



CHANGING FORTUNES OF STATE INSTITUTIONS: THE ERA OF PROJECTS AND THE RISE OF MMRDA

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INTRODUCTION: STUDY OF STATE INSTITUTIONS

State institutions or institutions created by the state are a fascinating subject of study. They represent the constitutive aspect of the state. They are thus instrumental in the exercise of power. As such they embed the ideology of the state and bring it to the realm of practice through rules, procedures and protocols. Considering the state itself as being an instrument of hegemony, the structures, roles of these institutions are reflective of the dominant ideologies of the time.

However as opposed to homogeneity and unitary play of power, state institutions have distinct organizational cultures and modes of operation. They are characterised by contradictions and competition within as well as between them. Among other things, statecraft is a subject of dynamic creation of institutions and modulation of the interrelationships between different institutions in response to changing contexts. The study of these institutions is thus revealing of continuities as well as fissures in governance, a testament to the nature of state. However, there are few such studies of institutions in India.

The current paper is a study of the evolving role and stature of Mumbai Metropolitan Region Development Authority (MMRDA) – a body that is responsible for planning and development of Mumbai and its

surrounding region. The MMRDA is part of an entire repertoire of organizations engaged in urban development in and around Mumbai. These include the Municipal Corporation of Greater Mumbai (MCGM) and other local bodies in the region, the Maharashtra Housing and Area Development Authority (MHADA), Maharashtra State Road Development Corporation (MSRDC), Slum Rehabilitation Authority (SRA) among others. MMRDA has evolved from being an ill resourced body to an institution of prominence in the last two decades. The paper argues that this rise of the MMRDA is reflective of the emerging discourse and contours of urban governance in India as it pursues a neoliberal developmental logic, mirroring the contradictions within.

GLOBALIZATION AND TRANSFORMATIONS IN LOCAL STATE

The moment of globalization (notionally a process of annihilation of space) has paradoxically produced a rescaling of the national in relation to the local and in particular the locale of cities. Cities, as pointed out by Brenner and Theodore (2002) have become crucially interrelated to the processes of reproduction, reconstitution and mutation of the ideology of neoliberalism. Smith (2001) introduces the concept of transnational urbanism where cities across the world are connected through networks spanning multiple scales. However; the interface of these global processes in cities is not uniform but variegated. Cities embed the disjuncture and contradictions contained in the 'dialectic of the global logic of neoliberalism with the particularities of the local' (Sassen,1999). These contradictions are even more pronounced in cities in the developing countries where there is significant amount of poverty.

The renewed interest in the local has made decentralization the new mantra of governance. It is being propagated as the essential plank of good governance (WB). It is to be noted that these demands of decentralization are not propelled by a radical need to devolve but to enable national governments to pay attention to particular localities and contribute to

making cities competitive and securing a place in the emerging neoliberal regime. It equips local governments to deal with demands of the changing context. The debate on decentralization thus intertwines with the discourse on globalization to produce new structures and forms of governance.

The notions of local governance in cities are also undergoing a transformation. As globalization brings with it new forces such as international capital and migration at the local level, local governments are compelled into new roles and expectations. These non traditional role expectations stimulate new changes in mechanisms of governance. As Pierre (2000) points out, political institutions cease to have monopoly over the orchestration of governance. Governance then becomes a process that involves actors beyond the government such as private sector and civil society organizations. It becomes a multi-actor process (Stoker, 2000) where governments become enablers (UNCHS, 1998) and begins to incorporate multiple forms of cooperative relationships such as outsourcing of erstwhile governmental functions, public private partnerships etc.

TRANSFORMATIONS IN URBAN LOCAL GOVERNANCE IN INDIA

A major project of reterritorialisation is underway in India. With the opening up of the Indian economy, its urban centres, particularly metropolitan cities have emerged as the major centres of economic growth, contributing as much as 60% to the GDP. Lorraine Kennedy points out that this concentration of wealth and the opportunity for capital accumulation places India's largest cities at the centre of its political economy. These centres have attracted international investment, growth in infrastructure consistent with global trends, a growth in real estate and commercial activities and have seen the rise of an aspirant middle class. Much opposed to the realities of a large rural populace, these cities are increasingly being seen as resources for development.

There is a dramatic shift in the Indian discourse on urbanization. The shift in rethinking urbanization as a by-product of development to thinking of it as a positive force of development began in the mid 1980s. In the 1990s, following a series of Commission reports (Rakesh Mohan) which identified infrastructure deficiencies in urban areas and the Shanghai model, infrastructure development was seen as a driver of economic growth and of reforms. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) launched

in 2005 represents the first concerted effort to invest in urban infrastructure and making cities economically competitive. Following Banerjee-Guha,' the urban projects that the NURM is pursuing, are a material expression of a developmental logic that views mega projects and place-marketing as means for waging a competitive struggle to attract investment capital. Further, the associated new urban policy, developing in parallel with the neoliberal economic policy thus squarely revolves around re-centring the city, replacing old forms, functions and organisational configurations by a new urbanity and assertive, entrepreneurial urban governance that will stand the tests imposed by a global and neoliberal world order'.

Historically; subjects such as urban development and local governance have been state or provincial subjects. The municipalities or urban local bodies are perceived as highly ill resourced and politicised, vulnerable to manipulations of state level politics. One of the key changes in urban local governance in the years following economic liberalisation is the project of decentralization. The 73rd and 74th Constitutional amendments which lay out the framework for decentralization were passed in 1992 and 1993 respectively. These amendments have

significantly altered the institutional architecture in the country from a two tier structure to a three tier one, allotting new functions, powers to the urban local bodies and introducing new modes of representation. However, as pointed out by various experts (Sivaramakrishnan), the actual transfer of funds, functions and functionaries is largely uneven across various states (aka provinces). The urban local governments are perceived as bodies with few capabilities to function as

efficient, managerial organizations delivering local services. Further, state governments are seen as a block to genuine decentralization. The advancement of decentralization is then prodded by the Central Government in more indirect ways of financial incentives and reform conditionalities attached to the same. One of the stated bulwarks of JNNURM is the task of advancing the 'unfinished agenda of decentralization'.

WORLDING MUMBAI

Mumbai, a premier colonial city has been the commercial capital of the country and a hub of textile and engineering industry. Its main governing institution—the Bombay Municipal Corporation (Now MCGM) is a strong institution which draws its institutional domain from the 1885 Bombay Municipal Corporation Act. The institution emerged at a time of restricted citizenships and strong beauracatic controls. The city forefathers drew their constituency from a 'widening' group of enlightened citizenry which kept out non property tax paying residents.

In the postcolonial years, Mumbai began to reflect all the contradictions contained in a city offering economic opportunities in a largely poor country. The city began to attract significant migration which found opportunities

in its manufacturing, trade and increasingly informal employment base. Its slum population began to increase through these years to reach nearly 65 percent. The postcolonial era also brought in changes in the institutional architecture and character. The corporator profile lost its erstwhile elite; educated, public persona; the corporation finances and services were found to be highly inadequate to respond to unregulated, informal growth which did not add to its taxes. The state government response to the same was to create a new generation of institutions for particular purposes. These include the MHADA, MMRDA, MSRDC etc.

The years of liberalisation witnessed significant shifts in the economic base of Mumbai from industrial to services. The expansion of finance, hospitality, health

tourism, entertainment and information technology brought in significant wealth in the city. It also unleashed dreams of Mumbai transformed along the lines of Shanghai and creating a world class city. Both corporate actions (such as the preparation of Vision Mumbai report or formation of Mumbai First along the lines of Advantage London) as well as state actions (regional plan declaring developing Mumbai in competition

with Singapore or incorporating the Vision Mumbai plan as part of City Development Plan) are broadly supportive of this plan for first worlding of Mumbai.

This then forms the backdrop of the rise of MMRDA from a typical governmental planning organization to an institution at the forefront of the neoliberal project of transforming Mumbai.

THE MMRDA STORY

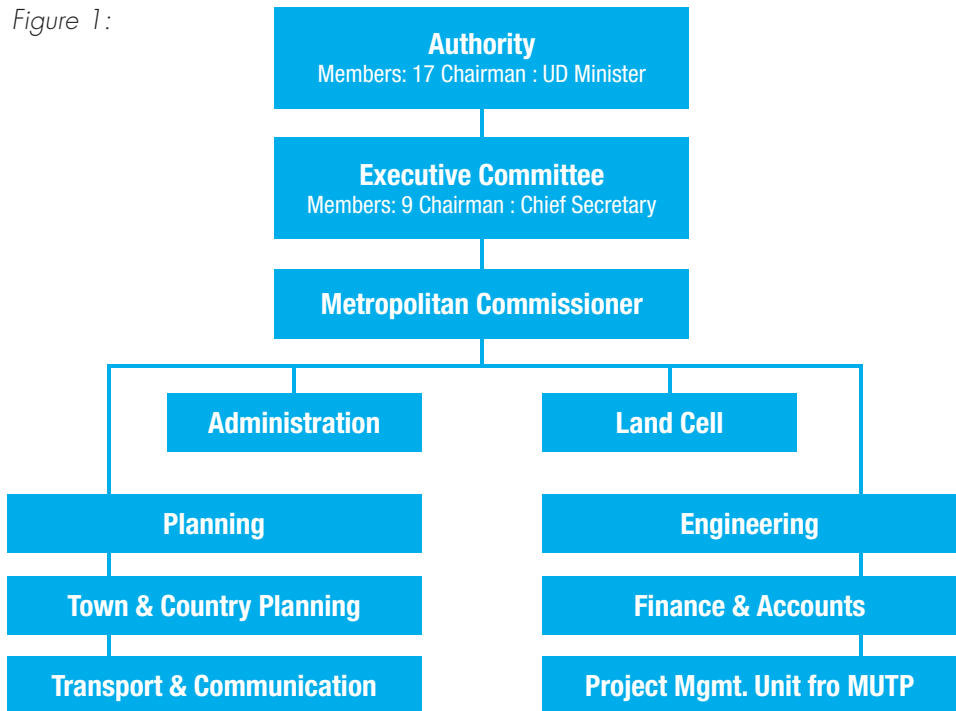
The early days

MMRDA was launched in 1975 on the basis of the Mumbai Metropolitan Region Development Authority Act, 1974. This period marks the heyday of thinking of regional development in the country. MMRDA is thus a cohort of the Delhi Development Authority (DDA) formed in 1956 and the Calcutta Metropolitan Development Authority (CMDA) formed in 1970. The stated objective of the MMRDA was to plan and coordinate activities for the development of Mumbai Metropolitan region, including Mumbai. Extending the logic of planning from the city to the region, institutions like the MMRDA sought to regulate the 'unrestrained' urbanization of large cities contained within the regions through regional plans and create more 'orderly' development. The instruments they used were primarily legal such as land acquisition, and development control regulations.

Till the 1990s, MMRDA remained a body that thought big but could act little. Its regional plans were not backed by resources and thus largely remained on paper; its projects did not receive complete political support either. Thus the development of CIDCO and Navi Mumbai were not accompanied by a shifting of state government offices to Navi Mumbai; instead its development was countered by the development of the Bandra Kurla Complex. It faced continuous competition from organizations like the Bombay Municipal Corporation (BMC), in whose territory it was not allowed to infringe upon.

Structurally the MMRDA is headed by the state urban development minister and its body is largely composed of bureaucrats (see organogram in figure-1).

Figure 1:



Source: MMRDA website

The Authority is the highest policy making body of MMRDA which supervises and controls all the activities of MMRDA. It consists of 17 members and the Minister for Urban development, Government of Maharashtra is its chairman. The other members are Minister for Housing, Minister of State for Urban Development, Mayor of Mumbai, Chairman Standing Committee and three councillors of Municipal Corporation of Greater Mumbai, two members of the Maharashtra Legislative Assembly, one member of the Maharashtra Legislative Council, Chief Secretary to the Government of Maharashtra, Municipal Commissioner

of the Greater Mumbai Corporation, Secretary Urban Development, Secretary Housing, Managing Director, City and Industrial Development Corporation of Maharashtra and Metropolitan Commissioner of MMRDA. The executive Committee is a body which provides technical guidance and supervision of MMRDA activities. It consists of 6 members from Government of Maharashtra and 3 expert members in the field of urban planning and development and the Chief Secretary to Government of Maharashtra is its Chairman The above discussion illustrates the fact that the MMRDA is a beauracratically

and expert controlled body. It does not have the financial stature of the DDA due to its national capital status or the political advantage to be had in the CMDA which had the Chief Minister as its leader. It draws its mandate from its ability to bring in technical expertise.

Its main source of finance in its early days was the projects it undertook, however these projects themselves needed a political backing and decision-making to be financially viable. An illustration of the same is the first regional plan which had two critical proposals- a) the development of Bandra- Kurla Complex

and b) the development of Navi Mumbai as a satellite city across the harbour. The Navi Mumbai proposal received fairly good backing and a separate body ie CIDCO was formed to develop the same. MMRDA was thus left with the BKC, which itself was contingent upon the development of linked infrastructures. MMRDA thus was a typical state body that had laudable aims, operated in a constrained legal interventionist climate in competition with other state institutions and could achieve few changes on ground.

EMERGENCE OF PROJECTS

The first change in this climate was marked by the Bombay Urban Development Project (BUDP) – a project aimed at stimulating low income housing development and was financed by the World Bank. The project was implemented by the BMC, CIDCO and MHADA and was coordinated by the MMRDA. In the process he MMRDA was able to establish itself as an effective project manager and liaisoning body.

This was followed by the Mumbai Urban Transport Project, worth Rs 4526 crores financed by the World Bank. This project was big, complex and required coordination with several institutions –(local, state and central government) as well as some key policy

changes. It was with this project that the MMRDA moved beyond coordination to infrastructure project execution. It was able to bring together a set of actors to execute these projects in brown field areas with all their complexity. These included consultants at various stages from conceptualisation to policy recommendations to execution. During the course of the MUDP, The MMRDA Act was amended in 2003, enabling it to execute infrastructure projects within the jurisdiction of the Mumbai Municipal Corporation. It was also empowered as a Slum Rehabilitation Authority for infrastructure projects. Further, the financing mechanism of the MUDP ie instruments of incentive FSI linked with TDR made MMRDA financially powerful. With the Mumbai

Figure 2: Financial Status of MMRDA (1999-2000 + 2007-08)

Years	Budget Size	Net Revenue Surplus of MMRDA
1998-99	0	314.98
1999-00	242.11	363.70
2000-01	180.59	261.71
2000-02	158.68	360.16
2000-03	267.31	363.75
2000-04	591.5	182.48
2000-05	511.79	218.00
2000-06	753.50	206.55
2000-07	771.74	501.44
2000-08	2444.02	79.21

Urban transport Project, the MMRDA thus transformed from a competitive sibling to a big brother among various institutions. The contribution of projects to the economic stature of the MMRDA is reflected in the graph below. It is to be noted that during this period while the BMC continued to be an institution of compelling size and budget, it was crippled by a huge staff size and inability to spend on capital projects. MMRDA was thus the preferred agency for project execution involving bilateral or other funds.

THE ERA OF REFORMS

In 2005, an ambitious programme of reform linked infrastructure generation called Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was initiated by the central government across different classes of towns and cities. Maharashtra, as one of the leading states in urbanization was a key recipient of funds under this programme, based on a demand led approach. The programme required urban local bodies to prepare project proposals and to commit themselves to reform conditionalities. In a context where the urban local bodies were found

to be deficient in capacities of project formulation and reform management, the MMRDA became an almost natural choice as a coordinating agency. The MMRDA was thus appointed as the nodal agency for JNNURM in the state. Its role was extended to that of a consultant to various urban local bodies for preparation of projects for JNNURM. Further, it was envisaged as the key body in operationalisation of the Maharashtra Urban Infrastructure Fund which was formulated along the same lines as that of the JNNURM.

MMRDA AS THE BIG BROTHER

The MMRDA has virtually become the big brother of state institutions in Maharashtra. It is financially powerful. Its modest budget of Rs 1.31 crore in 1998 has now jumped to over Rs 5,570 crore in 2012-13. Its reserve fund initiated with Rs 215 crore in 2001 has now risen to over Rs 10,000 crore. There is thus a huge scalar jump in terms of resources and it is being currently seen as the richest urban development agency in the state.

These financial indicators are also accompanied by an enhancement of stature of the institution. Thus it has been headed by the Chief Minister in the last three terms by virtue of the Chief Minister also retaining the urban development portfolio. This in turn also

reflects the reconfigured importance of Mumbai in the political economy of Maharashtra as a state.

Another indicator of this rise of the MMRDA is the wide expanse of its projects. The current project portfolio of the MMRDA as indicated in the chart below includes coordinating and monitoring the progress of reforms in urban local bodies in the state, planning and execution of transport projects, financing urban local bodies in the region and the state for infrastructure development, power generation, sanitation, environmental management, heritage conservation, solid waste management, livelihood restoration and capacity building.

Figure 3: Current Project Portfolio of MMRDA

Transport	Infrastructure	Environment	Additional Projects
Mumbai Metro rail project	Bandra Kurla Complex	Nirmal MMR Abhiyan	Rental Housing
Mumbai monorail project	Innovation Park	Water Resources Development	Na MITRI
(capacity bldg for transport)			
Mumbai Urban Transport Project	Multi modal Corridor from Virar to Alibag	Mithi River Development	Power Generation
Mumbai Urban Infrastructure Project	Eastern Freeway	SWM Special Project	Human Development Index
Sky walk	Milan Overbridge	Mangrove Park	
Funicular railway at Matheran	Station Area improvement Scheme	Mahim Nature Park	
Wadala Truck terminal	Sahar elevated Road	Noise Barriers	

Source: MMRDA website

The extended project portfolio of the MMRDA demonstrates how it has been able to subdue the competitive relations with the BMC which requires it for the fund in flow. It has also been able to incur into the domain of other state institutions like the MHADA (Maharashtra Housing and Area Development Authority), SRA (Slum Rehabilitation Authority) and MSRDC (Maharashtra State Road Development Corporation). The following table shows how the MMRDA has extended into the domain of these other institutions in recent times. It is to

be noted that these incursions are not minor but in some cases actually eclipse the major domain itself. For example, the MMRDA is the slum rehabilitation authority for infrastructure projects. However, the SRA has been able to commission a little more than a lakh tenements in the last ten years of its existence while the MMRDA has already stimulated an even larger component of TDR (transferable development rights) in the city with a construction of over a lakh rehabilitation tenements.

Figure 4: Overlap between MMRDA and other state institutions

Institution	Domain	MMRDA incursion in role
MCGM	Service delivery in Mumbai	Most transport and infrastructure projects
MHADA	Public housing provision	Rental Housing
	Provision of amenities to slums	Nirmal MMR Abhiyan (construction of public toilets)
SRA	Rehabilitation of slums	Rehabilitation authority for all infrastructure projects
MSRDC	Execution of transport projects	Active competition for same

DISCUSSION AND ANALYSIS

There are several state institutions in the arena of urban development. In the case of Mumbai, these institutions include BMC which is a legally mandated and elected local government, MHADA –the state government authority for creation of affordable housing, SRA—an authority for slum rehabilitation, MSRDC responsible for transport projects and the MMRDA which is responsible for coordinated and planned development activity in the region. It is clear that the current roles performed by the MMRDA overlap with at least one among the above listed institutions. The rising fortunes of the MMRDA thus cannot be explained as a continuation of expected role or the rising importance of the planning function.

The reasons for this rise have to be located in the structure of the MMRDA. While the MMRDA has been created through an act of legislature, it is not accountable to the legislature but to its board. The board is headed by the urban development minister of the state government and while it has representation from some of the local bodies in the region, including the BMC; it is largely dominated by bureaucrats and technical experts. It is amenable to smoother, less uncertain decision-making. Further any changes in decisions pertaining to projects need not take the long, cumbersome routes that are necessitated in democratically structured organizations. It has developed the capacity to be a nimble organization through management

of different types of consultancies rather than adding to its staff size. With projects, it has demonstrated the capacity to bring in new actors such as consultants, non-governmental organizations and academic institutions and researchers into its fold as need be. It can experiment; bring in policies, projects, modes of functioning that are flexible and seen as exceptions. In short, its structure is relatively free of the hassles conventionally experienced in government bodies with more political or local representation.

The experience of other development agencies in the state is in contrast to this. Some development agencies have actually witnessed stagnation with the rise of the MMRDA and other executive-controlled organizations. MHADA is one of these. MHADA is a state institution with a strong regional base and is created for affordable public housing. Potentially it can play several of the roles that currently MMRDA is playing such as slum rehabilitation authority, consultant to urban local bodies, rental housing, sanitation etc. However, its role even in public housing creation is being restrained. The reasons for the same are to be found in its structure. MHADA is structured as a Board but has strong political representation. Its budget is approved by the legislature. This makes the decision-making vulnerable to political differences and manoeuvres, and poses difficulties for continuities in decisions or possibilities of bringing in new actors.

The capacities outlined above have particular significance in the era of globalization. The structure of the MMRDA enables the entry of international capital which demands a more secure environment and returns for its investments. Further MMRDA had already shown preparedness towards financialisation of projects through the use of TDR in projects like MUTP. This would have been difficult in case of other institutions. The managerial and technical capacity of the institution is an added bonus. This is called on in the case of propelling reforms in other urban local bodies in Maharashtra.

There are other more pragmatic reasons underlying the rise too. The MMRDA is a state government institution. The lead municipal body in the area ie the BMC has been ruled by a Shivsena led alliance for the past fifteen years. The political preference of the ruling Congress at the state level is thus also to the MMRDA, an institution more amenable to its control.

NEW QUESTIONS

The rise of the MMRDA gives rise to new sets of questions.

The first set of questions has to do with the contradictions contained in the shifting role of the MMRDA. As Mumbai becomes the central point of international investment and capital, the need for coordinated planning has never been as critical. However, in the vastly expanded arena of MMRDA roles which include real estate developer, experimenter, financier, consultant, manager; the place of planning seems to have reduced significantly. Planning has become secondary to the projects around which the institution is expanding. Projects have lent dynamism to the hitherto under-resourced function of planning but projects are also generating uneven regional developments. To illustrate, some of the projects such as rental housing or transport projects contain elements that are not in accordance to its own land use and industrial location policies. This could lead to not only spatial unevenness but also produce discordant infrastructure.

Secondly, the institution through its significant repository of TDR is emerging as a stakeholder in the real estate market, as an institution whose economics is linked to speculation in the land market than as an institution which is committed to public interest in this case to control of land prices

and regulation of speculation. This is a significant deviation from an earlier position where the State took upon itself to intervene in land markets to protect public interest; now the state itself seems to have become a key market stakeholder. There is however no change in the legal framework which empowered the state to intervene in land markets.

There is another dimension to the contradictions in the roles currently played by the MMRDA. While several of its roles correspond with the thinking of the state acting as a facilitator, some of its roles are not in line with the same. These include the sanitation programme in which NGOs are being funded to create community toilets on a large scale in municipal corporations in the MMR region and the post resettlement initiative in colonies of populations displaced by the infrastructure projects such as MUDP and MUIP to restore livelihoods and respond to health concerns. In all these projects, the institution acts in a provider role. What is more, these projects are also new projects. It illustrates that the withdrawal of the state from provision is not a uniform process.

A second set of questions addresses the implications of the emerging institutional architecture in the state. The structure of the MMRDA was proposed in relation to its original mandate of regional planning with Mumbai as the centre-

point. The current geographical and functional outreach of the institution far exceeds this mandate. Some of its roles are to do with the urban local bodies in the state ie much beyond the MMR region. Similarly its functions, as elucidated earlier go much beyond planning and also include financing, consulting, infrastructure generation, capacity building etc. However the structure remains unchanged. It is a structure that is dominated by Mumbai with some representation to local bodies in the metropolitan region. There is no representation of local bodies beyond the region. The functional expansion makes MMRDA into an institution with tremendous power over urban local bodies; however they lack a reciprocal representation of their voice in the conduct of the institution.

One of the most interesting emergent contradictions is that the rise of the MMRDA—a state government institution coincides with a period where decentralization is seen as the new urban development mantra. With the passage of the 74th Constitutional Amendment, urban local bodies gained a distinct functional and financial domain. Nearly two decades after the Act, the project of decentralization remains incomplete. One of the avowed objectives of the JNNURM is advancing the project of decentralization. However, it is during the course of this mission that the MMRDA actually extended its role as project consultant and reform monitor over local bodies in the state. The Mission became the

vehicle for centralized, strategic control of local bodies by a beauracatic, expert manned, Mumbai-based institution.

MMRDA-A Worliding Institution?

Globalization and its particular impact on cities have made forging world class cities a necessary project. Mumbai is no exception to the same. In several of these analyses of globalization, state institutions are uniformly seen to be part of the overall project of neoliberalism. Unlike several Western experiences; there are 'local particularities' in the responses in the governance domain. As seen in the MMRDA story, the project of neoliberalism is unevenly mediated through various state institutions. Institutions that are characterised by a more political character are seen to be vulnerable to uncertainty and political manoeuvres while expert, beauracatic institutions like the MMRDA are preferred and emerge as frontrunners in this new logic of developmentalism. That explains its rising fortunes.

The MMRDA story also illustrates that the 'State is necessary to the advancement of neoliberalism'. Neoliberalism implies a reconfiguration of state roles than a withdrawal. Most importantly, the MMRDA story is an allegory for how the Indian state has approached the advent of globalization. Globalization here appears as a coalition of local interests and international investment, fuelling mindless real estate growth with institutional and legal reform

taking a backseat. The monopolies of the State are kept intact while its priorities change. The rising fortunes of institutions like MMRDA incorporate these contradictions.

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