

HIDDEN SUCCESSES:

INNOVATIVE INSTITUTIONAL RESPONSES TO INDIA'S URBAN CHALLENGES

Introduction

The Special Program for Urban and Regional Studies (SPURS) at the Massachusetts Institute of Technology (MIT) in Cambridge, Massachusetts, and the Centre for Development Finance (CDF) at the Institute for Financial Management and Research (IFMR) in Chennai, India, are jointly organizing an international competition for research papers on innovative institutional responses to India's urban challenges, and will grant awards to the three best papers.

Animated by India's unprecedented economic growth as well as the consolidation of the nation's democratic governance system through the Constitution (74th Amendment) Act of 1992, this competition is intended to highlight otherwise overlooked cases of institutional innovation in response to rapid urbanization. India is clearly poised for changes that will significantly affect the lives of her citizens and are likely to manifest vividly in the growth of urban areas and surrounding regions. The Indian government rightly anticipated this challenge as far back as 1988 with the creation of the National Commission on Urbanization. More recently, it announced the Jawaharlal Nehru Urban Renewal Mission (JN-NURM), the most ambitious government initiative yet to encourage cities to deliver basic services to the urban poor, provide incentives for private investment in urban infrastructure, and reform local government institutions to facilitate a new relationship of accountability between cities and citizens.

These initiatives from the central government have generated varied institutional responses at city and state levels which merit close examination by planners, both practitioners and academics, but have yet to become the focus of planning research. While much is known about the dramatic changes in Indian economy and polity, comparatively little is known about how cities and public sector agencies have responded to such changes – even though some responses have been particularly innovative. For example, some local and state governments have been able to tap into capital markets to finance urban infrastructure development. New modes of resource generation have been accompanied by new risk-sharing arrangements, and increasingly asset formation is being linked to maintenance. Some cities have capitalized on these changes to provide basic services for the urban poor and to create new amenities.

This competition applauds such efforts to inject a new momentum into urban development and planning as India enters this development phase. We anticipate that the crafting and implementation of new approaches will require planners who are not constrained by orthodox theories and ideological biases. The cultivation of such a new heterodox mindset requires new teaching material for professional education, which is the ultimate purpose of this competition.

Three key assumptions underlie the solicitation of entries for the competition. First, in contrast to the generally pessimistic tone of most published literature on urban growth, this competition rests on the premise that some cities have fared better than others, and that such cases of relative success must be built upon to educate a new type of confident planner. Second, while most studies focus on multiple constraints faced by public sector agencies, relatively little is known about why some public sector agencies are able to perform reasonably well despite those constraints. Third, there is very little dialogue between planning academics and

practitioners regarding how to address the challenges posed by steady urbanization. This competition is intended to facilitate such a dialogue so as to better understand the variations in performance among cities and even among different sectors within the same city government.

Suggested Research Questions

The purpose of this competition is to better understand *innovative* responses to India's urban challenges. There is not, however, one definition of an innovative response. In fact, this competition encourages alternative formulations of what is to be considered an innovative response as long as good justifications are provided for such formulations.

One way to stimulate an unconventional approach to the question is to think about innovations as practices which bridge supposedly competing public policy goals. Public policy goals are often cast in either/or terms, implying a zero-sum situation: for example, either economic growth or social redistribution; either encouragement of private investment or enforcement of regulations; either enhancement of standards of service provision or universal service delivery; either historical preservation or modernization through urban renewal, and so on. Similarly, in standard accounts of how public policies are formulated, technical expertise and "political interference" are viewed as diametrically opposite types of input. Such orthodox assumptions do not allow creative thinking about how to achieve dual-positive, rather than zero-sum, outcomes.

A second way to think about innovations is to lower the benchmark. Useful innovations do not necessarily yield sudden dramatic changes and amazingly successful results. Most innovations that are successfully implemented do not require drastic changes in institutional

behaviors and result in gradual but steady improvements over a period of time. Incremental but steady improvements in institutional performance amidst economic as well as political changes are achievements worthy of investigation, but scholars and even planning practitioners often overlook them. Such changes may not be easily visible to the public, and there is a bias embedded in conventional thinking that large problems require large visible solutions. Such thinking generally does not account for the multiple constraints facing public sector agencies, and discourages any curiosity about how innovations may emerge out of routine activities and unforeseen circumstances.

The following questions are suggestions for a new type of research inquiry this competition is designed to promote:

- (i) Have some Indian cities succeeded better than others in attracting private investment and creating a positive business environment without jeopardizing environmental standards? Have they been able to achieve this without providing large subsidies to big businesses? Why has increased private investment led to higher employment in some cities but not in others?
- (ii) Have some cities been relatively successful in renewing land uses to facilitate economic growth without accentuating spatial segregation of different income groups or deepening inequalities in service provision? Why have some cities been better at incorporating civic engagements into urban renewal decisions?
- (iii) Why have some cities been able to reap the benefits of administrative and fiscal decentralization which resulted from the Constitution (74th Amendment) Act? For example,

how have some cities managed to generate new sources of revenue, tap domestic capital markets, enhance credit worthiness, and reform their local administration while also delivering services to the urban poor? How have some cities been able to link asset formation to asset maintenance?

- (iv) Why have some cities been more successful than others in incorporating informal and unauthorized settlements into their social, physical and legal infrastructure? How have certain urban local bodies encouraged capital accumulation in the urban informal economy? How have some cities formalized informal housing areas without either drastically lowering planning and infrastructure standards or dramatically increasing the cost of maintenance?
- (v) Why have the regulatory institutions of some cities been more effective in promoting public safety while also attracting private investment? Why have some regulatory agencies performed better than others?
- (vi) What institutional practices have helped enhance the morale and performance of public sector agencies? How have some cities succeeded in creating a cadre of “street-level bureaucrats” to closely interact with service users and create a two-way flow of information between city residents and municipal agencies?
- (vii) How have some cities used urban design initiatives to enhance livability without restricting the access of the urban poor to public spaces? Why have some cities been more successful than others in leveraging urban design proposals as a way of redeveloping underutilized

areas? How have some cities been able to enhance traffic mobility through urban design and infrastructure planning without decreasing the housing option for the urban poor?

(viii) How have some cities managed to incorporate new information and communication technology into urban management without the need for radical restructuring of the data collection process, which is expensive and institutionally difficult to implement? Why have some cities succeeded better than others in utilizing e-governance applications to enhance the quality of services, particularly to the urban poor? Why has e-governance actually strengthened traditional governance mechanisms in some cities but not in others?

(ix) How have some urban local bodies and some public utility agencies learnt from past efforts? Why have some monitoring and evaluation efforts been more useful to policy makers than others? Under what conditions does organizational learning lead to capacity building?

(x) How have some cities been able to translate political promises into technically feasible and bureaucratically manageable efforts for city development? Under what conditions does the relationship between politicians and city residents, particularly from low-income areas, evolve from the traditional client-server relationship to one more conducive to long-term and geographically widespread development? Why were some cities able to implement politically unpopular policies, such as increasing user fees for services, without provoking major protest from previously subsidized groups?

- (xi) Why have some cities been relatively more successful than others in mediating land-related conflicts? How have some cities managed to prevent ethnic and communal conflict and foster social peace?
- (xii) How have some cities been able to modify traditional master plans to create a relatively flexible, open-ended vision of their future growth with a strategic outlook? Why and how have some cities built on their competitive advantages vis-à-vis other cities while also spreading the benefits of growth to low-income residents?

Research Methodology

Competition entries must draw on both qualitative and quantitative information from primary, secondary, or both sources first, to document that the focus of inquiry is a case of relatively good performance, and then, to provide an empirically grounded explanation for the improvement in institutional performance. A case worthy of attention, for example, is a city that is now able to supply water without interruption when previously it could not, or when its neighboring cities are still not able to do so. Another example is a city that has been successful in generating new revenue, perhaps in the form of increased property taxes, while comparable cities have not been able to do so. The key to the case selection is to identify through discussions with policy makers, politicians, and bureaucrats, instances when a public sector agency was able to make significant improvement in performance despite constraints such as bureaucratic inertia, governmental unaccountability, resource constraints, corruption and so on. Why are some public sector agencies able to break out of such constraints, while others continue to perform badly? This competition does not seek the standard explanations of success such as “political will” or

“charismatic leadership”; it encourages counter-intuitive insights about institutional performance emerging out of a historical understanding of particular institutions over time.

This approach to research differs from conventional research methodology in more than one way. First, cases of relatively good performance are unlikely to be “representative” of usual practices; in fact, cases must be selected precisely because their positive outcomes were unusual or unexpected. Contrary to conventional research in which “outliers” are ignored because they do not fit the general trend, this competition encourages a close look at precisely such cases, and in particular at the processes by which they became outliers over time. This requires a historical understanding of the process of institutional change, which rarely occurs as uniform and steady progress across all parts of the institutions at all times.

A second difference in methodological preferences is the focus on what are usually referred to as “unintended outcomes” in conventional analysis. Though the assessment of institutional performance may take into account intended outcomes as a benchmark, it should not be restricted to such conventional evaluation. It should also throw light on unintended outcomes, both good and bad. An example might be a city that planned to provide a particular service to certain low-income areas but found that the process, once initiated, created new pressures for the formalization of informal areas, or had some other unintended impact on, say, the city’s governance system. These unintended outcomes may turn out to be more valuable than the intended outcomes. This competition encourages such complex stories of social changes which are usually unpredictable but seem logical on hindsight.

The third difference in methodological preference is the stress on the tacit knowledge of practitioners and clients in contrast with codified data. This competition is intended to valorize

tacit knowledge of institutions as providing deep insights which should not be rejected as idiosyncratic impressions of social reality. If competition entries draw on formal interviews or informal conversations, however, care must be taken to check the validity of all statements. For example, if an interviewee proposes that a city was able to attract private investment because the investor and the local politician were working in cohort, that assertion has to be verified before it is treated as a fact in explaining outcomes. By laying out possible alternative explanations and demonstrating why a set of explanations may be more accurate and precise than others, the research narrative must demonstrate this search for what really happened and not what some interviewee may imply or assert about causalities.

Competition entries must draw on empirical facts as well as personal experiences and interpretations to weave stories of unnoticed successes which could withstand scrutiny by development scholars who are not beholden to any preconceived ideas or conceptual fads. To exemplify: If improvement in institutional performance is attributed to say, decentralization or privatization - two ideas in good currency at the moment - the competition jury will be seeking explanations that go beyond sweeping generalizations and disaggregate composite efforts into parts, like contracting arrangements, financing agreements, or maintenance schemes, even though all may fall under the broad rubric of a decentralization and privatization effort. The more details of the case that are provided, the better can the contents be verified and, hence, more convincing the explanations of good performance.

Criteria for Evaluation of Competitions Entries

MIT and IFMR have convened an international panel of jurors including senior faculty members of the Department of Urban Studies and Planning at MIT and the Centre for Development Finance at IFMR, with educational backgrounds and professional experience in architecture, civil engineering, development economics, urban planning, organizational theory, public administration, public finance, urban sociology and urban political economy. This panel will select the three best entries that provide fresh insights through empirically grounded and analytically rigorous inquiry into the kind of research questions posed earlier. Entries need not be restricted to the suggested questions, however; as long as the research fits the broad objectives of the competition and contributes to a better understanding of how public sector organizations are able to craft innovative responses to urban challenges in India, it will be eligible for review. The research has to be original, however, and must not have been previously presented or published in any form. The competition is open to all participants with interest and experience in the topic. When preparing entries, the authors should bear in mind the following three key conceptual underpinnings of the competition:

- (i) Importance of relative success. In contrast to the common perception that all past planning efforts have been ineffective, this competition considers that some efforts have been relatively more effective than others, and that any new effort must be built on a nuanced understanding of such relative successes. This hopeful view acknowledges that multiple constraints usually hinder planning outcomes, but seeks to understand how unconventional efforts have overcome some of these traditional constraints. Explanations for unexpected or surprising successes must go beyond conventional accounts, with their excessive emphasis on the personality traits or charisma of individual leaders. Instead, scholars and

professionals should seek, through historical analysis, to unearth the underlying institutional dynamics and larger political economy of the moment of institutional innovation. This not meant to undervalue the role of leadership; rather, entries should explain why leaders were successful only at certain tasks, or at specific moments, and how their strategies were influenced by factors both internal and external to the organizations they led.

- (ii) Heterodox approach. Relative successes usually result from a set of institutional arrangements that defy labels such as public, private, or non-governmental. Successful efforts emerge out of interactions among these three sectors; good analysis of these interactions requires a more nuanced understanding than broad and generalized terms such as public-private partnerships. Terms such as partnership and cooperation confuse rather than explain the complex and often contentious processes which precede agreement among institutional actors in the three sectors. Entries to this competition should strive to shed light on the process of antagonistic cooperation and why, under certain conditions, institutional conflict may still yield positive outcomes.

Similarly, relatively successful efforts often constitute actions at different levels of government, ranging from local to national, and are influenced by market pressures, local to global, as well. Likewise, politicians at multiple levels also influence planning outcomes, and not always in negative ways. Such complex and unpredictable processes of policy formulation and implementation cannot be captured by simple dichotomous terms such as centralization/ decentralization, statist/market-friendly, or top-down/bottom-up planning. Neither can such outcomes be labeled as best practices that can be replicated anywhere at any time by any

institution. This competition assumes that most planning efforts are not successful in every aspect, and that the success of any one component is not clearly visible from the very beginning of any planning effort. That is why this competition seeks documentation of uneven, murky and unexpected performance trajectories of moderately successful planning efforts.

(iii) Learning from practice. Traditional academic scholarship, which relies on preconceived conceptual categories and well-established theoretical paradigms, often fails to appreciate unexpected and mixed outcomes of institutional efforts. Far too often academics focus on the mismatch between the pace of urbanization and the ability of governments to supply housing, physical infrastructure and urban services, and then conclude that supply shortfalls cannot be bridged without adequate political will. While acknowledging the critical role of political leadership, this competition seeks richer explanations of why under certain conditions planners are able to articulate the will of politicians through well-designed projects, or what kind of “political interference” may have beneficial effects on planning endeavours.

Most academics are critical of both planning practitioners, who are labeled as bureaucrats, and politicians, who are considered shortsighted and often corrupt. As a result, academics and researchers in the field of urban planning are rarely curious about how certain urban problems do get addressed despite numerous constraints; and they do not consider either the practitioners or the politicians as a source of knowledge for theory building. Practitioners, on their part, have enormous tacit and informal understanding of how institutions work and why institutional performances vary across sectors and time periods, but they rarely converse with academics

because they generally regard formal academic theories as artificial social constructs devoid of real-life complexities.

This competition is intended to bridge this serious gap in knowledge production as Indian economy and polity further mature. It seeks to encourage the beginning of an intellectual discussion among academics, practitioners, and even politicians to document and explain cases of relatively successful planning efforts. The goal is to create a new tradition of scholarship which theorizes from practice, and not the other way around. Unlike traditional research, which seeks to valorize neatly laid out theories over messy accounts of practical efforts, this competition encourages analyses of unexpected outcomes of urban policies which draw on the tacit knowledge of practitioners and politicians as well as formal theories of social science. The challenge is, first, to identify hidden successes that may be known to practitioners and politicians but have not been acknowledged as such publicly.

The central objective of this competition, then, is to transcend the conventional style of scholarship prevalent in developmental literature. Entries should draw on multiple sources of knowledge about public planning efforts, and weave such varied understandings into useful insights about how institutional performance can be improved despite the usual constraints. The competition is not restricted to any one sectoral problem affecting urban life in India. In fact, authors are encouraged to seek examples of hidden successes and institutional innovations in any public effort intended for urban areas, ranging from provision of housing or employment, to infrastructure and services, in cities with which the authors are most familiar. Papers jointly authored by academics and practitioners will be of special interest to the competition organizers.

Awards

Three awards comprising a first prize of Rs. 1 Lakh, a second prize of Rs. 75,000, and a third prize of Rs. 50,000 will be granted to the three best entries to the competition. The papers will also be published in an edited volume which will include specially commissioned chapters written by prominent academics and practitioners. Publication of the book will be followed by a conference, jointly organized by the Special Program in Urban and Regional Studies at MIT and the Centre for Development Finance at IFMR, to disseminate the research findings. The winners of the competition will be invited to present their work to the conference participants.

Since the ultimate objective of the competition is to create new teaching material for professional education, winners of the competition will be offered the opportunity to develop their research papers into case studies appropriate for teaching purposes. The first prize winner will be invited as a visiting fellow to MIT to present the case study in a manner suitable for inclusion on MIT's OpenCourseWare (<http://ocw.mit.edu>).