

India's urban direction: Learning from the Renewal Mission (JNNURM)

*As India's incoming government calls for a new urban policy initiative, **Matt Birkinshaw** analyses the difficulties in implementing the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in light of India's complex political and structural challenges.*

As speculation over new government appointments and policy builds, business leaders have been urging Narendra Modi to facilitate infrastructure investment. The BJP manifesto rightly recognises urbanisation and infrastructure as key areas for development, promising 'high growth urban centres' and 'infrastructure to all – home, electricity, water, toilets'. Attempts to address urban infrastructure by the previous government highlight some of the key challenges that beset the United Progress Alliance (UPA) administration. Will the National Democratic Alliance (NDA) be able to incorporate these lessons into future initiatives?

In line with the 11th Five Year Plan's recognition as infrastructure and urbanisation as drivers of growth, the UPA government's major urban policy initiative, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) ran from 2005-2014. Venkaiah Naidu, Minister for Urban Development with the incoming NDA government has announced that a "new mission in place of JNNURM" will come in, with a focus on GIS-based planning and waste management. As the new government decides which elements to retain and where to innovate, a review of the JNNURM's development seems timely.

The JNNURM framework contains three strands of policy: developing urban infrastructure and services (including for the urban poor), developing urban governance to support sustainable use of funding and encourage private sector involvement, and decentralisation in line with the 74th Constitutional Amendment Act such that Municipalities (Urban Local Bodies or ULBs) constitute a properly empowered institution of local self-government equivalent to *gram panchayats* in rural areas.

Analysts have cautioned that the JNNURM has introduced an increasingly commercial and speculative element into urban management and aimed at engineering investment-oriented markets in land, services and municipal debt. However, urban policy in India has been steadily adopting a market-friendly approach for some time. In this respect the JNNURM is more consolidation than innovation.

Packaging urban development as international financial investment products carries a certain amount of risk, as bankruptcies in US cities illustrate. Packaging infrastructure projects in the same way can require trade-offs between investor and user expectations, as well as public and private sector styles of working. All of this has implications for urban governance, sustainability and quality of life. Sectors also differ in their ability to draw investment. The track record of investment in transport and telecoms appears relatively good while designing water and sanitation initiatives in a similar way is more challenging.

Use of information technology and e-governance is one JNNURM reform that has delivered some successes. This has the ability to streamline and 'tamper-proof' municipal processes, from property registration to water bills to public works tenders. In the best cases municipal departments are linked electronically, which has the potential to dramatically increase efficiency and financial accountability.

While there are some very positive examples of urban innovations from Indian towns and cities, on aggregate JNNURM achievement of stated objectives has been underwhelming. In line with the decentralisation agenda, states should transfer finances to cities through State Finance Commissions; where this has not happened, municipal governments are much less able to pursue development effectively. On top of this, the JNNURM is a

central government initiative in a federal system.

A key aspect of the JNNURM design was the reform agenda intended to alter state and municipal practices. Some reforms appear designed at a distance from the reality of bureaucracy in India's more modest cities. For example, the requirement for GIS property tax mapping is dependent on computers, trained staff and reliable electricity, not all of which may be present.

Given that cities, states and the center were already in relationships of 'creative tension', reforms have been another way project funding has been held-up. Enabling funding to be released may require taking 'mandatory' reforms less seriously. One researcher refers to a "tick-box exercise" (Sivaramakrishnan, 2011).

Unimplemented reforms make it hard for cities to demonstrate the financial probity required for private-sector investment and this limits the JNNURM aim of ULB access to capital through public-private partnerships or municipal bond issues. Sidelining the reform agenda has the additional benefit of not threatening any stakeholders opposed to greater transparency and accountability, and allowing the electoral and other fringe benefits of development work to go ahead. For cities whose ruling coalitions have weaker domestic and external political networks, opposition to reforms which are both unpopular and threaten vested interests, may present a serious obstacle. Research suggests that these dynamics apply particularly to urban land, and, to a lesser extent, water. Not surprisingly then, reforms have had a limited, circumscribed and uneven impact on municipal working.

Perhaps these political tussles, both within and between different levels of government, help account for the low rate of project completion under the Mission. In addition to funding delays, acquisition of land is frequently cited as the most significant bottleneck in incomplete projects. Limited municipal capacity, as suggested above, was felt to be another serious factor limiting implementation (Ahluwalia *et al*, 2014).

A strong element of JNNURM dynamics has been the ability of richer and more politically powerful cities and states to capture greater amounts of funding. Certain smaller cities too, however, seem to have strongly adopted the JNNURM agenda (Surat, Pimpri-Chinchwad, Vijayanagar). Overall, however, the [High Powered Expert Committee for Investment in Urban Infrastructure](#) found in a 2011 report that the JNNURM had not delivered either the required investment or service improvements. In 2012, the [Comptroller Auditor General](#) declared it a 'failure', detailing under-used, unspent funding (particularly for the poorest wards), unmet reforms (even on paper) and projects rarely completed (8.9 per cent overall).

Research suggests that the JNNURM has led to an uneven distribution of funding and projects across both states and cities; primarily through the better ability of political and financially strong states and cities to execute projects and secure funding. The JNNURM does not describe itself as a programme intended to 'reward success' but that is a palpable outcome. Whether to pursue a growth-centric or redistributive spatial strategy is a political choice, but through attaching conditions to funding dispersal the JNNURM presents cities with a 'take it or leave it' option. For cities with less municipal capacity and political will, this may not be much of a choice at all. The organisational structures of the JNNURM, from Special Project Vehicles, dedicated project cells and the extensive use of private-sector consultants have a tendency to bypass elected representatives, local officials, smaller cities, and state governments, thus removing the direction of urban development from political debate.

Gujarat's ability to develop projects under the JNNURM has been cited as both proof of Modi's competence and his reliance on UPA largess. It might be more accurately characterised as illustrating path-dependency, the importance of a strong political constituency and the inbuilt bias to JNNURM processes. The difficulties in JNNURM implementation highlight the challenges of working in a country as large and complex as India, and the political alignments necessary to execute agendas, even with powerful allies. Regardless of the specifics of the 'Gujarat model', the NDA is now in a position where these are challenges they will have to tackle.

About the Author

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