Representation and Development in Urban Peripheries

Reflections on Governance in Ahmedabad Suburbs

Pro-poor and democratic development processes demand, among other things, the integration of revenue appropriating and fund expending institutions. Experience from the metropolis of Ahmedabad, recently ravaged by inter-religious civil strife, indicates that a number of village and town councils continue to exist within urban limits, saddled with functions that they are not authorised to execute. Moreover, urban development agencies compete with these bodies to provide services to citizens. Having neither representative membership nor tax based income, these agencies implement programmes with the support of the state government, thereby consistently limiting the scope for local bodies to emerge as institutions of self-governance.

India’s rural decentralisation act mandates the establishment of gram panchayats (village councils) elected by members of gram sabhas (village assemblies) as basic units of local governance. The urban decentralisation act recognises the heterogeneous nature of urbanisation in India by providing for the Constitution of three types of municipalities: nagar panchayats (town councils) for “transitional areas”, municipal councils for urban areas with a population of less than one million, and municipal corporations for urban areas with a population of over one million. Unfortunately, despite the evidence of the substantial contribution of lateral spread (i.e., away from the core to the transitional areas) to incremental urban population in the last decade [Kundu et al 2002], most Indian states have yet to

Urban Governance: Metropolises and Their Peripheries

In India, these prescriptions have found expression in the 73rd and 74th constitutional amendments which provide for local elected bodies to “function as institutions of self-government” [GoI 1994a, 1994b] in rural and urban areas respectively. The amendments enable local bodies to prepare plans for economic development and social justice, to levy taxes, and to emerge as forums for the political representation of hitherto marginalised sections of society.
constitute nagar panchayats. Consequently, some of these areas continue to be governed by gram panchayats. As a result, essential services such as solid waste management, which they are not authorised to manage, suffer. This discrepancy between the policy prescriptions and the ground realities abound throughout India.

Glaring examples of these gaps are evident in Ahmedabad, the commercial and cultural capital of one of India’s better developed states, Gujarat. With a population of over 4.5 million, it is administered by the Ahmedabad Municipal Corporation (AMC). To improve service delivery, the corporation issued municipal bonds and negotiated partnerships with the private sector [Dutta 2000]. It was the first local body in India to do so. It is important to note that since the 1980s, the growth rates of transitional areas have exceeded that of the city proper. Yet, till date not a single nagar panchayat has been constituted in the city so far.²

In this paper, we will use Ahmedabad as a case study to understand how the governance of “transitional areas” continue to be at the mercy of central units (the state government in this case). Using a “regional development” prism, we see how these transitional areas, despite their location adjacent to “hyper-affluent” suburbs, remain pockets of deprivation in terms of key human development indicators. Then we see how, despite the commitment to decentralised governance, the administration of these transitional areas continues to be determined by essentially extraneous factors resulting in local bodies becoming mere implementing agencies rather than institutions of governance. Finally, we see that central units respond by encouraging a non-elected donor-funded planning authority to take over the functions of local bodies, thereby considerably weakening Wicksellian connections. We will conclude with tentative proposals for making governance more accountable and democratic in these transitional areas.

Ahmedabad: Context

Located on the banks of the river Sabarmati, Ahmedabad was founded in the 15th century by Gujarat’s Afghan sultans. Until the second half of the 19th century, the city grew within the fort area on the river’s eastern banks, after which it emerged as India’s leading textile manufacturing centre, attracting labour from different parts of the south Asian subcontinent. The working class colonies expanded the city’s limits towards the north and the south, but remained confined to the eastern banks, close to the industrial estates. The decline in their pre-eminence and the consequent closure of mills³ has led to the relocation of the services sector and casual labour to suburbs that emerged on the river’s western banks, and to transitional areas – the peripheries – on the east and west of the city [Mahadevia 2001].

The city’s administration is usually studied [Mahadevia 2001] as comprising the city proper (east of the river Sabarmati, administered by the AMC), the suburbs (west of the river, administered again by the AMC) and the peripheries (outside the AMC limits, administered by municipalities and gram panchayats). Although the proportion (and number) of low income households (earning an average income of US$582) in Ahmedabad has declined between 1985-86 and 1995-96 from 35 per cent to 11 per cent [Rao and Natarajan 1996], employment grew faster in the informal sector (1.07 per cent) than in the formal sector (0.59 percent) between 1990 and 1998 [GoG 1998]. Interestingly, although 77 per cent of the city’s workers were employed in the informal sector, they contributed only 47 per cent of its income, pointing to a yawning gap between the income levels of the two sectors.

Overall, Ahmedabad’s western suburbs appear to generally followed the Anglo-American model of suburbanisation. Here, the initial population growth around the old industrial core (during the 19th and early 20th centuries) was followed by the consolidation of finance capital among the urban bourgeoisie. Along with the emergence of a segregated class consciousness among the bourgeoisie, this consolidation drove the bourgeoisie to purchase land outside the main cities and preserve their economic and cultural segmentation [Fishman 1987].

The shifts in economic activities and employment patterns have been accompanied by ethno-political tensions that have characterised the fabric of the city since the last decade [Yagnik and Nandy 1995]. In an insightful and forthright analysis presented shortly after the civil conflict of 2002, Mahadevia (2002) points to how Ahmedabad’s segmentation was fuelled by increasing casualisation, informalisation and feminisation of labour, as well as exclusionary urban governance policies that favour the globalising segments of the city (located on the west) over the others. As she says, gradually the “communal space has totally engulfed the life space of the city’s residents”. The shrinking socio-economic spaces of the vast majorities in the city have made them susceptible to right wing propaganda demonising an artificially constructed “other”. Of course, such a process is not peculiar to Ahmedabad. Indeed, evidence from four northern Indian cities reveals how elite perceptions of managing poor people’s settlements dominated public policy and biased against them. The construction and demonisation of “others” performed an important role in fomenting inter-religious civil conflict in these cities during the first quarter of the previous century [Gooptu 2000]. Similar conditions seem to be operating in Ahmedabad since the last decade.

Regional Inequalities and Urban Development: Making of a ‘Degenerated Periphery’

Ahmedabad’s religio-political and socio-economic tensions have forced policy-makers, academics, practitioners and activists to confront how poorer regions of an affluent metropolis negotiate dismal human development indicators. One of these regions is Juhapura, located at the edge of the city’s “hyper-affluent” western periphery and comprising four gram panchayats – Makampura, Makarba, Gyaspur and Shahwadi – and one municipality – Vejalpur. The region has a total population of almost 1,50,000 households – mostly Muslims. Since the polarisation of Gujarat politics in the 1990s, the area has emerged as a haven for Ahmedabad’s Muslim population. Waves of Muslim settlers have been buying property in this area, especially after 1992, in their search for a secure habitat. A number of Hindu households live in Vejalpur, which is closer to the western suburbs. An impression of the increased “ghettoisation” [Breiman 2003] may be gathered by the fact that whereas Muslims comprise 15 per cent of urban Ahmedabad’s population, in Juhapura’s four gram panchayats they comprise over 95 per cent of the population. Vejalpur municipality, in contrast with these panchayats, comprises of an over 90 per cent Hindu population.

On the face of it, Juhapura’s development may appear to follow the Anglo-American urbanisation model described above, where
the city’s Muslims (and in some cases, Hindus) have bought property outside the city proper to safeguard their distinct identities. But this movement of population has been far from voluntary, with fear of violence within the city being a major factor in the “push” from the core towards the periphery. There are no industries located in the area. Residents work as both salaried professionals as well as daily wage earners: they are not necessarily economically segmented, as in the Anglo-American suburbs. Rather, religious affiliations appear to be overarching in determining settlement patterns.

**Amenities**

It is interesting to note how a transitional area such as Juhapura has become notorious as an underdeveloped region within Ahmedabad. A useful proxy for development (particularly human development) is the access of households to basic amenities. Figure 1 presents data on the access of households to basic amenities in Ahmedabad and its subregions, highlighting the pitiable conditions in Juhapura. It reveals the gross neglect of basic amenities in a region for which the Indian census does not even collect data. Hence, the figures for Juhapura are based on surveys conducted by local agencies during emergency relief after the civil conflict in 2002. We see that within urban Ahmedabad, the suburbs and peripheries in the west are characterised by high levels of household access to basic amenities. However, the Juhapura region, located on the south-western periphery, is characterised by very poor levels of household access to basic amenities (see Figure 1).

That Juhapura has become a “degenerated periphery” [Kundu et al 2002] is evident from this data. Relative to household access to amenities in the entire city of Ahmedabad, households in Juhapura fare poorly. Relative to household access to amenities in western Ahmedabad, Juhapura fares even worse. Such a situation has been systematically created due to the official perception that these areas do not deserve urban civic status. Juhapura is low-lying, and prone to natural disasters such as floods, which recur almost every year during the monsoons. Daily wage earners are particularly affected since waterlogging prevents them from attending to their livelihood earning activities. With sustained inter-religious conflict tearing Ahmedabad’s socio-economic fabric further, Juhapura has become “notorious” as a Muslim ghetto [Breman 2003], disparagingly referred to by the Hindu middle classes as “‘chhota’ Pakistan”, an allusion to its being Muslim-majority and, by implication, traitorous.

**Revenues and Expenditures**

The discrepancy between the provisions of urban local governance and the responsibilities delegated to the authorities of urban areas become obvious from the data on revenue sources of the respective local bodies presented in the table. Due to the lack of reliable information from Shahwadi, Gypsy and Makarba gram panchayats in Juhapura, data from only Vejalpur and Makhtampura are considered.

We see that despite the passage of the 74th Amendment Act which authorised local bodies to levy taxes, the proportion of the AMC’s own revenues to total revenues actually fell between 1995-96 and 1999-2000. Consequently, its dependence on grants-in-aid made by the state government increased. In the Vejalpur municipality, the proportion of own revenues to total revenues increased between 2002-03 and 2003-04. However, its dependence on the state government for grants-in-aid remained significantly high: almost 60 per cent in 2003-04. In Makhtampura, where the rural decentralisation act confers revenue-raising authority on the gram panchayat, this body generated only 11 per cent of its revenues through taxes, not all of which were under its control. Grants-in-aid and other discretionary allocations by the state government, such as centrally sponsored schemes and local area development schemes of legislators, comprise almost 90 per cent of the panchayat’s revenues, indicating the dismal status of financial autonomy. Looking at data, it appears that Makhtampura is worse off than the state’s average panchayats in terms of generating own resources. Figure 2 analyses the expenditures of different local bodies by classifying them as developmental and non-developmental. 4

77 per cent of the municipal corporation’s expenditure was directed towards developmental expenditure such as education, public health and water supplies; public works, roads, and markets and slaughterhouses; lighting and storm water management; and similar activities. Vejalpur municipality fared better, with 87 per cent expenditure incurred on developmental purposes, such as drinking water, sanitation and electricity provision, public works and health services. Even Makhtampura’s performance appeared to be impressive, with over 83 per cent expenditure directed towards developmental purposes, such as solid waste management, roads and clean drinking water. Indeed, it would appear

### Table: Revenue Sources of Local Bodies

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>Ahmedabad Municipal Corporation</th>
<th>Vejalpur Municipality</th>
<th>Gram Panchayats, 2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own revenues</td>
<td>84.3</td>
<td>78.2</td>
<td>33.49</td>
</tr>
<tr>
<td>Grants-in-aid</td>
<td>15.6</td>
<td>22.7</td>
<td>66.51</td>
</tr>
</tbody>
</table>

*Source: Mahadevia (2001:85).*

Figure 1: Basic Amenities in Juhapura: Comparison with Municipal Corporation and Western Suburbs

Source: Mahadevia, 2001; www.vejalpur.nic.in; and personal interview with Gram Sachiv, Makhtampura.
that Makhtampura gram panchayat is more development-oriented than the AMC as well as the average gram panchayat in Gujarat, whose non-developmental expenditure (such as office expenses, salaries, stationary, and other general administration items) are as high as 36 per cent.

However, Figure 3, which disaggregates the gram panchayat’s developmental expenditure further, soberes such an inference. We see that solid waste management amounts to 70 per cent of the total developmental expenditure. This is ironic, because both decentralisation acts clearly identify solid waste management as a function of the urban local bodies only, not gram panchayats such as Makhtampura. Evidently, the expenditure on solid waste management is necessitated by burgeoning population pressures. This feature distinguishes Makhtampura, and indeed thousands of other transitional areas from the average gram panchayat not only in Gujarat, but in other urbanising regions as well. Yet, the state government refuses to recognise this reality and delimit the area as a nagar panchayat.

Analysing the development expenditure further, we see that the gram panchayat expended another 15 per cent on constructing two approach roads, mandated by the local area development scheme of the local legislators, and whose planning did not strictly fall within its jurisdiction. The panchayat was merely the implementing agency, and not involved in designing the project. Thus, only 15 per cent of the total development expenditure actually supported works reflecting demands articulated by the gram sabha in its biannual meeting.

### Summary of Findings

The data we have presented indicates clearly that decentralisation in both rural and urban areas is limited to “assigning” responsibilities to lower tiers of government, without strengthening their fiscal base.

(a) The AMC’s own revenues as a proportion of total revenues has registered a decline after the passage of the decentralisation act. Grants-in-aid, centrally sponsored schemes, and other discretionary allocations predominate municipality and panchayat revenues. This directly contradicts the constitutional provisions mandating local elected bodies to be financially robust.

(b) The nature of expenditure among rural and urban local bodies raises concerns over the nature of resource utilisation. In the AMC, over 20 per cent of all expenditure is incurred on non-developmental expenditure at a time when public expenditure is expecting cutbacks universally. A transitional area like Makhtampura has little say in expending its funds, reflected in the fact that 85 per cent of all expenditure pertains to implementation of central schemes and legislators’ area development schemes. Makhtampura’s massive expenditure on solid waste management, although not constitutionally mandated, is essential to meet the demands of citizens. This paradox perhaps explains the gram panchayat’s frustration at being assigned responsibilities (and even funds) without the appropriate constitutional status. Clearly, policy and practice are out of sync in Makhtampura.

It is evident that two distinct, but not unrelated trends are at work. On the one hand, the financial autonomy of the local bodies are constricted. On the other hand, these bodies are saddled with responsibilities that are neither within their jurisdiction nor they are equipped to handle. Both trends result in constraining the potential of local bodies to perform their tasks, providing an opportunity for the state government to intervene.

### Ahmedabad Urban Development Authority: Whither Good Governance?

Given the appalling conditions prevailing in Juhapura vis-à-vis human development, proactive intervention by the state government is anticipated. Increasingly, this role is being executed by the Ahmedabad Urban Development Authority (AUDa), a parastatal initially constituted by Gujarat’s state government for land acquisition and town planning, throughout Ahmedabad’s suburbs. The agency’s Draft Developmental Plan 2011 describes its principal functions as “preparing growth plans for expanding urban areas, preparing draft schemes for urban development and implementing the finalised plans, regulating growth so as to keep it in accordance with the plans and developing infrastructure such as roads, drainage and water supply” [AUDa 2001: 1]. AUDa has no tax-based income, and is dependent on state government grants and donor support for its activities.

However, AUDa often exceeds its jurisdiction. Its Draft Development Plan frankly states that “despite the fact that AUDa’s operational sphere is primarily limited to creating planned infrastructure in an urban agglomeration, people expect it to fulfil...
all municipal functions” [AUDA 2001: 18]. Ahmedabad’s western peripheries have been singled out for AUDA’s “developmental” interventions: by 2001, it had completed the construction of 3,745 residential units for economically weaker sections – all on the western peripheries, adjacent to Juhapura. It has also provided street lights and infrastructure for solid waste management to these areas. The agency has also undertaken the construction of the Ring Road touted as the “jewel in Ahmedabad’s crown”. In fact, informed opinion indicates that AUDA will de facto replace elected village and town councils as the body responsible for managing resources available for development. The fact that its board comprises elected representatives in addition to senior bureaucrats, planners and advisors is thought to be advantageous in service delivery and implementation of town planning schemes.

Such interventions have caused confusion among local communities vis-à-vis AUDA’s role. In Makhtampura, residents complain of discrimination in service provision by AUDA because the agency has so far avoided working in this region. This is a situation they cannot really address because they have no mechanisms to hold AUDA accountable. In fact, the heavily restricted tax base constrains the scope of panchayats, and makes it easy for them to treat AUDA as a convenient “whipping boy”. Since a limited fiscal base inhibits its performance, the gram panchayat holds AUDA responsible for not extending its interventions in Makhtampura as it has done elsewhere. In Vejalpur, the municipality has tried to be indifferent to complaints related to housing and water supply from certain localities, on the pretext that this was AUDA’s responsibility. The municipality finds it more expedient to portray AUDA as the service provider, citing its development interventions in other regions. In both cases, it is clear that AUDA’s overwhelming presence in adjoining regions has led to increasing disinterest among local bodies.

AUDA describes capacity building of municipalities as a key task for itself. However, under this head, the activities actually undertaken refer to provisioning street lights, solid waste management and cleaning campaigns in municipalities. All these activities are the responsibilities of local governments in both municipalities and transitional areas. Within transitional areas in particular, the solution to issues of drinking water supply, sewerage and solid waste management lies in designating the gram panchayat as a nagar panchayat – and not in AUDA taking over these responsibilities. To think in terms of AUDA “replacing” the panchayats raises many doubts about the prospects for good governance in transitional areas.

This is because although AUDA’s board comprises, among others, of elected representatives of Ahmedabad’s towns and transitional areas, it remains an unelected body. There are no mechanisms for holding it accountable to citizens. AUDA envisages that in the future it would be less dependent on donor grants and state government receipts and meet most of its expenses by levying betterment charges. AUDA has proposed levying betterment charges in order to raise revenues for efficient service delivery to clients. Conceptually as well as operationally, this means that only users will have a say in how AUDA ought to improve services and their delivery. They would be doing so as “clients”, not as citizens who hold certain rights. A non-elected body gradually taking over not only town planning functions but also development works weakens the mechanism by which rights holding citizens can hold duty bearers accountable. AUDA is not a representative body and therefore its development interventions tend to be discretionary, as indeed it appears to be. Its “interventions” have been focused on mostly Hindu-dominated colonies, keeping out of its ambit over 1,50,000 households in Juhapura region in terms of providing low-cost housing, sewerage and sanitation. Allowing AUDA to take over local government’s responsibilities would result in undermining the legitimacy of these bodies. Such a process will stifle the capacities of local government bodies and prevent them from emerging as institutions of governance.

AUDA’s increasing scope in actual management and deployment of resources assumes significance in the light of its chairperson being a state government appointee. This political proximity between AUDA and the state government permits the speculation as to whether AUDA is indeed a handmaiden in the state government’s mechanisms of rewarding favourable constituencies, wooing threshold ones and penalising defiant segments.

The disjunction between a revenue accruing elected representative body and a grant-driven technocratic development authority led by a political appointee of the state government weakens Wicksellian connections and strengthens the Wicksellian hia-tuses in the political-economic processes. This weakening of the Wicksellian connection is not peculiar to Ahmedabad: other federal states such as Canada, Germany and Brazil are also having to meet similar challenges. The concerns in Ahmedabad are accentuated given the socio-political fragmentation that is characteristic of Gujarat. The Hindu rightist Bharatiya Janata Party (BJP) controls the state government. However, its control over local bodies is at best tenuous – in both rural and urban areas. The centrist Congress Party holds sway over many local bodies, including the AMC and the four gram panchayats in Juhapura, while most municipalities in the urban agglomeration including Vejalpur, are controlled by the BJP.

An in-depth study of the political economy of the deployment of development resources is necessary before anything can be said more conclusively about these dynamics. Given its scope, this paper has only been able to scrape the tip of the iceberg. Hence, our conclusions can only be very preliminary, and require more in-depth study.

Articulating Development with Governance

The rhetoric of decentralisation notwithstanding, the mechanism to ensure that development decisions do indeed represent and emerge from citizen communities is largely absent in Ahmedabad. Institutions in civil society, especially democratically elected local self-government institutions, and communities’ assemblies such as the gram sabha are inhibited by the absence of decision-making and resource-raising powers being vested with them. When these democratically elected village-level institutions fail to deliver, because they have little or no control over funds, resources and authority, the disillusionment with their lack of performance (which is easier to grasp than the causes for it) is exploited by the informal, “traditional” and often undemocratic caste- and kinship-based institutions of the locality, village and hamlet. In a social milieu as characterised by social and economic inequalities as India’s, even democratically elected institutions become the stage for politicking along these “traditionalist” factions. We recognise that politics is essential for a democracy to mature and that mature democracies may (need to) organise along ascriptive divisions so that hitherto marginalised
groups may be politically empowered to be able to access socio-economic resources. But the splintering of politics along ascriptive competition for the sake of traditionally ascribed privileges is unhelpful, and indeed undesirable.

The trends in expenditure and decision-making flows that are taking place in India thus have a disempowering impact upon democratically elected local self-government institutions. After all these are the only legitimising instruments for such institutions, since ascriptive institutions would anyway draw upon traditions and customary laws to buttress their socio-economic position [Roy 2005: 111]. Merely making resources available for “development” does not adequately address the problem, since it only results in entrenching a patronage politics among constituencies. Rather, a governance lens forces us to ask, who is accountable to whom for utilisation of a resource, how can resources be efficiently utilised, and most important, how do these resources interface with people’s own institutions. The tax base of local councils needs to be strengthened, and here law enforcement agencies must accept their share of the blame: according to the secretary of the Makhtampa panchayat, the tax appropriated in the panchayat area comprises only 3 per cent of the total taxable income.

It is clear that there needs to be greater synergy between revenue raising and resource expending authorities, which will rationalise expenditure with revenues. The Wicksellian connection which binds them together needs to be better understood and tightened. We see that, in the light of weak Wicksellian connections and strong Wicksellian hiatuses, there is scope for rampant patronage and paternalism. Ultimately, it must be realised that governance and development are not merely about provisioning resources and physical infrastructure but about responsible institutions designed to promote self-reliance and self-confidence, and not enhance dependence. We do not wish to romanticise local government institutions, but we must create conditions that are enabling for them to allow citizens to exercise their agency.  

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Notes

1 Transitional areas are settlements with a population exceeding 5,000 persons, a population density of 450 persons per sq km with 75 per cent of the male workforce in non-agricultural activity, as delimited by the Census of India [Bhagat 2003].

2 Within Gujarat state, nagar panchayats comprise less than 40 per cent of the total urban local bodies [Shaw 2005: 136].

3 As many as 66 mills – all in east Ahmedabad – have closed down since the 1970s.

4 According to the Reserve Bank of India (RBI) developmental expenditure is further classified as expenditure on social services and economic services. Non-developmental expenditure, on the other hand, includes expenditures on defence, interest payments, tax-collection, police, salaries and pension payments and other such activities that contribute to the routine functioning of government.

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