

# 15 THE IDEAS PAGE

## Setting cities free

The unwillingness of the system to devolve responsibility and funding to the city level is a major failure. Alongside Amrut and the Smart Cities Mission, we need to urgently spell out the dimensions of institutional reform



CITIES AT CROSSROADS

BY ISHER JUDGE AHLUWALIA

MOST PEOPLE are aware that if Indian cities are to provide a reasonable quality of life for their residents and a better investment climate for investors, it will require massive investments in urban infrastructure. Lack of funding is usually perceived to be the principal constraint in achieving this objective. What many people fail to realise is that even if funds were somehow made available, it would not lead to well-designed and well-managed infrastructure and improvement in public service delivery unless there is fundamental reform in the institutions that govern the planning and management of cities within the Indian federal regime.

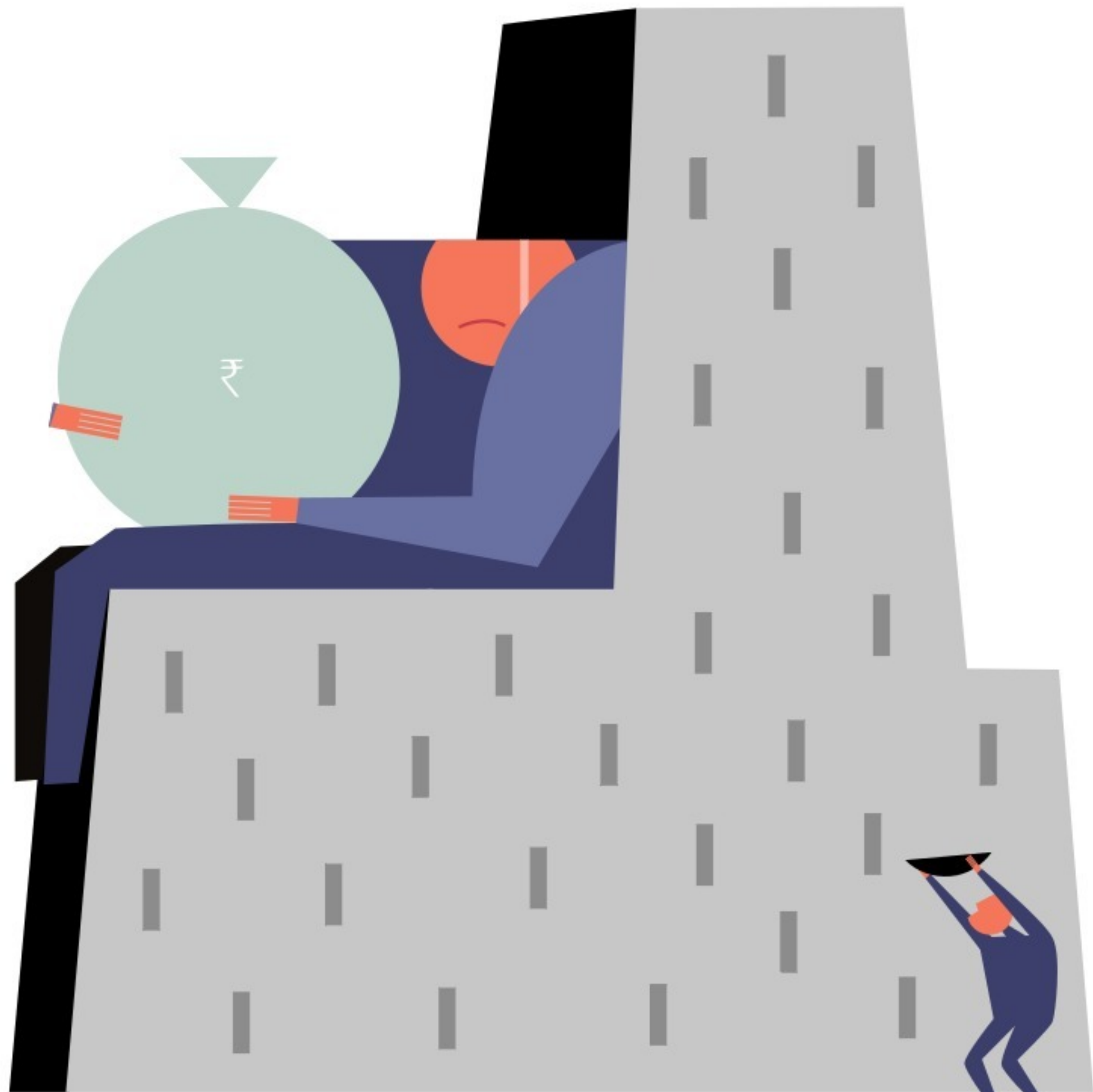
The ability to finance large investments is itself dependent on reforms. For example, reform in the form of setting user charges for the delivery of a public service to cover at least the operation and maintenance cost of the infrastructure asset, including debt servicing, would yield a revenue model that assures repayment of the loans raised from the capital market. If equity is brought in by a private partner in a public-private partnership project, then the user charge must cover a return on such investment. However, city governments are not allowed to raise user charges (while protecting the poorest by cross-subsidising) without approval from the state government.

Similarly, the reform of assigning to urban local governments the function of urban planning, including town planning, would provide them with the opportunity of activating a market for land use change. This would help them to unlock land value as they go about the business of land zoning and appropriating a part of the consequent appreciation in the value of land for financing urban infrastructure.

The systems of public service delivery in Indian cities and towns are very fragmented and highly inefficient. The report of the high powered expert committee on urban infrastructure and services (HPEC 2011) had recommended administrative and institutional reforms designed to overhaul the system, for example, a unified command under an empowered and accountable mayor, a municipal regulator for bringing a degree of professionalism in the pricing of urban services, and use of e-governance and e-enabled smart technologies for better efficiency. But there has been little action on the wide-ranging recommendations.

Successful attempts at e-governance in cities such as Hyderabad, Bangalore, Pimpri-Chinchwad and Surat are helping to create an environment for grievance redressal and better service delivery, but the demonstration effect on other cities has been slow. The demand for good governance is typically confronted by lack of capacity as cities grapple with unprecedented tasks of preparing various plans and projects to seek funding under national missions.

The experience of the JNNURM (Jawaharlal Nehru National Urban Renewal Mission), which ran its course from 2005 to 2014, highlights the importance of reforms if Indian cities are to be transformed. The government of India's financial support under the JNNURM was made conditional on both the state government and the urban local government committing to specific reforms in urban planning, finance and management. The expectation was also that with reforms, state governments and urban local governments will be able to attract additional finance from the private sector. While some cities made serious effort at reform, better service delivery as well as private finance came only when the state governments were willing to



CR Sasikumar

reform, devolve funds and build capacity of their urban planners and city managers. I had highlighted some success stories, for example, Amravati and Malkapur for water, Alandur, Surat and Jaipur for wastewater treatment, Pune and Pammal for solid waste management, as "Postcards of Change" in this newspaper. But the wider canvas remains bleak.

The unwillingness of the system to devolve responsibility and funding to the city level is a major failure. It is now almost 25 years since the 74th constitutional amendment mandated that state governments transfer to the local governments a set of specified functions. While many functions have been devolved, a major omission has been that of urban planning, including town planning — the golden goose — which has been retained by most state governments.

The constitutional amendment itself was flawed in that it only required the state governments to set up state finance commissions that would spell out the principles for sharing/ devolving a part of the revenue of the state government. The state finance commissions have not followed the high standards set by the Central Finance Commission, and they have not been able to challenge state-level political resistance to devolving funds to urban local governments.

The share of municipal town revenues in their total revenue was at a low of 53 per cent in 2007-08 and declined further to 51 per cent in 2012-13. As of now, property tax is a major source of revenue for these governments, but both the rates and exemptions are set by the state government. One way of reducing dependence on the state government for discretionary funds would be to create a Municipal Finance List in the Constitution that should specify taxes that are exclusively in the domain of local governments.

Ideally, the opportunity provided by the GST, which is the most efficient tax (because it does not cascade and its destination principle promotes India as a common market),

It is now almost 25 years since the 74th constitutional amendment mandated that state governments transfer to the local governments a set of specified functions. While many functions have been devolved, a major omission has been that of urban planning, including town planning — the golden goose — which has been retained by most state governments. The amendment itself was flawed in that it only required the state governments to set up state finance commissions that would spell out the principles for sharing/ devolving a part of the revenue. State finance commissions have not followed the high standards set by the Central Finance Commission.

should be used to constitutionally ensure that state governments share a pre-specified percentage of their revenue from GST with local governments. The structure of the GST would remain two-tiered but the revenue allocation would be three-tiered. Guaranteed devolution of GST will significantly reduce uncertainty in the finances of urban local governments and provide them with a basic cushion of financing to discharge their constitutionally assigned responsibilities. Since devolution through GST is highly unlikely given the current political mood, reforms in urban planning, finance and management become even more important to mobilise resources and improve service delivery in Indian cities.

In June 2015, the government of India launched a number of major national missions for urban rejuvenation, including Amrut (Atal Mission for Rejuvenation and Urban Transformation) and the Smart Cities Mission. Amrut, a successor of the JNNURM, with funding conditional on reforms, is effectively a Centrally sponsored scheme with an outlay of Rs 50,000 crore over a five-year period. Its challenge will lie in enforcing the conditionality of reforms, precisely the area where the JNNURM failed. The Smart Cities Mission, with a commitment of Rs 48,000 crore over a five-year period for 100 cities, focuses on high-tech infrastructure to provide smart solutions for Indian cities. The government of India has explicitly admitted that a significant part of the funding for these missions will have to come from the state governments and the private sector. This makes reform indispensable. The sooner we spell out the dimensions of institutional reform alongside the high-tech infrastructure plans, the closer we will be to delivering a better quality of life in our cities and a better investment climate for investors.

The writer is chairperson of Icrier, Delhi, and former chairperson of the high-powered expert committee on urban infrastructure services

"Another story was cooked in Handwara to malign the pet target of separatists, Bharatiya army," it says, and adds that both incidents "were on the background of reinstating of the PDP-BJP government in the state". Fortunately, the Centre and the state responded in a mature fashion, the editorial notes, and contends that the public perception of the "army is transforming with the positive initiatives of the forces". It adds, "The economic, technological, cultural and educational achievements of Bharat are attractive and heartening enough for the Kashmiris". Recently, as many as 143 local youths joined the J&K Light Infantry in what is "a classic example of this transformation".

AN ARTICLE in the *Organiser* underscores the "heinous act" in which "SFI activists bid 'farewell' to their retiring principal by digging a grave on campus". N. Sarasu, who retired from Government Victoria College in Palakkad last month, has even filed a police complaint against her colleagues and SFI

members. "They were not happy with the good work I have done for the college. So they decided to observe my retirement day as my death and dug a grave", the article quotes Sarasu, who is also a Dalit. She alleged that teachers belonging to Left organisations had compelled the SFI to do the disgraceful act. "I was shell-shocked to see the symbolic graveyard prepared by my own students," she said. Eventually, the ABVP "removed the graveyard in solidarity with the principal". Union Minister Rajiv Pratap Rudy said the CPM's "double standard concerning atrocities against Dalits has been exposed by SFI's cruel show of insult by making a grave in the college campus for the Dalit principal on the day of her retirement". The same CPM and SFI were crying hoarse for Rohit Vemula, says the article and also slams a CPM leader who "ridiculed himself by stating that it was not a grave" but an "art installation" by SFI students.

AN ARTICLE in *Panchajanya* praises B.R.

Ambedkar and says he always strove for the "resurrection of Bharat" and "maintained distance from foreign thoughts, institutions and divisive inspirations". There were powers in the country and abroad who wanted to push Ambedkar towards divisiveness, but despite opposing evils of Hindu society, Ambedkar remained "committed to the identity and unity of India", says the article. Ambedkar, says the article, opposed the attempts of foreigners when they offered a "selfish criticism of India". For instance, "When Katherine Mayo wrote in her book that the Hindu religion has social disparity, whereas the Islam has fraternity, Ambedkar refuted it and said that the Islam is not free from slavery and casteism". The article quotes Ambedkar's analysis: "Hindus have social evils, but they carry a positive attribute that they also have people who understand these [evils] and actively try to eradicate them, whereas Muslims do not accept at all that they have such evils". In several respects, Ambedkar's analysis is better than Gandhi's.

Compiled by Ashutosh Bhardwaj

## WHAT THE OTHERS SAY

"Mr [Bernie] Sanders's rhetoric on nuclear power is even more concerning. Nuclear accounts for about a fifth of the country's electricity, and it is practically emissions-free. Shutting down that much clean electricity generation would put the country into a deep emissions hole." — THE WASHINGTON POST

## Bhangra, books and bonhomie

The Islamabad Literature Festival gives reason for optimism about India-Pak reconciliation



SUDHEENDRA KULKARNI

PAKISTAN IS going through a difficult period in its history. "We are engaged in an active war," said Hina Rabbani Khar, Pakistan's articulate former foreign minister, in her keynote address at the just-concluded Islamabad Literature Festival (ILF). She was referring to the Pakistan army's offensive against terrorism and religious extremism — a self-created problem — which, many Pakistanis admit, poses an "existential threat" to the country. "We're on the right track now," Khar remarked. "Though belatedly, we're correcting a wrong." There was big applause from the packed audience.

Khar mentioned that there was only one case of suicide bombing in Pakistan before 9/11. Since then, the number has crossed three digits. Pakistan has lost nearly 50,000 people (over one-tenth of them military personnel) in terrorist attacks in the past 15 years — more than 10 times the number of terror victims in India. "Why are we where we are?" Khar asked, and answered the question herself: "Because we in Pakistan decided to fight other people's wars." Again, loud clapping. Surprisingly, Khar drew ovation also when she said Pakistan should develop friendly relations with all its neighbours, including India.

There were many such introspective voices at the ILF. In a session on the troubled Pakistan-Afghanistan relations, Nasim Zehra, an astute Pakistani journalist, said, "Pakistan adopted a bad policy of supporting the Taliban, and today we are in a catch-22 situation." Other speakers observed that "Pakistan should not allow the Taliban to use our territory for terrorist acts in Afghanistan." I wondered why terrorist acts inside India were not mentioned. Just then, Tahira Abdullah, a courageous activist for India-Pakistan peace, rose from the audience and made a comment: "The road to peace in Kabul goes through Islamabad, but it also goes through New Delhi and Srinagar." What she then said astounded me: "Pakistan should enter into a peace treaty with India."

Even though the fight against terrorism is complex, and unlikely to yield a quick victory, we in India should know that Pakistan's army — the most dependable guarantor of the nation's unity — has started to wage this battle decisively. India and Pakistan should join hands in this battle because it is in our common interest to do so. Notably, almost all political parties in Pakistan today are for friendship with India.

During the discussion on my new book, *August Voices: What they said on 14-15 August 1947 and its Relevance for India-Pakistan Rapprochement*, the audience reacted positively when I called for peace, reconciliation and cooperation, on the basis of a determined fight against extremist ideologies in both countries, and a just solution to the Kashmir problem. My book argues that none of the main protagonists of the

Freedom Movement wanted post-1947 India-Pakistan relations to become what they have.

The audience clapped when I quoted Gandhiji's audacious statement: "Both India and Pakistan are my country. I am not going to take out a passport for going to Pakistan." To my surprise, they also clapped when I cited references to show that Jinnah wanted India-Pakistan relations to be akin to US-Canada relations and, further, that he wanted to go back to Bombay and live in the house he had built on Malabar Hill.

In the same session, there was also discussion on Ishtiaq Ahmed's *The Punjab Bloodied, Partitioned and Cleansed*. I had been reading this deeply moving book as I travelled on road from Amritsar to Lahore. Due mainly to British culpability, Partition led to the killing of over 5,00,000 people (Hindu, Muslim, Sikh) and rendered 14 million people refugees — the largest episode of transborder migration in human history. Punjab, as the book proves with exhaustive documentation, suffered the most.

I was struck by one bold passage in Ahmed's book, and I read it out at the ILF. Describing the culture of Punjabi Muslims as "easily excitable, but generous and forgiving to a fault", he writes: "It may be heading for destruction if 'Arabisation' of the Punjabi Muslim identity manages to take root under the juggernaut of petro-dollars from the Persian Gulf and state-sponsored Islamisation measures, which have been brutalising society for a long time." Again, to my surprise, the audience welcomed this warning with applause.

That Pakistan's — and Pakistani Punjab's — identity and culture can never be "Arabised", and that it is inseparably linked to the Indian subcontinent's syncretic civilisation and culture, was unmistakably evident in the concluding session of the ILF, which was devoted to Sufi music. The audience was enraptured when Qurban Ali Niazi rendered the songs of Buleh Shah, the 17th-century patron saint-poet of undivided Punjab's syncretic (Muslim-Hindu-Sikh) culture. When Niazi's three grandsons, boys under 10, sang and danced, the audience shouted "Once more, once more."

And when grandfather and grandsons rendered "*Damadam Mast Qalandar*", many in the hall, including women, took to the floor for a bout of *bhangra*. The revelry ended with all of them joining in shouting "Pakistan Zindabad!"

The finale of the ILF was a *kathak* performance by Shyama Saiyid in praise of Kanhaiya (Krishna). She is the daughter of Ameena Saiyid, managing director of Oxford University Press, Pakistan, and co-founder of the Karachi and Islamabad Literature Festivals.

As the curtains came down on the ILF, I went up to Ameena and confessed, "When the audience shouted 'Pakistan Zindabad' after paying tribute to Buleh Shah and Kanhaiya, I too said in my heart, 'Pakistan Zindabad!' She gave me an appreciative hug."

And when I said the same thing to F.S. Aijazuddin, an erudite author-columnist and a great friend of India, he quipped, "This is the Pakistan that will survive." Both Pakistanis and Indians should know this precious truth.

The writer was an aide to former Prime Minister Atal Bihari Vajpayee

## LETTERS TO THE EDITOR

### END VOTE BANKS

THIS REFERS to the editorial 'Nitish calculator' (April 19). Political parties with differing ideologies are forming alliances. Bitter relations between rivals have become cordial and the allies have suddenly found resonance in their views on secularism and social justice in the name of "saving democracy". But such alliances are not sustainable and only serve the purpose of fracturing the mandate by creating vote banks. Each faction is led by an ambitious political leader who flares regional passions for political space. It's time our leaders stopped indulging in trivial electoral calculations every time they find their existence jeopardised.

Shreyans Jain, Delhi

### TIMELY JUSTICE

A NON-BAILABLE warrant has been issued against Vijay Malloya. However, a question arises as to how this warrant will be served, and how it will be executed. Malloya is in the UK, and even if an extradition law exists between the UK and India, it may still take a few months before the due process gets completed. Given the slow pace at which the Indian legal system works, it may take years still.

Vineet Phadtare, Mumbai

### GOEL LIABILITY

THIS REFERS to the report 'BJP MP Vijay

### LETTER OF THE WEEK AWARD

To encourage quality reader intervention, The Indian Express offers the Letter of the Week award. The letter adjudged the best for the week is published every Saturday. Letters may be e-mailed to [editpage@expressindia.com](mailto:editpage@expressindia.com) or sent to The Indian Express, B-1/B, Sector 10, Noida-UP 201301. Letter writers should mention their postal address and phone number.

THE WINNER RECEIVES SELECT EXPRESS PUBLICATIONS

Goel violates odd-even scheme, fined' (April 19). What prevented Vijay Goel from carrying his driver's licence and insurance papers? In the process of undermining the AAP politically, he seems to have put his foot in his mouth by ignoring the important requisite of licence and insurance. He has become a liability for the BJP.

D. Nagarjuna, Hyderabad

## VIEW FROM THE RIGHT

### TRANSFORMING J&K

AN EDITORIAL in the *Organiser* comments on the latest incidents in Jammu and Kashmir and says that the "wrath against non-Kashmiri students in NIT Srinagar and another attempt to target the Bharatiya army in Handwara, may look distant but they reflect the same mindset". The separatists often "fuel anti-Bharat sentiments, malign Bharatiya armed forces and disturb the atmosphere of peace", it says. The clash between two student groups at NIT "should not have disturbed the so-called 'Kashmiri' leadership", it says, since the "issue was pertaining to winning or losing a cricket match". The editorial notes that "unfortunately", National Conference leaders "towed the line" of the separatists.

