was noted that city prosperity offers opportunities for income growth within households and consequently an increased capacity to pay user charges,<sup>45</sup> encouraging a virtuous cycle of economic growth and social investments.

However, even if economic development enables pro-poor commitments, to secure positive BSUP outcomes requires that these commitments and priorities fit within the BSUP. In Bhopal a broadly pro-poor State government had previously demonstrated commitment to low-income households, but housing was not a priority for this group,

<sup>44</sup> The erstwhile State of Andhra Pradesh has been sub-divided into Andhra Pradesh and Telangana, with the capital city of Hyderabad going to Telangana, since June 2014.

<sup>45</sup> Wankhade (2015) provides evidence that this is the case for sanitation in India.

because many enjoyed some form of secure tenure. A consultative exercise facilitated by Participatory Research in Asia (PRIA) found that education and employment were higher priorities for the urban poor. However, senior State administrators were expected to take up JNNURM-related opportunities regardless of their lack of fit. In the absence of more flexible and therefore appropriate support, the State government agreed to draw down BSUP funds. The evidence provided above shows that this was problematic for households included in the programme. Commitment did little without the vision and capacity to manage these constraints.

The level of institutional development in the city and State was recognised to influence programming capacity. The BSUP placed demands on local authorities that many of them were unaccustomed to. Pune is an exception as the corporation already had substantive experience within the devolved governance frameworks of Maharashtra. Other specific factors were highlighted to explain Pune's capacity. Interviewees pointed out that they have had to function under the watchful gaze of an enlightened and activist citizenry.<sup>46</sup> The city has also benefited from being viewed as an appropriate placement for high-calibre early-career officers in the Indian Administrative Service (IAS). Such individuals are regularly posted to Pune, and their ability and status has encouraged experimentation and innovation.

## **6.2 Devolution leads to capacity**

The higher levels of decentralisation in the State of Maharashtra, it was suggested by government officials, had led to the building of capacity. The consensus among senior officials was that the level of devolved responsibility given to Pune by the State is itself responsible for their increased level of capacity. At a workshop with senior government officials from MoHUPA, together with State and city officials, there was support for a causal link between responsibilities and capacities. Pune, it was argued, did not first build capacity and then receive new responsibilities, but rather they received responsibilities which enabled them to build capacity. In Visakhapatnam, devolution has also taken place, and the city has been required to manage rapid growth and expansion. This appears to have spurred initiative. In three of the States in this study – Bihar, Odisha and Madhya Pradesh – there has been no meaningful or substantive devolution of funds, functions and functionaries to urban local bodies, and hence little opportunity to build capacity. The situation in Patna (Bihar) is illuminating here. It was agreed by interviewees that, as a consequence of the general lack of concern for the urban sector, the Urban Development Department (UDD) in Patna was neglected and not considered a prestigious posting. During our visits, we were told by many people – including a retired Chief Secretary of the State – that the then Chief Minister, Nitish Kumar, had tried to improve matters by posting an officer (about whom he reportedly had a good opinion) as the Secretary of UDD and increasing its budgetary allocation. However, devolution did not take place and no capacity is evident.

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<sup>46</sup> One senior engineer from Pune noted the importance of the media in nurturing a positive engagement between local residents and the corporation: 'In Pune, everything we do is covered by the media, so the community is sensitised to our activities'. MoHUPA workshop, 25 May 2015.

Capacities in pro-poor programming developed through earlier activities are recognised as significant. In Andhra Pradesh, for example, the Visakhapatnam administration was influenced by UNICEF's Urban Basic Services Programme in the 1980s that was followed by the UK-funded Slum Improvement Programme. These activities and associated responsibilities led to the institutionalisation of community development activities and developed an understanding in the State and city governments as to what is required and the associated benefits. Interviewees in Pune also spoke admiringly of a former senior official, who set up the community development wing in the corporation. In both cities, decentralisation of authority is associated with the development of needed capacities for community participation.

### **6.3 Contribution of civil society**

The third factor explaining the nature and depth of vision, commitment and capacity is the experience in government of working with stakeholders and particularly with civil society representing the needs and interests of low-income households. This is most strongly represented in Pune (see Box 3). A complementary perspective is provided in Bhubaneswar (Box 4). Coproduction between civil society organisations and government leads to capacity development for poverty reduction, both in civil society and government. Such engagement opens opportunities to do things differently and shows a political leadership with new approaches to addressing poverty and building its electoral base. There is an overlap between commitment and capacity; simultaneous to building the commitment of the political elite to enact pro-poor measures is the building of capacity at multiple levels of local government, such that officials are able to adopt and implement more progressive policies. This may also require building civil society capacity (including local residents' associations) such that they can interact with government officials and politicians. At the same time, civil society helps to embed a particular vision and the idea of a progressive urban future, in which lower-income groups are included within governance, and secure tenure and basic services are provided to all.

Box 3 summarises the significance and sequencing of this process in Pune. NGOs' and local community organisations' engagement in the second phase of the BSUP has included community members, particularly women leaders, being involved at all stages, including house design, purchase of materials and construction. The impact of such community participation is evident in terms of both the quality of the final product and the level of satisfaction of the community. Here the corporation explicitly sought the intervention of NGOs and devised clear methodological guidelines to support their contribution. In addition to NGOs and community organisations, councillors were, it was generally agreed, involved in the projects and helpful in resolving problems and ensuring progress.

Pune's corporation has had long-standing relations with strong civil society groups, and activities have helped to build the understanding of groups including senior and frontline officials, councillors and city politicians. Over time, relations with

### **BOX 3: Pune: A legacy of collaboration and coproduction**

In 1999, the Municipal Commissioner of Pune, Ratnakar Gaikwad, who had previously been the additional Commissioner of Mumbai Municipal Corporation while a project for community toilets in Mumbai was under discussion, invited the Indian Alliance to work in Pune. He recognised that improving sanitation was best done through a 'demand-driven' approach, rather than through contractor programmes. For the Indian Alliance, the commitment of the Municipal Commissioner to improved access to sanitation was a significant opportunity. The Alliance had been active in Pune since the early 1990s and there was already an organised base in many informal settlements. To take forward a community-managed sanitation programme, every informal settlement in Pune was visited by community women leaders from Mahila Milan. The Commissioner was a significant champion, and the Indian Alliance recognized that this project had to be completed during his tenure in Pune. Within 18 months, 10,000 toilet seats were constructed. The programme won accolades nationally and internationally and laid the foundation for the National Policy on Sanitation.

As these early relationships between the Pune corporation and civil society developed, the corporation recognised the potential of this approach. In 2007, the corporation began the first phase of BSUP investments: 6,000 tenements in eight-storey apartment buildings on the periphery of Pune. When people were unwilling to move to this location, the Municipal Commissioner at that time, Praveen Pardeshi, turned to the Indian Alliance for assistance, due to their experience with resettlement in Mumbai. As a result of this engagement, the second phase of the BSUP was reconceptualised. The Commissioner sought a second phase of BSUP funding for in-situ informal settlement up-grading for 4,000 households in the neighbourhood of Yerwada. The detailed project reports required that the projects were led by NGOs with a track record of work in Pune and strong community organisation capacities. NGOs included Global Communities International, Shelter Associates, Mahila Milan (and its Indian Alliance partners) and MASHAL.

stakeholders have been institutionalised. These experiences were used as a reference point by interviewees to explain the city's willingness to commit to the co-production of the BSUP with civil society. Present positive outcomes follow an earlier period of contestation between communities, clientelist politicians and city authorities.<sup>47</sup> The woman leadership in *Mahila Milan* and other community leaders have assisted Corporation staff to manage in-situ upgrading. Securing residents' agreement when upgrading a very dense informal settlement is particularly difficult; as most housing units are very small and it is challenging to install infrastructure

<sup>47</sup> The *Mahila Milan* groups struggled when they first tried to bid for the construction contracts for community toilets. Established commercial contractors first tried to bribe them not to participate and then threatened them with violence and sought physically to block the submission of their tender documents.

without reducing the size of some units. This requires much negotiation. When the corporation first adopted a co-productive approach, community groups needed a lot of support from experienced community leaders. Many vested interests, including elected bodies, corporation officials and politicians had not wanted the community-driven sanitation programme. The Municipal Commissioner found that it was essential to have twice-monthly meetings with the mayor and elected politicians to prevent them from sabotaging the process. He would also have weekly meetings for officials and NGOs. Gradually the corporation institutionalised a capacity to work with low-income groups.

In Bhubaneswar, an alternative trajectory illustrates the potential processes of institutionalisation. Here project-specific relations have been built with an NGO, the Urban and Development Resource Centre (UDRC). The UDRC has been working with the National Slum Dwellers Federation and *Mahila Milan* groups in Odisha to create and nurture pro-poor alternatives for many years. To the best of our knowledge, during this period it was only the UDRC (who worked with SPARC SSNS to take on the contract for BSUP in Bhubaneswar and Puri) that had a civil society presence in urban centres in Odisha through its community-based women's groups and slum federations. Initially, such relations were hampered by limited commitment and capacity. However, the processes appear to be deepening with indications of institutionalisation. Box 4 elaborates.

BSUP activities in Bhubaneswar have been contested (as was the case in Pune). At one point, elected members of the corporation were keen to take over housing construction from the NGO and local residents; it was suggested to us that this was because of the potential for income generation (from illegal payments) and political capital (from housing allocations). The NGO resisted this and was strongly supported in this stance by the women's groups and the slum federations. With government support they maintained their role in the construction.

Only in Bhubaneswar and Pune did we find institutionalised programming with civil society groups related to the BSUP. In other cities there was, at best, limited engagement. For example, in Madhya Pradesh, there is a strong civil society movement, but interviewees did not identify NGOs working on urban poverty in Bhopal. As a result, the programme was managed by the bureaucracy. A social audit was commissioned by the central government and this was conducted by the Centre for Environment Planning and Technology (CEPT) and two NGOs, Unnati and Samarthan (Mahadevia, Datey et al., 2013); , but the level of local ownership appears low. Consequently, improvements were sought by local community organisations who had become aware of the shortfalls in delivery and who were increasingly vocal in their protests. However, the improvements in construction quality added to the considerable increase in the costs of the dwellings, which exacerbated problems of affordability.

**BOX 4: Bhubaneswar and the nurturing of a pro-poor orientation**

The collaboration between the Indian Alliance and the UDRC began over 15 years ago. Mahila Milan began working in Cuttack following floods there in 1999. In 2001, they held a housing exhibition with a life-size cloth house model to demonstrate preferred shelter solutions. Over 5,000 community residents and government officials visited the exhibition and initial contacts with both State and city governments were made. In 2009, the UDRC and the Alliance undertook city-wide surveys of informal settlements in three cities in Odisha, including Bhubaneswar. This work helped to change the approach of the State government away from the option of eviction towards upgrading.

In the following years, the Alliance and UDRC began a partnership with the authorities to plan slum upgrading and resettlement projects; the BSUP projects in Bhubaneswar are just one example. By 2012, the Alliance was working in five cities in Odisha, including Bhubaneswar, to conduct informal settlement surveys, housing projects, service provision (including water, sanitation and electricity), resettlement and in-situ upgrading.

Both the Indian Alliance and UDRC were concerned about the small scale of government interventions and the inability to reach the households most in need of help. Other problems with government projects were the poor selection of resettlement sites and a lack of transit accommodation. Through meetings with the State government, the Indian Alliance shared their concerns: weak institutional memory due to frequent transfers within government departments; poor inter-departmental coordination; inadequate documentation of processes and implementation; inadequate implementation procedures; and lack of awareness on the benefits of community participation at all levels within the municipality

The attitude of senior staff in city and State governments towards civil society involvement began to be more positive when evidence emerged from the BSUP developments, and the NGO staff became more confident in articulating the argument for community-led upgrading. The Indian Alliance and UDRC staff worked with the State government on the implementation of RAY (Rajiv Awas Yojana), the short-lived successor programme to the BSUP.

The Alliance and UDRC have intensified their engagement with both city and State government, and have built support for alternative approaches. Multiple efforts are now under way. As required by the JNNURM, the State government has passed a law that a percentage of all new housing will be allocated to the urban poor and 25 percent of the municipal budget for service provision will be allocated to the urban poor. The Administrative Staff College of India has been asked and has agreed to track these legislative commitments. The State government and municipalities of Bhubaneswar and Cuttack are working with the UDRC and Indian Alliance to provide basic amenities in some informal settlements and prepare city-wide plans for upgrading. Such experiences are demonstrative of continuing commitment and will build capacity in city and State governments.

#### 6.4 Contribution of leadership

Interviewees emphasised that individuals are key to processes of change. In Pune, successful BSUP implementation was frequently attributed to the contribution of specific individuals. The same explanation was offered for the historically favourable commitments in Madhya Pradesh and most recently in Odisha. This explanation was also highlighted for the JNNURM itself; identified individuals were held responsible for the original vision of the Mission and its development.<sup>48</sup> Effective leaders are said to combine a strong sense of direction with a commitment to that direction, and to have the ability to mobilise resources and build capacities to get there.

To understand this better, we explored reasons for the State-civil society partnership in Pune. It was explained to us that in Maharashtra in general – and in Pune in particular – there has been openness to the idea of partnering with NGOs and other civil society organisations. This both legitimated such approaches and attracted those interested in more innovative ways of working. Individual histories were recognised to be important. The Municipal Commissioner who led the PMC in 2007-2009 had implemented a retrofitting programme in Latur in the early 1990s and was an enthusiastic proponent of and believer in owner-driven housing and in-situ upgradation. Experiences in Bhubaneswar help us see how an emerging leadership within the administration that is concerned with these issues can advance from interest to commitment. The State Secretary of the Housing and Urban Development Department demonstrated his understanding of urban issues and commitment several years ago when he drafted a Bill to confer property rights on slum dwellers. His successor is also enthusiastic and is trying to address issues in a systematic manner and at scale. This partnership initially had more to do with expediency (and the need to find a BSUP contractor) than with a commitment to engage civil society. However, as multiple difficulties came up in the implementation of this programme, NGO and community organisations developed a dialogue with the Secretary. Problems were resolved because of the willingness of the Secretary to be involved; and the dialogue has continued.

Leadership contributions to problem-solving were also noted. For example, a financial issue faced in Pune and Bhubaneswar for NGOs contracted to complete BSUP activities. The NGOs had to pay 10 percent of what they received for construction in the form of mandatory taxes. Pune Municipal Corporation identified a way around the problem. In 2013, it paid the money directly into beneficiary accounts, and the beneficiaries would then pay the NGO for work done, thus obviating the need for NGOs to pay taxes.

Successful outcomes are explained by the nature of political relations formed between visionary officials and civil society agencies with a capacity to change outcomes through influencing activities and behaviours on the ground. Over time, as positive outcomes emerged, politicians also became committed to building these relations. These relations happen at multiple levels; those between NGOs able to

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<sup>48</sup> Mr Maringanti interview, Chicago, 23rd April 2015; Coelho, Kamath and Vijaybasker (2011).

negotiate with senior officials and organised grassroots organisations able to pursue the implications of such negotiations in their street-level encounters emerge as particularly significant. Looked at from the point of view of organisations of the urban poor, it is political inclusion, i.e. contacts with political elites at multiple levels, that enables the realisation of the BSUP projects in ways that are pro-poor. Looked at another way, such relations enable behaviours and outcomes that are inconsistent with the agreed vision (and which demonstrate a lack of commitment and capacity) to be challenged. Relations at multiple levels of government are needed, including those with State and city governments, as well as those with junior officials at the level of project implementation. Not only are such relations important for preventing bad practice, they also facilitate the creation of *ad hoc* solutions, while negotiating for formal changes. Political inclusion appears to be particularly significant because of the need to transverse formal and informal processes.

## 7. Conclusion

In the sections above, we have explored the concepts and realisation of vision, commitment and capacity separately and structured the paper accordingly. However, this implies a level of disconnection that is not helpful to understanding their nature, scale, dynamics and influence over events and outcomes. At times the concepts may threaten to collapse into each other; we might even talk about the capacity to craft a vision and/or the commitment to build capacity. However, we maintain that they are distinct. Vision establishes the direction of the State intervention or action; commitment, the intensity with which it is pursued; and capacity, the ability to realise such a direction, given the level of commitment.

While distinct, each is connected to the other, forming around the present state of the other, responding to that state and influencing development in turn. Actions, events and outcomes present new practices and experiences that are absorbed by State officials and politicians, and which also influence the development of further generations of vision, capacity and commitment. It was early experiences with community toilets in Pune, for example, that provided 'proof of concept' for Mumbai and led to a vision that replicated community-managed blocks providing 20,000 toilet seats (Patel with the SPARC team, 2015). This experience bequeathed a further legacy to Pune, and then to Bhubaneswar, both the commitment to this vision and established capacities at the State and community level have enabled the programme to be realised. We also recognise that the explanations that prevail, and which account for State success and failure, can be powerful influences on a new generation of programming and the underlying vision, capacities and commitments.

In Pune and Bhubaneswar, success has been achieved in part because relations cross dimensions of vision, capacity and commitment, appealing both to value-based interventions as well as to those seeking pragmatic strategies through the myriad of difficulties that government faces. It appears that government engagement with civil society does help to build capacity. Over time, supported by other factors, including those of political vision and commitment to more inclusive models of urban

development, positive change may be secured as capacities are strengthened and new options and directions emerge.

### **7.1 Vision matters**

As discussed in Section 5, both Pune and Visakhapatnam are recognised to be successful implementers of the BSUP, both in the ministry and among most of our interviewees. This has been underpinned by greater wealth and higher levels of prosperity and, as discussed above, our interviewees pointed to the significance of the historical legacy. However, our findings also suggest the significance of vision-led policy-making and programming. In both corporations, there is a strong and established sense of direction. In Pune, CDP processes had long been in place and interviewees agreed that stakeholders had been involved. In Visakhapatnam, this level of formality in consultative planning was not present; but the direction of urban development appears to be understood and accepted. This broad vision facilitated BSUP funds to be used in building significant numbers of housing units. However, as argued above, beneficiaries are struggling to cope with the dual effects of relocation and a lack of affordability. The vision may have resulted in an effective State, but not an inclusive one. In Pune, the first round of BSUP-related housing allocations raised questions within the city, as it involved unpopular relocation to a new peripheral area, the adjacent town of Pimpri-Chinchawad. The second phase of Pune's BSUP re-conceptualised the sub-Mission into in-situ upgrading realised through joint ventures that included civil society organisations. This appears to be an example of where the initial city vision behind programme implementation was amended to achieve greater success.

The vision of both Pune and Visakhapatnam is consistent with the underlying perspective and explicit direction of the JNNURM, i.e. that capitalist development will allow for both general prosperity and the inclusion of the lowest income groups, explicitly through the extension of basic services and less explicitly through some version of 'trickle-down' economics. Experiences in both cities point to the difficulties faced by the lowest-income households in negotiating access to both livelihoods and services in present-day Indian cities. It was suggested to us that one reason why participation in in-situ upgrading worked in Pune was because the wealth of the city enabled considerable amounts of money to be made by more powerful agencies elsewhere. Whatever the requirements, a stronger pro-poor commitment in this case led to more engagement and then to more commitment and new visions. In Bhubaneswar, the initial engagement was led by expediency, but it has grown beyond this.

The benefits of vision appear to be multiple. They include the merits of having a clear orientation for agency and individual actions; and providing for a legitimate basis on which to hold others to account. Clarity of vision makes it easier for higher-level officials to instigate and maintain the commitment of lower-level staff, and enables complaints to be made about deviation from this vision by lower levels of the State hierarchy.

## **7.2 BSUP/JNNURM and the anti-poor orientation of India's urban development**

Section 3.2 noted that the JNNURM approach and outcomes had been challenged for multiple reasons, including its analysis of the political economy of Indian cities (and their anti-poor nature), the unwillingness of State governments to devolve powers, insufficient measures to enforce compliance from State and city governments, and the lack of capacity in urban governments. We find evidence of all four critiques in our analysis. We expand on the first critique below.

The underlying approach of the JNNURM is, as discussed in Section 3.2, neo-liberal and pro-growth, with encouragement for enterprise development at the city scale, and emphasis on market-led services plus resultant charges for services and loans for housing ownership (Roy, 2014: 139). Section 4 suggests the Mission is overly optimistic about the ability of city government to put in place plans that enable prosperity to be secured and the benefits to be shared in the context of its underlying policy prescription. There are concerns that some of the most needy households have been excluded, that those who have been included will be evicted due to a lack of affordability, and that the quality of provision will cause further difficulties for those that do remain. At best, insufficient attention is given to such difficulties and at worst they have been ignored. In both Bhopal and Visakhapatnam, the local authorities have passed their costs onto beneficiaries in addition to the required contribution, with indifference to the financial difficulties that beneficiaries are facing. In Visakhapatnam, the vision for economic development may be achieved, but it is not evident that there is any substantive vision related to inclusion and equity.

The best example to counter this argument is the experience in Pune, where wealth does seem to be combined with a participatory planning process, and an administration flexible enough to work in partnerships with organisations of the urban poor. However, our findings are less optimistic in the other four cities. In two of the cities, Bhubaneswar and Patna, very small numbers have been assisted through the BSUP. In the other two cities, inclusion in the programme comes at a high financial cost. In these cities, few are reached in ways that materially add to their standard of living, and – except for Bhubaneswar – there is a real risk that low-income households that have been beneficiaries will be excluded if and when the financial cost of inclusion is fully realised and they are evicted from their homes due to non-payment.

Roy (2014) argues that such outcomes are central to the policy orientation which recognises citizenship through consumers' payment for services, and values the population for their entrepreneurial cultures (ibid: 143). Property is central to the way in which disadvantaged citizens can be incorporated into the formal city planning process and the modern economy. However Roy also recognises the tension between property as a source of opportunity, and property as a source of vulnerability. In Pune and Bhubaneswar, households have gained improved dwellings, security and assets. This demonstrates, as suggested by Ghertner (2014), that the formalisation of India's slum settlements can be a step towards a progressive

social welfare policy, first enabled by informal settlement, and then enhanced by the JNNURM and followed temporarily by RAY.

The BSUP experiences across these five cities do suggest that negative outcomes are not inevitable and they point to some ways forward. Comparing across the cities, it is not 'glass half-full, glass half-empty'. Rather, our findings point to the significance of in-situ upgrading and to specific forms of civil society that offer the potential to catalyse new relations, with positive political and material outcomes.

Turning to the three other critiques, where State governments have been willing to devolve power, progress has been made. However, in both the cases in which this happened, city autonomy was in place prior to the Mission. In none of our cities has substantive progress towards autonomy been realised because of the Mission. Generally speaking, compliance with the Mission reforms has been poor when reform implementation is considered and there is little evidence of commitment. However, our analysis of transformation in Pune points to the long time-horizons that need to be considered; and it is possible that this conclusion is premature. Likewise, there is an evident lack of capacity; but this too may develop in the years that follow, in part catalysed by BSUP experiences.

### **7.3 Contribution of civil society**

As we illustrate above for Bhubaneswar and Pune, civil society agencies have improved outcomes in part through addressing shortcomings in State vision, commitment and capacity. It is not possible for civil society agencies to replace the State, either at the operational scale and/or in terms of legislative reforms and policy commitments. However, the ability and willingness of particular forms of civil society organisations to collaborate with State agencies appears to have catalysed new, more inclusive development options in Pune and similar processes are appearing in Bhubaneswar. While Pune and Bhubaneswar are at different places on a continuum towards the institutionalisation of participation, in both cities in-situ upgrading projects have enabled residents to be involved in decisions about what is provided with BSUP funds, and how the benefits of State investment can be maximised, both locally and at the city scale.

Key instigators of change within the government acknowledge the significance of collaboration with the Indian Alliance and its approaches, skills and expertise. When our interviewee responses were analysed, we identified that these grassroots agencies and their professional support organisations have assisted in BSUP implementation and the consequential changing of the political relations between government and informal settlement residents in five substantive ways.

A first step is the design and realisation of urban development approaches that enable solutions to be coproduced with the State and local citizens, legitimising the inclusion of low-income households, both at the city scale and in project planning and implementation.

Second, in Bhubaneswar (and earlier in Pune), they provided essential additional finance to engage and enlighten city and State governments about potential approaches to pro-poor urban development. Their financial contribution extends beyond actual contributions and includes financial services. Savings practices have been key to ensure the affordability of beneficiary contributions in Pune and Bhubaneswar.

Third, they have led to a strengthening of communication between levels of government about adverse outcomes and hence secured changes in the behaviour of junior officials. In both Pune and Bhubaneswar, civil society provided information about local outcomes to senior officials with an interest in the BSUP and secured their interventions to improve the performance of local officials and protect communities from local politicians. The CEPT social audit report on performance in Bhopal had a similar effect.

Fourth, civil society has supplemented gaps in government technical capacity in a range of areas, including the DPRs. In Pune and Bhubaneswar, civil society organisations also supported the organisation of communities and built the capacity of community groups to work with city government officials in the upgrading process and to participate in city-wide planning.

Fifth, civil society has helped to connect the tenures of different government officials as they were moved on, before completing innovations that had been started.

In a context in which state transformation is complex, messy, contested, unpredictable and generally unplanned, civil society engagement has been significant because of the multiplicity of roles that civil society agencies have contributed, and their flexibility to adapt as opportunities emerge. However, for the Indian Alliance and associates, the BSUP has been an opportunity. While the cities of Pune and Bhubaneswar have been better able to realise the goals of the JNNURM, these civil society agencies have also been able to realise their goals for scale and influence because of the openness of key individuals with responsibility for JNNURM implementation, and their ability to move forward with the coproduction of solutions. Hence these findings provide evidence of the significance of collaboration between state and civil society if there is at least some vision, commitment and/or capacity within both institutions (Mannathukkaren, 2010: 308). These are informal, value-based coalitions between civil society and committed officials. And they challenge some of the more pessimistic conclusions about participatory space in Indian cities.

**Fig 1: Mapping the cities: the significance of devolution and civil society engagement**

<b>Level of civil society engagement</b> High Low	Bhubaneswar	Pune
	Bhopal Patna	Vizag
	Low	High
	<b>Level of devolution</b>	

#### 7.4 Pro-poor cities as work-in-progress

Achieving effective states and inclusive development requires pragmatic choices and the acceptance of outcomes that are not even second-best. Faced with the scale of reform that is needed, visionaries have to make compromises. For example, when the working group for the 12th Five Year Plan discussed universalisation of access to services, there was agreement that it was better to have a universal governance structure with user charges (despite problems of affordability) than the present situation, with a range of private intermediaries who provide services to low-income households. Similar compromises are evident in the design and realisation of the JNNURM/BSUP.

Most of the senior officials interviewed recognised that incremental improvements in governance were all that is likely to be possible. Indeed, it was argued that, in the context in India, the significant increase in the involvement of municipalities in the construction of subsidised dwellings within the BSUP was always likely to result in a haphazard implementation process. In the absence of a framework for planning and operationalisation, BSUP-related improvements would require new procedures to be crafted.

Both the literature and our interviewees recognise that the experiences of the early BSUP projects influenced the development of RAY, and acknowledged that the approach of RAY and the emphasis on secure tenure has been a significant advance in pro-poor government programming. More specifically, Singh (2014) argues that the Rajiv Awas Yojana (or RAY), launched in 2009, addressed key concerns arising from JNNURM implementation, with, in summary, the strengthening of capacity at all levels, measures to challenge the view that the urban poor are a ‘problem’ and secure civil society participation in programming and evaluation, greater financial support and the linking of multiple ministries to provide for a ‘holistic approach’ (*ibid*:

200-201). RAY also offered tenure security and sought to address the shortage of urban land. However, RAY was not implemented at the scale that was intended.

Such conclusions imply that vision, commitment and capacity do not emerge in a vacuum, but rather occur as government agencies engage with programmes such as JNNURM and learn about what can be done, and how it might be done. In this context, institutionalising knowledge generation and learning is key. However, there continues to be a lack of capacity in the current practices of learning that have been established around the JNNURM. There are evident lessons that are not being learnt about the implementation of the BSUP, both operationally and more substantively in terms of the vision and its coherence and consistency.

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