Institutional innovations of Urban Governance:
Some examples of Indian cities

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Abstract

As cities in developing world are under demographic transition and the forces of economic liberalization taking grip over them, they are engulfed by a number of problems. The pressures of globalization, however, demand these cities to be more competitive and their governance responsive to promote economic growth. Unfortunately, most cities are not well equipped to tackle some of these problems, which led to the failure of local government institutions in the provision of public goods and services in an efficient and effective manner. Such failures provide an institutional vaccum in making the service delivery process efficient and responsive. Non-profit networks can emerge in such settings by forging partnerships between the stakeholders, thereby, steering appropriate governance structures. This paper discusses such institutional innovations in the form of partnership models emerging in the cities of Bangalore and Mumbai as illustrations worth examining and emulating.
Key words: Urbanization, public service delivery, urban governance, institutional innovations

BACKGROUND

India, like many other developing countries, has been experiencing urbanization over last few decades at somewhat slow pace and at stable levels, which is evident from the records of successive census documents; it attained only about 28% of total population against the projected levels of 30 to 35% (Rakeshmohan 2006). However, the drivers of urbanization are changing – with a shift away from rapid rural population influx in the post-independence era to a rapid growth of existing urban areas (Kundu 2006). Most developed countries experienced rapid urbanization in the

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early phases of industrial development, which swept them to become predominantly urban societies, and urban areas became important economic centres; this process is now taking place in developing countries but in a period much shorter than that experienced by developed countries and with much larger absolute size (Gugler 1996).   As most of the cities in developing world are little prepared for such transformation, the challenges that they are facing are increasing, particularly in terms of provision and maintenance of public goods and services, and the world is observing how the process will roll out (Rakeshmohan and Dasgupta 2004).

In several Indian cities, public goods and services have been declining both in terms of quality and quantity as they lost the capacity either out of the sheer negligence of public goods and services delivery or they are confronted with a lack of financial and physical resources for the delivery (Rakeshmohan 2006).   Owing to the focus on short-term planning and on the strategies to meet imminent requirements, they ignored the challenges that they would face in the long-term future and neglected the function of deploying resources (physical, financial and man-power) for attaining higher levels of service delivery and were not fully geared to continuous improvement (Mathur 1999).   Likewise, resource generation and spending was fraught with low levels, inefficiency and corruption, and the public institutions were showing declining capacities of management. This led to an increasing perception that cities were experiencing an overall decline, particularly in terms of the quality of living environment they used to offer, and therefore the search has begun for the means of improving urban management[1], which in turn led to the focus on addressing overall 'governance'[2] of cities first in order to address service delivery issues (GGNI 2004), and this led to emphasis on undertaking governance reforms.

While it is asserted by the demographers that urbanization pressures keep mounting in the transition state of demographic change, the economies of countries are also undergoing a rapid change and so do their relation with external world.   Many countries have liberalized their economies and integrated with global economy, which unleashed the forces of economic liberalization and globalization to new levels. India has followed the suit with liberalization of economy and its integration with external world through policy changes in 1990s.   As a result, economic forces i.e., markets, began to become important in shaping the organization (both spatial and functional) of cities and their development.   Further, as efficient infrastructure, or the supply of

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[1] See Rakeshmohan (2006) for a discussion on the issues of managing metropolitan cities.
[2] What constitutes governance and good governance are discussed in detail in next section.

public goods and services, is vital for sound economic growth of cities, the pressure on their delivery has been increasing in urban areas, which are preferred locations for concentration and growth of economic activities/market forces (Morris 2002).

With the advent of globalization, investment flows are directed towards efficient and cost-effective locations. While several developing country cities offer cost-effective factor inputs i.e., land and labour, provision of a good quality of living environment is also becoming an important contributing factor. Sometimes, cities based on traditional urban management are struggling to provide the same in a competitive manner and, therefore, lagging behind their competitors in attracting investments. Given this scenario, efficient delivery of public goods and services, which leads to a better living environment, is also vital for local economic development of cities. Therefore, urban management has been assuming greater importance as it involves efforts to coordinate and integrate public and private actions to tackle the major problems that the inhabitants face, and to make a more competitive, equitable and sustainable city (Van Dijk *et al* 2002). As urban management involves wider aspects and includes wider stakeholders, urban governance is increasingly becoming relevant for finding new means of achieving better service delivery**.**

Importance of Governance in Democratic Societies

Societies in general and urban societies in particular have been facing a variety of problems in several countries, but the solutions have to be based on democratic set-ups in the democratic countries. Here, it is important to understand the role played by political institutions that dominate the delivery of public goods and services in many respects. Political institutions based on democratic principles are supposed to ensure service delivery and overall development, as there are unwritten 'political contracts' between people and elected representatives to act in the interest of general public (Hye 2000). This representative democratic means of allocation of goods and services by the political constituents has been considered as better, given the common pitfalls associated with the extreme systems of anarchy or dictatorship[3].

However, when one deeply examines how this supposedly good system works actually, it really does not give the same impression. This is primarily because of the bureaucracy, or the executive, which actually holds the service delivery process, and

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[3] In this context, it is argued that good governance in democratic societies also refers to managing risks and susceptibility to power capture by vested interests (Frischtak 1994).

these monopolies have been hindering the delivery and distribution of public goods and services (Jain 2003). As a result, the delivery process became rather slow and does not cater the needs, especially in terms of basic services. Bureaucracy, it is claimed, has been an impeding factor of development, with the level and intensity differing amongst cases, as it has become subservient to political parties in power rather than general public (Jain 2003). The citizens are therefore caught between short-sighted politicians, who are concerned about winning elections (and obtaining power over resources), and bureaucrats, who are only accountable to politicians. This explains the classic governmental failures in the provision of good and services.

This deviation of the players of democratic institutions from what they have been assigned has been resulting in chaos and the outcomes are haphazard and ill-suited. These operational facts are also undermining the strength of and faith in democratic institutions. Given the case of 'government failures' due to the inability of 'political contracts' in keeping every player in alignment of his or her role, there is a case for 'social contract' between the society and the executive, which take place in the form of partnerships, networks, engagement and participation (Hye 2000). Figure 1 provides a sketch of change from traditional governance model to this redefined one.

Essentially, the failures of public institutions in providing efficient and effective governance can lead to the emergence of institutions to fill-in the vaccum. In case of government failures, alternative institutions could be public-private partnerships, or non-government organizations such as non-profits, cooperative societies or commercial organizations (Virmani 2005). These partnerships offer a space for discussion/deliberation, collaboration, co-working and networking of different stakeholders – public and private[4]. It is important to view such innovations in the light of broader objective of good governance, which at the moment is more concerned about governance reform. These autonomous institutions/networks need to be nurtured as complimentary institutions working towards better provision of services to citizens and the examples need to be documented and examined, which is attempted in this paper through some select examples. In the following section, we will first discuss the governance concept in general, and in the urban context in particular, before proceeding to institutional innovations of urban governance in India.

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[4] In an extreme case, citizens may be empowered as suggested in 'Citizen Governance' model, in which focus is laid on stronger empowerment of citizens as (a) Customer (b) Stakeholder (c) Issue framer (d) Co-producer (e) Service quality evaluator, which suggests tools for achieving citizen participation and overcoming barriers to it (Parigi 2003).

INTRODUCTION

Governance, in the modern times, has been becoming an important means for achieving societal development objectives. Although governance improvements are perceived differently in the developed and developing worlds, it is also becoming an area of convergence where both developed and developing societies could learn from experiments and make use of it for transforming respective societies. Governance is a concept which is used in different meanings in different contexts; it varies from narrow structural definition of its management of public affairs by government constituents i.e., legislation, executive and judiciary, to the processes that ensure deliveries, participation, justice, respect of rights, innovation and networking. The World Bank defined it as follows:

> …….Governance, in general, has three distinct aspects: (a) the form of a political regime; (b) the processes by which authority is exercised in the management of a country's economic and social resources; (c) the capacity of governments to design, formulate and implement policies, and, in general, to discharge governmental functions (World Bank 1992, cited in LaPorte 2000)………..

Further, in literature the use of 'Governance' can be distinguished in seven different uses of the concept of governance under different settings (Rhodes 1997):

- as corporate governance, relating to companies
- as the New Public Management, with its focus on 'steering rather than rowing'
- as 'good governance', a reform agenda of the World Bank and other bodies
- as international interdependence generating new modes of governing
- as a 'socio-cybernetic system', focusing on mechanism of coordination
- as a way of governing through networks

It is the last concept of governance together with new public management concerned with public/development policies of nations and cities that is of concern here. In this approach to governance, (social and political) institutional networks are formed in policy making and evolving governance structures in a complex manner in synergistic (or, antagonistic) manner so that the policies and decisions are made (or, not made) (Rhodes 1997). The main elements of governance approach in such context essentially are (Colebatch 2002):

(i) Its focus on the *complexity* of government i.e., multiple agencies, institutions and systems linked complex patterns of interaction and marked by increasing problems of coordination;

(ii) the focus is on *alternatives to hierarchy*

- identifying systems of *rules*
- identifying alternative organisationsal forms, notably *networks*;

(iii) It is seen as a *change*, both in practice as well as theory.

The governance approach directs attention to these diverse bodies and the ways in which they relate to one another and produce government. It is concerned with organizational forms and the relationships between them – with networks and networking – but also with the underlying structure of shared meaning and values through which these relationships are sustained (Colebatch 2002). It seeks to build an understanding of the structures and practices which are there. While this definition might be structural, the roles of various hierarchies and geographies in influencing decision making are also very important (Jones Lang La Salle 2004).

Good Governance

The structural definition of governance is sometimes not adequate, particularly when the objective is to improve governance in new ways, which is touted as 'good governance'. This concept of good governance caught the attention of several nations and states – both developed and developing – and several interpretative applications were made[5] – notable among them are administrative reforms, process re-engineering/ restructuring, decentralization of powers, transparency and accountability mechanisms, and e-governance initiatives (World Bank 2000). From a neo-liberal perspective (or, new public management school), good governance means: less government (or, less regulation), more market (private provision of services) and better policing (or, reducing scope for corruption) (Allen *et al* 2004). However, good governance has to be directed not to less government, but to better connection – within and between government and other bodies. The problem is essentially not the extent of government but the likelihood of stalemate and frustration when different elements of governing collide with each other or simply fail to meet (Osborne 1994). Therefore, good governance agenda directs attention away from the sub-division of authority and work towards the accomplishment of outcomes.

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[5] However, even this concept has different meanings (Munshi 2004): Peter Drucker (1995) refers it to inventing effective government through continuous changes in government processes and setting performance benchmarks as a tool for the same; Gore (1994) formulation, however, concerns with making citizens as customers and government as service providers; likewise, Osborne and Gaebler (1992) have argued the need for reinventing the role of government as a catalyst of production efficiency by indulging in the role of steering rather than rowing.

It calls attention to questions of distribution – not only of wealth but also of opportunities for the exercise of political competence – both voice and choice (World Bank 2000 in Colebatch 2002). The UNDP (1997) defined following principles associated with the concept of good governance, which are widely accepted:

(a) Participation
(b) Rule of Law
(c) Transparency
(d) Responsiveness
(e) Consensus orientation
(f) Equity, Efficiency and Effectiveness
(g) Accountability
(h) Strategic Vision

Urban/City Governance

Urban Governance is derived from the concept of governance in relation to urban areas to be reflective of how the various constituents of public service delivery are organized to increase the welfare of citizens (both current and future). It can only be measured relatively, and somewhat subjectively, how effective the institutions are in terms of the principles of sustainability, decentralization, efficiency, equity, participation, transparency, accountability, civic engagement and citizenship, and security (UNCHS 2000). It requires a periodic strengthening of these aspects of city management in order to ensure service delivery, which is considered achievable through strategies of enabling, participation and capacity building (Mehta 2000).

The urban or city governance definition and process are essentially those pertaining to governance in general i.e., central to the concept of city governance is the notion that a multitude of actors are involved in the city governance process. However, initiatives towards better governance can come not only due to the pressures of urbanization but also with increasing financial constraints and fragmented responsibilities, which is making many cities to realize now that only a collegiate effort can improve city and its competitiveness (Jones Lang La Salle 2004), thereby the cities can discover the virtuous circles (see Figure 2).

In this context, city governance is more concerned with a network of system of governance rather than government, in which all sectors (public, private and other social organizations) and geographies (cities, regional and national) interact in the

decision making process in order to produce an efficient and effectively managed city as well as promoting city at a global level (Institute of Governance 2003, cited in Jones Lang La Salle 2004). This perspective has important implications for city strategists, planners, businesses and real estate players, because, once adopted, it involves all of them in a complex and networked process of decision making that can shape and change the future of their city. In fact, the realization of this is leading to the emergence of new networks that create new platforms for discussion and debate on how to make the cities better governed and what resources are required to make it happen (GGNI 2004). Figure 3 illustrates that the city management stops being the result of hierarchical authority to be re-oriented towards the collaboration, management and coordination of all local forces, energies and players. It is these partnerships which need to be forged, developed and directed (or, assume the role/niche) in order to improve the overall city governance.

However, city governance can be understood not only in the static framework of interactions but also as a dynamic interaction between these major stakeholders and external agencies operating outside the city. Sometimes, these agencies might provide a direction to the change, known as good urban governance[6]. In many ways, urban governments in the developing countries are a classic case for the application of 'good governance prescription because of (Colebatch 2002):

- multiple government agencies with poor interconnection
- government major provider of services, but often inefficient monopolies
- extensive but uneven regulation
- conflicting agency agendas producing regulatory stalemate
- frustration of development opportunities
- widespread evasion of regulation
- considerable scope for corruption

Having reviewed the concepts of governance and urban governance, we will now take a stock of the structural changes in India and discuss the changing urban governance context, including some city governance improvements that have been taking place. We will provide illustrations of Indian case cities therein, with respect to emerging partnerships/ networks between the key actors so as to highlight how the vacuum of governance space shall be filled through such partnerships.

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[6] Even community-level initiatives towards the renewal of slums, settlements and neighbourhoods have shown that community participation can lead to an overall better performance of the project and improvement the delivery of services (UNCHS 2004; World Bank 2004).

URBAN GOVERNANCE IN INDIA: STRUCTURAL CHANGES AND INNOVATIONS

India has been experiencing several changes in the political and economic space, which have some implications to governance and, so also, to urban governance. India had followed mixed economic model with public sector leading the economy and public spending determining the welfare of the society. There was a significant deviation in this approach through economic policy reforms in 1991 that were brought as a necessity to make India emerge as a strong economy in line with competition from other countries (Joshi and Little 1991). With this added pressure on services, in addition to the pressures from rapid urbanization gripping the country in 1980s, markets emerged as important institution in the wider allocation of resources, in their ability to mop-up and bring-in private resources in economic activities and in representing the needs (and aspirations) of growing consumer class in cities.

These policy changes have paved ways for changes in other aspects of country's development, for example, decentralization of functions and powers across various tiers. The 74th Constitutional Amendment Act, 1992 has paved way to greater role played by local urban governments through decentralization of power and functions and, also, improved the scope for private/citizen participation in the areas hitherto considered to be government affairs, as local governments are considered closer to people (Mathur 1999). The act has also entrusted cities with making decisions autonomously and hoped that they would use the finances prudently to provide better services. It is widely held in the public finance literature that the Act, however, did not address the mobilization of resources to cover financial requirements of service provision but, rather, exacerbated it by the addition of new functions (Mathur 2004, Mathur and Thakur 2004, and Mohanty 1995). Yet, as noted earlier, cities have not done enough in terms of improving governance modes and building governance structures that can anticipate changes and prepare themselves for the same. The capacity of many local governments to plan and manage their cities is limited and, as a result, they are not able to meet the challenges of increasing demands.

Urban planning is an important function of urban local governments in which the authorities will have to plan allocation of land for various uses, particularly for housing the population, and ensure that the basic infrastructure services such as transport, water and sanitation, health, education and recreation are well planned and provided

to the citizens. This is an important task which requires the strategic visioning and deployment of organizational, financial and technical skill sets, wherein little attention is paid and the physical as well as financial estimates are considered unrealistic (Rakeshmohan 2006); therefore, they call for alternative governance mechanisms for achieving it. Nevertheless, the planning process has to ensure strategic visioning and public participation in the plans, and the implementation of plans has to reflect the adherence to principles of good urban governance i.e., transparency, accountability, equity, efficiency, acknowledgment of rights, rule of law etc.

Indian cities are no exception to and no different from the status of developing countries' cities in the first section i.e., they are facing severe pressures on service delivery and not fully responsive to the needs[7]. Therefore, urban governance reforms and innovations are assuming greater importance. Undoubtedly, city governance is more challenging also because spatial structures keeps changing. Governance reforms are becoming essential to ensure that these agents are made accountable through alternate institutional structures and are monitored to ensure the movement of development wheel. There are some traditional and modern tools that are being deployed in improving governance in Indian cities, which are briefly categorized and presented in table 1.

However, there has been a greater preoccupation with governance reforms, much of which have come from the wisdom of funding agencies like the World Bank[8]. Apart from governance reforms, which improve service delivery capacities of governments/ public agencies, institutions play a major role in the steering of changes which need not to come from external agencies but from internal forces in the form of a variety of partnerships. Institutional innovations can evolve in governance space to fill- in the gap of government failures or the absence of government interventions (Virmani 2005). Such institutional innovations are worth observing in order to emulate them elsewhere, nevertheless with different structure, objective and methods. The cases of such institutional innovations in Bangalore and Mumbai presented hereunder serve as examples worth examining in an emerging mosaic of urban governance. However, we do not dwell upon finding the causes or consequences of their emergence; rather, we discuss their emergence as new means of improving governance, which is sought in Indian cities, while featuring those institutional

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[7] Mathur (1999) discusses it more in detail.
[8] Much stronger criticism of this can be found in Bandyopadhyay (1996)

innovations in Mumbai and Bangalore. One may also distinguish how these two are different but unified in their attempts and use the learnings from these experiences.

Institutional innovations of Urban Governance in Bangalore

Institutional innovations in different cities take form in different ways. In Bangalore, it has been happening in the form of a spurt of non-profit initiatives, which led to the re-activation of improvements in urban governance. Here, the major institutional innovations are: the Bangalore Forward (Blr For), which undertook several initiatives for improving Bangalore city and its management; the Bangalore Agenda Task Force (BATF), which contributed to an overall improvement of the city in a significant manner by acting as a decision making and accountability instrument; the Public Affairs Centre (PAC) has emerged both as a think tank body and an independent monitoring institution on the behalf of citizenry; and Janagraha emerged as an institution to voice community concerns. The triad of partnerships is shown in Figure 4 and the initiatives of these partnership institutions are briefly discussed below.

Bangalore Forward is a private non-profit initiative that works towards better Bangalore with an active support of the private corporates in the city and with an encouragement of the State government. It works hand-in-hand with the Bangalore Agenda Task Force (BATF), which was established by the state government as a statutory body to strategise, look after, coordinate and monitor the development activities in Bangalore. An important element of its working strategy is the stakeholder meetings held in public to bring-in accountability of the seven major service providing agencies concerned with Bangalore city that have a greater stake in the city development[9]. Bangalore Forward (Blr For) has undertaken several other voluntary initiatives that led to an overall improvement of Bangalore city. Important among them is the Fund Based Accounting System (FBAS) for Bangalore Mahanagara Palike (BMP) with moral support of BATF (detailed out in Box 1).

Box 1: Fund Based Accounting System

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[9] These agencies / stakeholders include: Bangalore Development Authority (BDA), Bangalore Water Supply and Sanitation Board (BWSSB), Bangalore Electricity Supply Company (BESCOM), Bharat Sanchar Nigam Limited (BSNL), Bangalore Metropolitan Transport Corporation (BMTC), Bangalore City Police and Bangalore Mahanagara Palike (BMP)

Fund Based Accounting System (FBAS) was taken up by Bangalore Forward with financial support of private corporates as an instrument for achieving reforms in municipal accounting, and, thereby, enabling it to undertake its core services efficiently and to enhance its financial capacity substantially. It also led to other improvements like improved organization performance, better transparency and accountability and efficient resource mobilization/utilization. Earlier, the Bangalore Mahanagara Palike was following cash based / single entry accounting system which had severe limitations in financial planning and control and made it vulnerable to un-accounting or under-accounting of its assets. FBAS uses double entry method of accounting and is coupled with appropriate information technology and management systems that lead to better management of municipal finances while improving transparency and accountability of the operations. While development of FBAS received financial support from private corporates, who funded the prototype system development, it was also supported by the BATF in instituting in the municipal corporation i.e., BMP, which ultimately adopted the system. It has been reported that the FBAS led to an improved overall performance of the BMP and that BMP is now very keen on undertaking organizational restructuring and capacity building in order to take forward the experiment further.

Source: Ramanathan and Ravichander (2002), India Together (2003)

BATF acts as a partnership body with broad agenda set out in agreement between its members and the State government; it contains: increasing revenues, improving fund management, incorporating public opinion and initiating an IT based master plan. Besides supporting FBAS, developed by Bangalore Forward, BATF undertook following initiatives towards making visible improvements in the city (BATF 2004):

(i)   improvement in traffic and road infrastructure – flyovers and underpasses at critical junctions, more and better bus stands, low floor disabled friendly bus services;

(ii)   improvement in civic amenities – designing methods for door-to-door garbage collection, better modern toilets; and,

(iii)   improvement in urban environment – parks renovation (with active support of private sector), improvements to pavements/pedestrian ways in market areas and civic facilities provision in slums.

(iv)   preparation of a comprehensive city development plan (CDP) by engaging an international consultant SCE Creocean with the grant support under Indo-French Protocol of European Union – India Partnership.

Interestingly, in all these initiatives, private corporates as well as individuals have contributed. Though the scale of achievement could be less than that of government, it demonstrates the potential of private sector contribution to city development, and, hence, its engagement. This also led to an active support of media (TOI 2003) and the general public. There was an overwhelming proportion of citizens (66%) who perceived that Bangalore city infrastructure and amenities improved in the just one year (BATF 2004). Also, there had been a consistently increasing share of population positively perceived about developments in Bangalore, which gets reflected in the public report cards based on the citizen perception surveys (BATF 2004).

The Public Affairs Centre (PAC), a non-profit policy research organization, emerged as a watchdog of the civil society to express citizen satisfaction with respect to major service providers in the city periodically through large scale public surveys. It established an independent system of citizen report cards (see Box 2) for continuous performance monitoring of public agencies[10]. At the same time, Janaagraha was initiated by a group of concerned citizens of the city to express their voice and concerns on the development projects of the government on one hand and undertake micro level intervention with or without external financial support. It also took forward the FBAS to the citizens through launching Public Record of Operations and Finance (PROOF) campaign, thereby, extending it to improved public accountability and citizen empowerment through discussion of revealed knowledge of civic finances. However, it primarily acts as a public opinion gathering institution; thereby, it seeks to provide inputs to policy-making in the government. Incidentally, these institutes came into existence primarily due to the efforts of few individuals, who sought to play a catalyst role in city development through mobilising civil society.

Box 2: Citizen Report Card system in Bangalore

Public Affairs Centre (PAC) instituted a citizen report card system on Bangalore's public service providers, in which users (or, citizens) provide a feed back on the quality, efficiency and adequacy of services and the problems they face in their

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[10] A good summary of the experiment, outcomes and its influence can be found in Paul (2006)

interactions with service providers[11]. This involves drawing a number of large samples and conducting surveys based on questionnaires. The assessment was done with the objectives of (i) demonstrating that citizen feedback on services could be used to rate the performance of public service providers and highlighting the aspects of their services that needed improvement (ii) sensitising the public at large about the state of public services and exerting pressure on government and service provides to improve the quality of services and public accountability in general. Moreover, it could also act as a benchmarking device when it is carried out periodically. The first report card was published in 1993, the second was published in 1999 and the third was published in 2003. All of them reported a widespread public dissatisfaction with public service providers with only one of them receiving satisfaction by over 50% of the people. Majority of them reported the bureaucratic delays and hurdles, and also the prevalence of corruption. The report card was an eye opener and the service providers came under public scrutiny through such system, which pressurized them to undertake measures to improve the performance.

Source: Paul and Sekhar (2000), Sekhar and Shah (2006)

However, some caveats of the initiatives have also been pointed out in TOI (2003)[12]: it should not become a camp ground for starting/undertaking too many initiatives and not being able to complete them, which might again lead to public dissatisfaction and can lead to their ire. The message is to sustain it over time rather than just doing it and leaving there itself. Nevertheless, the initiatives taken so far stand out as tokens of what can be done and how cities could be transformed through well networked institutions in order make change possible.

Institutional innovations of Urban Governance in Mumbai

Mumbai has actually found some novel institutions emerging in response to the failure of local government in delivering goods and services to citizens' satisfaction; in a way, it gave an inspiration to the spurt of institutions in Bangalore. The Partnership Institutions in Mumbai are: Bombay First (BF), a non-profit initiative of

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[11] The service providers include: Bangalore Municipal Corporation (BMP), Bangalore Development Authority (BDA), Bangalore Electricity Company (BESCOM), Bangalore Water Supply and Sewerage Board (BWSSB), Bangalore Metropolitan Transport Corporation (BMTC), Bharat Sanchar Nigam Limited (BSNL), Bangalore Police, Public Hospitals and Road Transport Authority (RTO).

[12] A much stronger criticism of partnership and its outcomes can be found in Ghosh (2005).

private corporates, and Citizens' Action Group (CAG), a State appointed institution to strategise and monitor the initiatives for Mumbai city development. Further, initiatives like Action for Good governance Network of India (AGNI) and PRAJA emerged as civil society watchdog groups that partnered with local and State governments.

Bombay First (BF) is a private non-profit initiative that was formed by private corporates under the umbrella of Bombay Chamber of Commerce & Industry with a vision of transforming the city into a globally competitive city through improvements in economic growth, infrastructure and the quality of life. It drew inspiration from London First and structured its organization in line with London First. The mission of Bombay First, however, has been larger - to address the issues and problems confronting the city through partnerships with government, business and civil society. Also, Bombay First is different from London First in terms of methods; it proposed to use research, catalysis, advocacy and networking as the means of achieving the mission, whereas London First uses the means of dialogue, expert assistance and advocacy to influence the decisions. Bombay First, under the guidance of Bombay City Policy Research Foundation, began its work with a comprehensive diagnosis of the city development – its economic and social structure, the causes of decline of certain activities and infrastructure, possible solutions and pilot scale projects. It commissioned relevant studies and carried out surveys, which led to a renewed understanding of structure and nature of employment, sectoral growth patterns and hindering factors like critical infrastructural bottlenecks. Also, later these studies indeed helped in understanding the city problems to search solutions. Bombay First (BF) spent considerable time in understanding and groping with issues concerning Mumbai city. Only recently, its impact has been felt after synthesizing the earlier work and providing development perspective in the form of a Vision Plan (see Box 3).

Box 3: Vision Mumbai: Transforming Mumbai into a World-Class City

For a long time, Mumbai's development was envisaged under the development plans of the MCGM (Municipal Corporation of Greater Mumbai), which was more of land use allocation plan. There was no way to understand Mumbai's economic development and provided for some interventions that help to sustain and surpass it. Recognizing the need for strategizing an overall plan envisaging the economic growth driven by sectoral growth, Bombay First together with McKinsey & Co. prepared a Vision Plan for the development of Mumbai. The Vision Plan envisaged the transformation of the city on eight growth levers – economic growth, transportation, other (social) infrastructure, housing, financing and governance. The

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vision/aspiration of the city development was set out through consultative workshops while making use of the outcomes of benchmarking analysis against other major International and Indian cities.

This vision was to be achieved over a ten year period with the formulation new structures for city management involving all concerning service providers and agencies as well as private sector, thereby improving the qualitative and quantitative aspects of civic governance considerably. However, in order to keep the ball rolling, the plan envisaged the 23 quick-wins that were needed to be undertaken on a very short term basis, say 1-2 years, and completed. The Vision Plan had set the movement of Mumbai's transformation on fore front. A Task Force was formed to look into recommendations and submit its findings. The Task Force had six sub-groups and each of them looked into the recommendations in detail and a synthesized Mumbai Vision was envisaged by it, which approved most of the recommendations made in the Vision Mumbai report. Vision Mumbai report has also influenced the thinking about the city and its governance and raised the aspirations of general citizenry, which is now exerting pressure on civic authorities.

Source: Bombay First – McKinsey (2003)

The Citizens' Action Group (CAG) is an important development of the post-Vision Mumbai plan, which was constituted to act as a monitoring and review group concerning with Mumbai's development through a special government order. The CAG is a statutory body and a Special Secretary coordinates its meetings. This group has about 30 eminent citizens who meet and discuss both internally and together with the Chief Minister the status of ongoing projects and the new plans envisaged by various agencies. It, thus, emerged as a partnership institution between government and private sector in city level decision making through setting agenda and monitoring the progress of government agencies concerning with Mumbai city with respect to the plans, initiatives and projects. Apart from the CAG as an instituted group to monitor city development activities, PRAJA, a non-profit initiative, acts as a partnership institute to communicate citizens' grievances and opinion to the Municipal Corporation of Greater Mumbai (MCGM). PRAJA undertakes this function of improving citizen interface in the form of Project Performance Report and Complaint Audits, which are explained in Box 4.

Box 4: Citizen interface improvement initiatives in Mumbai

The MCGM instituted a system of interface with public in collaboration with PRAJA to check the department-wise and ward-wise performance and to take some remedial actions for improving service provision. The first project performance survey was carried out in 2000 and continued in 2001. It expressed the public perception of MCGM at large in terms of the responsibilities the citizens believe it was obliged to and the relative satisfaction of the services of the seven departments – water supply, traffic/transport, roads, sewerage, solid waste management and license departments. Moreover, performance of wards was also planned to be measured using the citizen satisfaction scores. In general water supply and traffic departments fared better, and sewerage and environment departments fared poor in service provision. Likewise, the satisfaction was better in the prime suburbs rather than in island city. The survey also revealed that bribes were paid for getting some services done and that many citizens were not aware of corporator's funds for improvement.

Apart from measuring citizen satisfaction, a complaint audit system was established in all 24 wards. It was first executed in the year 2000. The data was derived from BMC-PRAJA Online Complaint Management (OCMS), an electronic interface between citizens and MCGM through internet. These complaints were categorized according to their nature, ward and departments. Moreover, the redressal of complaints, both the proportion of complaints redressed and the speeds of redressal, was also checked through surveys and so do monitoring of general perception about the MCGM. This system provided the citizens to have an electronic interface to explain the problems and get them redressed and while doing so to express their satisfaction with the way they were dealt and the outcomes. Citizens were also given an opportunity to state the reasons for delay like corruption.

Source: Executive Summaries of Reports of PRAJA (2005)

The Action for Good Governance Network of India (AGNI) is a non-profit initiative of committed citizens which acts as an independent forum to monitor the process of city development – such as the information on political parties agenda, monitoring the local elections and tracking the candidates deliveries - and informs the citizenry of the same (Indian NGOs 2005)). It also enters partnerships with local government initiatives, such as monitoring of public works and municipal solid waste management and street sweeping. It networks with the local resident associations and

neighbourhood associations coming forward to assume this function and enters agreement with local government municipal financial contribution towards the same. The delegation to local groups has also led to cost savings to the local government. This local level management and decentralization of powers and services has been successful in case of services like waste collection and street cleaning.

SUMMARY

The phenomena of urbanization, globalization and liberalisation are increasing pressure on service delivery in the cities of developing countries that are engulfed by vast number of problems. Unfortunately, most of the cities are ill equipped to tackle the problems and pressures because either they gave inadequate thought about the trajectories of city growth or because they did not plan and allocate resources to do it; even otherwise, there are inefficiencies built-in through traditional designs of institutions of service delivery made on political and bureaucratic forces. This is leading to government failures in service delivery, which can be addressed by institutional innovations under partnership mode (apart from governance reforms) to steer urban governance in right direction. However, policy reforms are also needed so that right kinds of incentives prevail for nurturing new institutions (Virmani 2005).

The institutional innovations in Bangalore and Mumbai presented in this paper show the way for other cities on what kind of role can be played and how partnerships between public, private and civil society sectors can be forged. Table 2 provides a summary of how they led an improved governance in these cities. The success of these institutions lies in (a) undertaking initiatives to improve city governance and ensuring service delivery (b) bringing together the stakeholders under one platform to work towards a common vision (c) discussing public policies and reporting citizen opinion on service providers functioning. These are perhaps worth emulating in other cities as well, but they need to be well structured and target oriented to be effective. Here, it may be observed that while institutional innovations in Bangalore were impacting city governance strong and fast in Bangalore, their impact in the case of Mumbai has been somewhat weak and slow.

Much has to be seen on the long term sustainability of these innovations. However, this should not be an issue of concern, as (laid in the theory of institutions) they emerge in response to specific needs and might even die when there is no need.

The learnings from these innovations should keep helping us in finding the new pathways towards progress in governance of cities.

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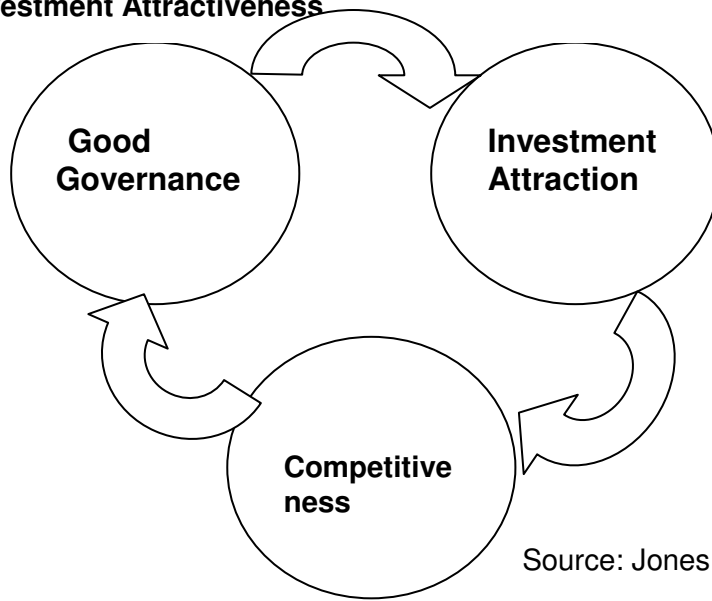
Figure 1: Conventional and Redefined Governance Models
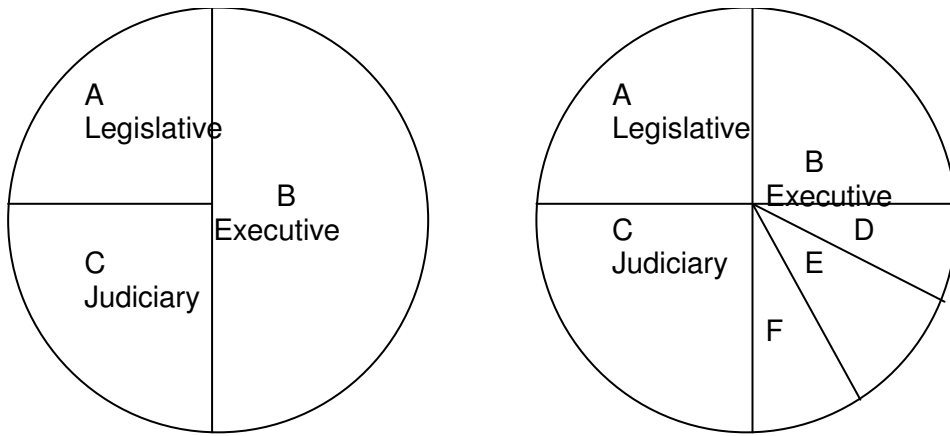
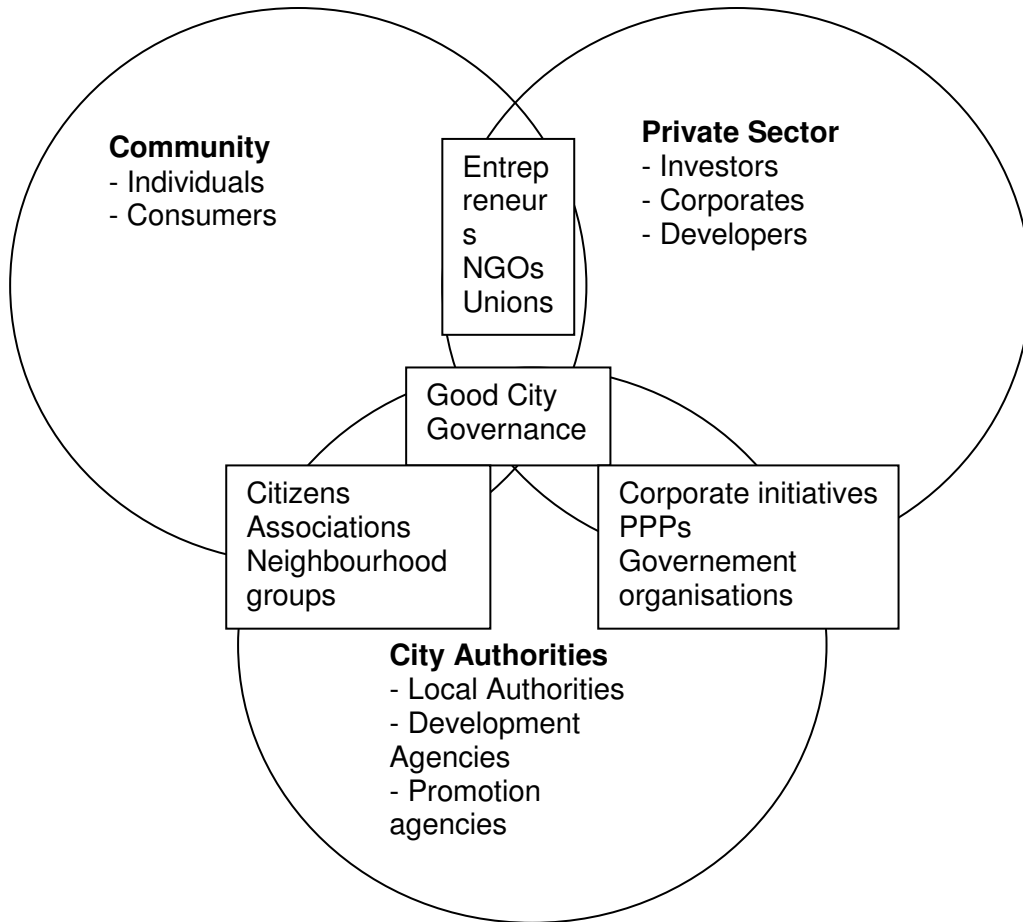D – Private Sector E – Local Government F – Civil Society/Community

Source: Adapted from Hye (2000)

Figure 2: Virtuous Circle of City Governance, City Competitiveness and Investment Attractiveness
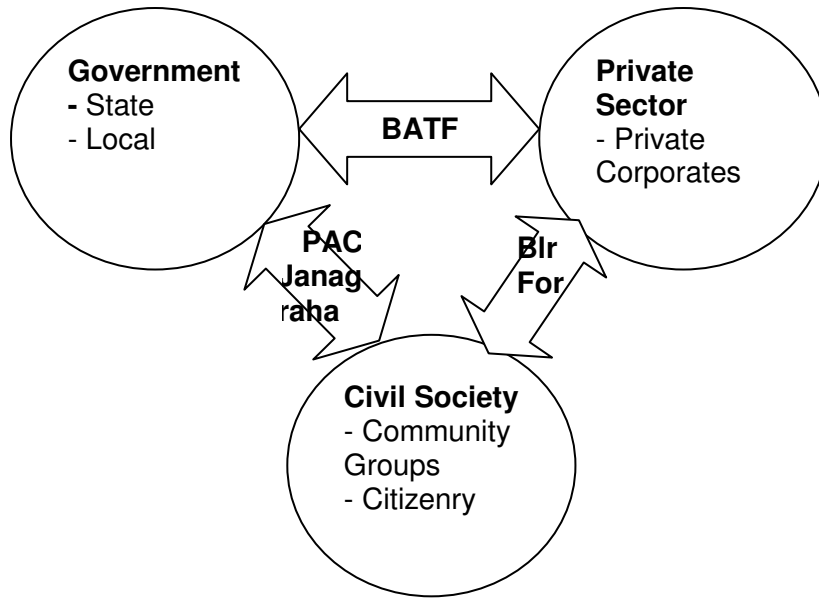

Source: Jones Lang La Salle (2004)
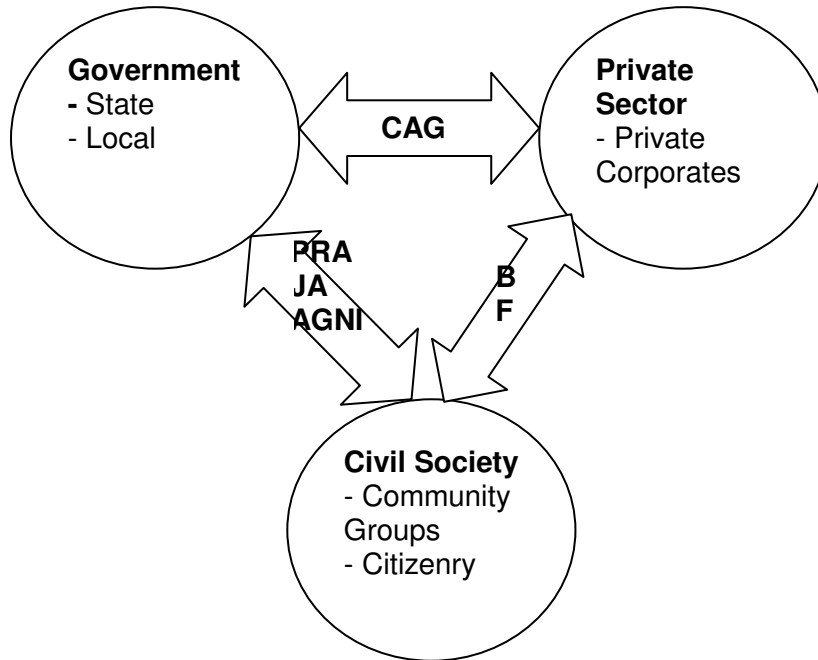
Figure 3: City Governance: A Networked System

Source: Jones Lang La Salle (2004)

Figure 4: Institutional Innovations through Partnerships in Bangalore

Figure 5: Institutional Innovations through Partnerships in Bombay

Table 1: Urban Governance Reform areas and actions

REFORM AREA	REFORM ACTION
Private sector participation	Contracting out local government services to private parties
Management improvement	Service contracts, management contracts and delivery contracts in routine and non-core functions.
Better Financial Management	Accounting and budgetary reforms reflecting modern practices e.g., double entry book keeping
Resource planning and moblisation	Realistic assessment of resource requirements of services; mobilization through own sources and accessing markets
Process improvements	Establishing mechanisms that ensure improvement of current service delivery; Deployment of e-governance models in select services
Improved accountability	Citizens' charters have been introduced by some urban governments to act as accountability mechanisms to public.

Table 2: Impact of Institutional Innovations on Urban Governance

City	*Partnership Institution*	*Initiative*	*Impact on Governance Process*	*Governance parameter impacted*
Bangalore	*Bangalore Forward*	Fund Based Accounting System	- Improved knowledge of civic assets and finances - Well-informed decision-making - Improved accountability	- Transparency - Responsiveness - Accountability
	Public Affairs Centre	Citizen Report Cards	- Improved public accountability - Reduced corruption - Increased voice of citizens	- Accountability - Transparency - Citizen engagement
	Janaagraha	PROOF and Other Citizen Campaigns	- Improved public awareness of assets and budget and improved civic awareness	- Citizen engagement
	Bangalore Agenda Task Force	Revised City Development Plan Community infrastructure improvement	- Improved knowledge of city development profile - Support to strategic decision making - Improved services to citizens/community	- Responsiveness - Strategic vision - Sustainability
Mumbai	*Bombay First*	Vision Plan for Mumbai	- Improved knowledge of inadequacies of city development and shared vision - Implementable actions and strategic decision-making - Improved responsiveness and creation of new	- Consensus orientation - Strategic vision - Responsiveness

		institutions	
Citizens' Action Group		- Coordination and Monitoring of plans of city development agencies - Strategies formulation	- Citizen empowerment - Strategic vision
PRAJA	Citizen Interface Improvement	- Improved knowledge of public satisfaction on service delivery - Improved scope for citizen grievances	- Accountability - Efficiency, Equity and Effectiveness
AGNI	Monitoring electoral process Partnering in service delivery	- Improved political accountability - Reduced scope for corrupt practices - Improved service delivery at local level	- Accountability - Sustainability