



The Crisis of Legitimacy in Urban India: Analysis of Non-State Actors in Decentralised Governance

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Abstract:

This paper explores the relationship between the state and various non-state actors in the developmental politics of postcolonial India. The article critically evaluates the contradictory push and pull of crisis embedded in the forms and contents of supposed democratic governance. It tries to look into emerging neo-liberal enclaves of governmentality, which usurp the state's governing power/capacity and the welfarist developmental needs of people through the language of efficiency and consumer citizenship. India's "reform by stealth" has created a crisis of legitimacy for existing and expanding state institutions thought along the rights-based visions of the common good. One such phenomenon is democratic decentralisation, which is central to the disbursement of welfare policies. The market has captured the privatisation of basic amenities in India, adding newer dimensions to neoliberal governmentality. The relations between the state and various non-governmental, civil society organisations and transnational organisations have led to overlapping the state's functions and "transnational governmentality". This creates a crisis of legitimacy for both the state and the market because people continue to traverse plural forums of legality to register their participation and argue for accountability. While the market-based claims of efficiency try to hollow out state capacity, the state, in turn, continues to pitch its welfare capacity in terms of reach and expanse. The study of Corporate Social Responsibility (CSR) of Maruti Suzuki company in providing piped drinking water in Gurgaon places developmental politics of state and market in the complex interstices of competing conceptions of law and emerging transnational organisations activities. The existing rights, services and obligations framework creates a complex anomaly for exercising citizenship rights. Civil and political societies struggle to make sense of multi-vocal forums of grievance redressal.

Keywords: crisis of legitimacy, decentralisation, Gurgaon, drinking water, legal pluralism, governmentality

Introduction:

In the present context, newer governance techniques are emerging at the crossroads of changing land and labour relations, especially in the newly developing townships and cities in peri-urban India. The questions of democracy and the development paradigm become central in evaluating such processes. In the postcolonial developmental politics of India, the quest for economic growth was coupled with social democracy. Such a developmental imagination pitched together a model of growth and developmental discourse within the ambit of the federal structure. The national vision of development led by the planning commission held onto the Nehruvian idea of state-led development for decades. The course of developmental programmes in India was constitutionally enshrined in the forms of rights and the directive principles of the State's state policy to provide essential support for the survival of human lives in India.

The developmental ideology was central to the post-colonial state as apart from self-rule and incorporating a representative form of government, the directing of programmes and policies through

the planning documents operated both in the realm of bureaucracy and civil society. Planning as a legitimising tool was constituted outside of the domain of politics but became a tool for politics (Chatterjee, 2000).

This paper will first discuss the macro paradigm of democracy and development in India. Then, we would discuss the trajectories of neoliberal policies in urban India: economic restructuring, territorial regulations, privatisation and industrialisation. We will then focus on the study of Corporate Social Responsibility (CSR) of Maruti Suzuki company in providing piped drinking water in Gurgaon.

Macro Politics of Development and Democracy:

The dominant idea of state as conceptualised in the 'West' is one in which sovereignty reigns supreme, the one which governs and that reproduces an imaginary dimension that distinguishes its deeds from any other agencies and central is the concern of legitimacy which is generated through the practices of state in terms of authorisation, conflict resolution and delegating power through law, constitution, rules and certificates (Hansen, 2001). Our paper notes that the

hegemonic imposition of state policies over the people is crucial at the ideological level. Still, the form highlights how a generation of legitimacy and its crisis is created, which takes more than hegemonic imposition. Hansen (2001) would point to the two dimensions of the state- “the sublime and the profane”, where the sublime dimension of the state would entail the hidden resources, designs and power, and the profane is the most brutal, partial, banality of technical side of governance. Studying the state and the crisis emerging from its dimensions requires considering both the sublime and the profane dimensions of the state because the claim here is neither to support one side over the other.

In this paper, our contribution to scholarship on development is twofold: firstly, to the emerging discourses on urban governance paradigms in developing countries, where we analyse the crisis emerging both for the state and the non-state actors and secondly, the paper focuses on the problem generated from the tussle of the state and the market. Our primary objective in this paper is to highlight the issue of legitimacy for both the state and non-state actors emerging from ‘transnational governmentality’ (Ferguson & Gupta, 2002). As the dominant regime of transnational political economy has occurred, it spatialises the states. The ‘transnational governmentality’ acts as a way to legitimate and naturalise the state’s authority where transnational organisations overlap their traditional functions and the questions of sovereignty arise, where the native states are not interested in maintaining the vertical sovereignty instead use techniques of governmentality to cater to the needs of free market policies. In the history of development studies, this has been treated as a “retreat” of the state. Searle (2013), in her work on real estate development in Gurgaon, has analysed how the privatisation and inflow of global capital in India has led to the creation of newer stakeholders like bankers, analysts, fund managers, consultants to sell the dream of growth to invest in real estate.

In the Indian context, where agriculture has been considered the vertebrae of the economy, the share of urbanisation has not been as central to the economy, be it through industrialisation and allied services, which contributed to the economy in limited terms. Therefore, policies and planning around urbanisation have been seen to have contributed only marginally to the economy (Ramachandran,1992). Post-economic liberalisation and democratic decentralisation, the issues around the formulation of urban policies grew in debates and discussions. Significant concerns emerged around giving the municipality more powers, drafting regional-level policies, financing the cities, and competitiveness among cities and states to pull domestic and foreign funds. At the national level, the planning documents in 5-year plans reflect the

more significant policies formulated by the central planning agencies. Shaw (1996) saw the changes in the urban policies from the first five-year plans (1951-56) heading towards capital accumulation and the encouragement of demand -politics post-1960s. However, if the methods are studied in detail, then it would entail that there has been a supply-based approach to urbanisation in policies and programmes, where the central government’s role as ‘central allocator’(Shaw,1996) of funds has also put a question on the decentralisation.

Manufacturing crisis:

In emerging neo-liberal enclaves like Gurgaon, the transition from state-led to market-led development has been part of many essential processes. Firstly, through the power of ‘eminent domain’ of the Land Acquisition Act 1894, the state can acquire land for public purposes. The post-colonial state continued with a similar paradigm and pushed for manufacturing and IT sector at the expense of agriculture. The rural agricultural belts were seen as a gateway to the ‘millennium city’. While land acquisition has continuity with the pre-liberalization era, liberalisation, privatisation, and globalisation (LPG) exacerbated the surge towards expanding private governance. As a market facilitator, the state has acquired a curious position of subservience. Post-liberalisation, demand-led development has been led by ‘indigenous capitalists’, private developers and ever-expanding foreign investors.

The pathway to rapid urbanisation needed to be addressed through promulgating the Special Economic Zones (SEZ) Act 2005. The certification of neo-liberal enclaves has created the possibility of land acquisition by ‘designating’ and ‘developing’ areas along the public-private partnership. Agricultural land has come to the fore regarding the public contest over acquisition. It has also led to organised protests and legal claims over regimes of compensation and rehabilitation. Such contests have created a crisis of inevitability for landowners, dependents and their social world. The neo-liberal regimes have short-changed the terms of the welfarist social contract between the state and the people. The private players have come to enjoy the power of acquisition through direct purchasing or the state's property transfer under government rates. The new property regime is under a perpetual state of seizure and appropriation. The landowners, the landless, must not have to rapidly negotiate the changing rhythms of state and market by succumbing to the lure and march of capital or tacitly abide by it. As such, the role of panchayat and community organisations becomes central in negotiating the terms of dissent and securing material benefits. The non-state actors encompassing community organisations play a

significant role in mediating such a crisis of inevitability.

The cunning of the state and market both push the affected parties to look for solutions within the paradigm of a neo-liberal state. The panchayats, municipalities, and courts of law are made by the project involved to secure favourable bargaining power in terms of ‘staying’ the whole scale acquisition, ‘securing’ pockets of influence, ‘acquiring’ high market rates with the buyer, ‘argue’ for better compensation and rehabilitation. In such scenarios of the developmental contest, the paraphernalia of state and government emerge to be coercive, while the market appears to offer a better bet. The state's coercive power lies in changing the idiom of land from agricultural to non-agricultural land or even defining public purpose on its terms. The project affected, therefore, feels that the market provides a better bargain regarding monetary benefits. Also, the prospect of development of the neo-liberal enclave builds on a new promise of diversification of occupational choices and the option of more unique opportunities for realising consumer needs and aspirations.

Neoliberal Enclaves and Crisis of Legitimacy:

The paper tries to critically evaluate the contradictory push and pull of crisis embedded in the forms and contents of supposed democratic governance. It tries to look into emerging neo-liberal enclaves of governmentality, which usurp the state's governing power/capacity and the welfarist developmental needs of people through the language of efficiency and consumer citizenship. India's “reform by stealth” (Jenkins, 1999) has created a crisis of legitimacy for existing and expanding state institutions along with rights-based visions of the common good. One such phenomenon is democratic decentralisation, which is central to the disbursement of welfare policies. The market has captured the privatisation of basic amenities in India, adding newer dimensions to neoliberal governmentality. The relations between the state and various non-governmental, civil society organisations and transnational organisations have led to overlapping the state's functions and “transnational governmentality”. This creates a crisis of legitimacy for both the state and the market because people continue to traverse plural forums of legality to register their participation and argue for accountability. While the market-based claims of efficiency try to hollow out state capacity, the state, in turn, continues to pitch its welfare capacity in terms of reach and expanse. The sanitation and piped drinking water case study in Gurgaon places developmental politics of state and market in the complex interstices of competing conceptions of law and emerging transnational organisations activities. The existing rights, services and obligations framework creates a complex anomaly for

exercising citizenship rights. Civil and political societies struggle to make sense of multi-vocal forums of grievance redressal.

The Case of Maruti Suzuki CSR Activities in Gurgaon:

Maruti Suzuki's impact assessment report on community development becomes an essential arc around which we can understand the influence and changing context of welfare and services. Corporate Social responsibility (CSR) exercise has been a gradual step towards expanding welfare services earlier rendered by the state, now manufactured as consumer services. Such developments secure legitimacy for the corporation while delegitimising the state welfare capacity along the lines of lag and inefficiency. The panchayats and municipalities become a bargaining prop or symbolic accessories of governance. The range of services and interventions in the sphere of access to portable drinking water through water ATMs, setting up of sanitary facilities, sewer lines, solid waste management and focus on Village cleanliness, funding and infrastructure development of existing schools and is setting up new Maruti hospital, along with infrastructure development of Government dispensary, running a pilot project on reducing anaemia, developing common community infrastructure along the lines of community halls, paved streets, bus shed, cremation ground, parks, etc, shows the length and breadth of permeation of CSR initiatives into the everyday life as well as governance discourse.

The MSIL (Maruti Suzuki India Limited) has set up 27 water ATMs in 25 villages to provide drinking water to community members at an affordable price. Over 24 million litres of drinking water have been dispensed since the commencement of the project. The water ATMs are self-sustainable as the operations and maintenance costs are met through user fees. Also, around 20 KM of water pipelines have been laid, and overhead water tanks have been constructed to improve the potable water supply infrastructure.¹

¹ Impact Assessment Study of Maruti Suzuki India Ltd CSR Projects, submitted to Maruti Suzuki India Limited; www.neerman.org



Figure 1: Water ATMs at Kasan village, Manesar (Gurgaon):

External agencies like private developers and industries come to occupy the space of the town. The word space does not only mean geographical and social spaces. In the Public Private Partnership (PPP) real estate development model, the developers and the industries carry out their business and legally mandated Corporate Social Responsibility (CSR) activities. In one of the villages, Kasan, in Gurgaon district, the majority of the land of the village has been acquired by the HSIIDC (Haryana State Infrastructure and Industrial Development Corporation) and given to Maruti Company for setting up Industrial Model Township (IMT); no other private developers reached out to this village for any real estate development. The Maruti company set up water dispensing ATMs in Kasan, Dhana, Baskhusla and Bas-Hariya villages of Manesar as part of their CSR initiative.² In this installation, the company pays for the establishment cost, and the panchayat owns the plant and pays for the water and electricity for it to run. Not only these, but this company has also made forays into other aspects of public utilities. R.P. Shankhi³, a respondent, also mentioned how sewerage facilities and toilets were developed in each house after Maruti adopted this village under CSR (Corporate Social Responsibility). Maruti also developed a village community hall over the village Panchayat Land. An RO water purifier tank has been set up by the Maruti in the village, and it is situated in front of the present sarpanch Balbir Singh, a Rajput caste.

² <http://economictimes.indiatimes.com/news/politics-and-nation/maruti-suzuki-india-sets-up-4th-water-atm-in-manesar/articleshow/57268309.cms>

³. An interviewee who runs a stationary shop

The young Dalits living in the village complained about how the Sarpanch used his power and dominance. He had connected an external water pipe from that tank to his own house and how the money collected after the sale of the water is being accumulated within his family.

A local shopkeeper remarked, "Whether it be any government at the state level, no government has to do anything with the development of the village." On asking about the educational level of the village, he mentioned that there is only one M.Sc. in the village. He also said that only Dalit kids and migrant workers' children go to the government schools, and the upper caste kids go to the private schools in Manesar and Gurugram city. On enquiring about employment, he mentioned that the "locals" do not get jobs in the companies, as they are considered to create brawls and are not trusted with their work. The crisis of legitimacy and grievance redressal created by the state, CSR activities and even the arbitrary panchayat-level interference in the development of the village is self-evident from the complaints made by people in the interviews.

Conclusion:

The emergence of Gurgaon's neoliberal urban enclaves has created new interstices of overlapping sovereignty. The institutional practices of democratisation led by the state through decentralisation initiatives confront such enclaves through governable laws and hands-off autonomy. Such contradictory impulses lead to newer forms of re-territorialisation within the neo-liberal governance framework. The state and its welfare services are undercut through the language of inefficiency and misgovernance. The neo-liberal enclaves pitch efficiency ideas through various services and Corporate Social Responsibility (CSR) initiatives. These practices are either attached to the

existing governance practices of either representative and governing bodies of panchayats and municipalities or are seen as new interstitial spaces of exceptions where neo-liberal governmentality prevails. For example, setting up the service of water dispensing ATM at nominal rates precisely puts out the proposition that to access better service of portable drinking water, one has to pay, albeit nominally. The government-based piped water supply is reduced to just quantitative terms of access and welfare, while CSR-based services acquire a qualitative redefinition.

In the sphere of social reproduction of changing idioms of labour, the peri-urban spaces create a newer crisis of governability. With the rapid urbanisation of the landowners, tenants and newer workforce of migrants, the social equation undergoes fundamental changes along with the shifts in agriculture, industry and allied activity.

The availability of a wide range of forces creates the possibility of precarious lives for both the 'native' and migrant workforce. The unionisation activity associated with the spatialised workforce undergoes change whereby the locals are seen as impediments to the neo-liberal imagination. Such exercises push them into allied activity. Also, the perceived threat of migrants creates fissures among the existing workforce and makes unfavourable valuations of each other while the neo-liberal economy flourishes. The land owners and the sprawling neoliberal city require labour power in numerous ways. The landowners depend on rent and the use of labour power in agriculture. Similarly, the city needs workers for construction, manufacturing and allied services. Regarding the development of legal identity and social security, the migrants are not mapped and are subject to exclusion from the exercise of governmentality. This creates the possibility of lousy working conditions, along with a perceived threat and characterisation of migrants in negative terms, culturally, politically and economically. These developments lead to the use-value of migrants as lesser citizens. As such, the crisis of neo-liberal development in peri-urban spaces exposes the fissures in governance and governability, whereby both state and market compete for legitimacy in the short and long term.

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