Changing Structure of Governance in Non-Metropolitan Cities
A Study in Andhra Pradesh

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Globalisation has brought forward new modes of governance and technological options to urban local bodies in India in the last two decades. New governance mechanisms inspired by neo-liberal thinking make claims about making cities function better, substantially improving basic infrastructure and public services, and increasing local democratic participation. But a study conducted in two non-metropolitan cities in Andhra Pradesh indicates that the state has promoted public-private partnerships, outsourcing and contracting out in a way that serves private interests rather than social interests. The disparities between poor residents and non-poor residents have increased and caste plays an increased role in decision-making bodies, though through a so-called inclusive participatory approach.

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Recent literature reveals that urban India has been undergoing a drastic transformation over the last two decades in its form and governance mechanisms. Governance has been most often referred to in the political discourse as an improved form of government (Lama-Rewal 2009). However, governance as a political project has been criticised as a vehicle for the neo-liberal agenda. More particularly, the "depoliticising effect" of the concept of governance promotes a "technocratic management of politics", "a project for the elimination of politics", and "a depoliticised view of processes of social change" (Chandhoke 2003; Jayal 1997; Harriss et al 2004).

Following the institutional reforms of the 1990s, the state has been engaged in an agenda of transforming cities in the country into "world-class" and "slum-free". The world-class cities agenda aims to create nodes for the circulation of global finance and investment-friendly locations (Harvey 2000, 2008). The slum-free cities agenda is meant to mobilise the support of the middle classes and lower social groups for the neo-liberal programme. These two agendas are, in some sense, interlinked. As Harvey (2008) says, much of the creative destruction we now witness in the urban process has to be understood in terms of the internal contradictions within the dynamics of overall capital accumulation. In this study, reforms entail homogenised planning through new governance mechanisms at the level of metropolitan cities, which seems to be influencing the planning of non-metropolitan cities and small towns as well.

Focusing on the cities of Visakhapatnam and Tirupati in Andhra Pradesh (AP), the paper presents the post-reform thrust of new governance on urban local bodies (ULBs).[1] Visakhapatnam is the second largest urban agglomeration in AP in terms of population. Despite its large size, however, it is comparable to most small and medium towns. For instance, the nexus between politicians, contractors, resident welfare associations (RWAs), and caste and kin networks is rather transparent in Visakhapatnam or Tirupati, unlike a metropolitan city like Hyderabad. Similarly, several economic and non-economic features of these cities can be compared to any small or medium town in AP. Moreover, to become eligible for the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), both the Greater Visakhapatnam Municipal Corporation (GVMC) and the Tirupati Urban Development Authority (TUDA) included several villages and municipalities to claim a larger population.

These two cities have been studied to explain the intricate processes and underlying complexities in urban governance. The paper is organised into four sections. In Section 1, the urban reforms context, including programmes and projects undertaken in AP, has been detailed. Section 2 describes the methodology, and puts forth the rationale for the selection of the study sites and respondents. A brief description of the two cities, including their demographic and social composition, is also presented. Section 3 analyses the changing structure of urban governance in terms of public services in different sectors in both the cities. The last section critically summarises the findings of the paper.

1 Context

By the end of the 1990s, AP had undertaken several reforms to supposedly accelerate economic development and reduce poverty. The development of participatory institutions such as self-help women's groups, water users' associations, watershed committees, school education committees, mothers' committees, Rythu Mitra groups (farmers' clubs), and Vana Samrakshana Samitis (VSS; forest management committees) has been cited as unique features of the state's reforms. The Andhra Pradesh First Referral Health Project (APFRHP), supported by World Bank, and the District Primary Education Project (DPEP), backed by the Department for International Development (DFID) and the World Bank, have been flagship programmes in the health and education sectors. The state government has emphasised the Development of Women and Child in Urban Areas (DWACUA) programme and the thrift groups in urban areas.[2] Most of the government urban poverty programmes are routed through these thrift groups and societies. It is important to note that these groups and societies created a favourable environment for the new governance operationalised in the post-1990s.

The major urban governance reforms, programmes, and projects initiated in AP since the early 1990s include urban poverty programmes such as the Urban Basic Services for the Poor (UBSP), the Rajiv Gruha Kalpa and the Integrated Novel Development in Rural Areas and Model Municipal Areas (INDIRAMMA) housing schemes, the AP Urban Reforms and Municipal Services Project (APURMSP), the Rajiv Nagara Bata programme on civic infrastructure and services, the Swarna Jayanti Shahari Rozgar Yojana (SJSRY), and the AP Urban Services for the Poor (APUSP), supported by the UK's DFID. More radical attempts at urban reform and restructuring are carried out through the JNNURM),[3] the Mission for Elimination of Poverty in Municipal Areas (MEPMA),[4] and the World Bank-sponsored AP Municipality Development Project (APMDP).[5]

The JNNURM and the APMDP programmes have come into particular scrutiny, the former being referred to as the "official carrier of neo-liberal urbanism" (Banerjee-Guha 2009: 96-97), which sees cities primarily in economic terms as engines of growth, while creating "modern", homogenised societies. The JNNURM has also come in for a great deal of criticism for the manner in which it advocates outsourcing, privatisation, and public-private partnerships, reducing the state to the status of a mere facilitator rather than an actual delivery agency when it comes to social necessities and essential urban services. The cities included under the JNNURM are supposed to emerge as more livable and secure places with, of course, a global character.

According to the municipal officials of the two cities, the DFID's initiatives contributed significantly to shifting the approach of ULBs to a community-centric one and initiating consultative processes with civil society organisations. Accordingly, community development plans covering urban slums were prepared. In these plans, the basic unit is not an individual but a group, usually based on kinship. These groups together form neighbourhood committees (NCs) at the ward level and the NCs together form neighbourhood societies (NSs), which further congregate to form town-level federations called community development societies (CDSs). Each group is represented by a president, secretary, and a representative at each level (NC, NS, CDS), giving the organisation a pyramid-like structure. This is important to understand how external agencies have been instrumental in creating local-level community structures for development, which no longer remains a direct responsibility of ULBs but that of the numerous committees and societies.

The reforms and state interventions have been justified by ULB officials on the grounds that existing institutional structures are inadequate to deliver public services effectively as urbanisation grows at a fast pace. Reforms have been taken up in ULBs to facilitate urban growth and to enhance the quality of life. They are essential to reach out to the "unreached" population, and also address growing disparities. External funding agencies emphasise community-centric approaches to ensure that local communities and civil society organisations participate in the development process and reduce the burden on the state.

The Centre for Good Governance (CGG) and the Dr Marri Channa Reddy Human Resource Development Institute (MCHRDI) are the two institutions that have emerged in Hyderabad, largely to accelerate the reform process in AP and institutionalise good governance practices. The idea for these institutions emerged from the World Bank and DFID project initiatives and they are meant to standardise and homogenise the organisational work culture in the government organisations across cities and towns so that it is easier to foster public-private partnerships more amicably.

2 Methodology

Visakhapatnam, in north coastal Andhra, and Tirupati, in the southern Rayalaseema region, were chosen as sites of investigation as both have experienced significant urbanisation in the last two decades. Visakhapatnam is in an industrialised setting, while Tirupati is in a backward drought-prone region. They represent different sociocultural and economic regions with distinct urban histories and different social compositions. The study initially tried to collect all the data available from official sources, both published and unpublished documents. After assessing the pre- and post-reform processes in AP, an inventory was prepared of key officials, political leaders, and

civil society organisations at the state level and at the two specific study sites. Details of study respondents have been provided in Table 1.

Table 1: Details of Study Respondents

Type of Respondents	City			Total
	Visakhapatnam	Tirupati	Hyderabad	
Municipal officials	12	6	5	23
Political leaders/ corporators	7	7		14
NGOs	4	9		13
Academics	3	2		5
Journalists	1	2		3
User groups* (residents)	39	31		70
Total	57	66	5	123

* Six zones in the GVMC (Gajuvaka, Akkayyapalem, Kancherla Palem, Maddela Palem, Gopalapatnam, and Jagadamba) and 36 wards in Tiruapti were covered. The respondents belonged to different occupational groups – daily wage labourers in slums, housewives, retired employees, local ward leaders, and activists.

The fieldwork was conducted in three phases. The first phase covered municipal officials and other opinion-makers from December 2008 to January 2009, while the second covered user groups during June and July 2009 to get feedback on public services during the last 10 years. The third phase in April 2011 included key respondents across all the categories. There were also seven focus group discussions held at urban health centres (UHCs) as well as slums. Data was collected in the fieldwork through interviews, group discussions, case studies, and observations.

Brief Description of the Two Cities

Visakhapatnam is a major port and industrial hub on the eastern coast of the Indian peninsula. It is the second largest city in AP and had a population of two million in 2011. More than 45% of the city's population lives in about 700 slums scattered around it. Visakhapatnam has experienced rapid industrialisation with an oil refinery, zinc smelter, shipyard, and steel, fertiliser, and polymer plants, among others. Economic growth has been mainly due to the development of the port and industrialisation. The sex ratio was 971 in 2001, which is below the state average of 978.

Tirupati is about half the size of Visakhapatnam (270 square kilometres) and was home to a population of just under one million in 2011. Its urbanisation has been influenced by the Tirumala Tirupati Devasthanams (TTD), a temple organisation that contributes significantly towards public services. Like

Table 2: Growth of Population in Visakhapatnam and Tirupati

Year	Population		Area (sq km)	
	Visakhapatnam	Tirupati	Visakhapatnam	Tirupati
1951	1,08,000	25,207	20.23	24.00
1971	3,52,000 (225)	65,843 (161)	76.32	70.73
1991	7,50,000 (113)	1,88,540 (186)	116.60	106.00
2001	16,23,000 (116)	7,30,913 (288)	533.00	270.00
2011	20,37,458 (80)	9,00,216 (81)	—	—

Figures in brackets are percentage.

Table 3: Number of Slums and Slum Population

City	Number of Slums	Slum Population	Percentage
Visakhapatnam	600*	7,30,013*	45
Tirupati	73**	3,20,000	44

* List prepared for the JNNURM by the GVMC; ** includes 43 notified,[6] 30 non-notified slums in both government and private land.
Source: GVMC (2007); Rao (2000); Choodamani (1998); census reports.

Visakhapatnam, Tirupati has a large slum-dwelling population – about 44% of the city's total population lives in 43 notified and 30 non-notified slums (Tables 2 and 3).

There has been phenomenal growth in both the cities, although Tirupati's population grew much faster than Visakhapatnam's during 1991-2001. The administration of these two cities is carried out by the GVMC and the Tirupati Municipal Corporation (TMC) respectively. Both the Visakhapatnam and Tirupati corporations include several villages, the former to be a larger entity and the latter to attract JNNURM funds. The GVMC, the second largest municipal corporation in the state, has an annual budget of Rs 1,000 crore while the TMC has one of Rs 232 crore. The main sources of income for both the cities are property tax, water charges, building licence fees, advertisement tax, and dangerous and offensive (D&O) trade licences. More than 50% of their total revenue comes from property and vacant land tax (APUSP report, Tirupati; City Development Plan, Visakhapatnam).

In terms of development initiatives for the urban poor, apart from government programmes, the Visakhapatnam Slum Improvement Project (VSIP) was implemented with a £9-million grant from the DFID between 1988 and 1996, covering 2,00,000 slum residents. This project provided public services to the notified slums in the city. In Tirupati, the non-governmental organisation (NGO) sector is a major player in implementing urban poverty programmes primarily supported by the DFID and World Bank.

In terms of numbers, fishermen communities such as the Besta and Jalari are the largest castes in Visakhapatnam (Rao 2000). But in terms of social influence, it is the upper castes such as Reddys, Kammas, Rajus, brahmins, and vaishyas that count. The backward castes comprise nearly 30% of the city's population and they include Gavaras, Yadavas, Settibalijas, Vadibalijas, Koppula Velamas, and Kamsalis. Muslims and Christians together constitute 10% of the city's population, and scheduled castes (SCs) and scheduled tribes (STs) comprise 22% of it. The upper castes are the propertied classes, owning hotels and restaurants, theatres, cloth businesses, commercial complexes, and so on. Contractors and residents' welfare associations (RWAs, largely controlled by the upper castes, are significant actors in the new governance framework. Both these groups are linked to one political party or the other.

Similarly, in Tirupati, the mayoral candidates and political representatives (members of Parliament and the members of legislative assembly; MPs and MLAs) have always been from the dominant castes such as the Balijas, Kammas and Reddys. Members of these three castes comprise the propertied class of Tirupati city, and they own commercial complexes, restaurants and hotels, and transport and tourism-related businesses. Estimates indicate that dalits, who largely live in non-notified slums, constitute about 25% of the urban population. Several migrants in non-notified areas do not even figure in urban records. Discussions with respondents in Tirupati seemed to indicate that villages had been included and excluded in the corporation to primarily balance the power structure. For instance, Reddy-dominant villages have been

included to offset the numerical advantage of the Balija community. Second, by including more villages, Tirupati municipality turned into a corporation, which makes it free of the state's roster system.[7] The power groups in the ruling Congress Party enjoy the support of the Reddy community, while the opposition Telugu Desam Party relies on the support of Kammas and Balijas.[8]

3 Changes in Governance

This section has a detailed account of the changes in the structure of local governance in terms of public services, particularly in health, sanitation and education. It also discusses changes in the structure of the ULBs themselves and in their decision-making powers.

Health Sector

In pre-reform days, urban public healthcare services were woefully inadequate in both Visakhapatnam and Tirupati. Even in the late 1980s, most government health programmes had to be channelled through maternity centres or municipal dispensaries in the absence of urban health centres. The thinking then was that people (rich or poor) in urban areas were capable of taking care of their needs as long as municipalities provided them with infrastructural facilities (such as roads, water, and street lights). Moreover, providing healthcare services was not considered a duty of ULBs.

During 1997-98, with the help of external funding agencies, the central government sanctioned urban health posts in every town and city, and the physical infrastructure for them was set up in 70 towns in AP. The ULBs allotted land while Rs 5 to 10 lakh was provided to each with World Bank funds for the cost of construction. As there was no provision for manpower in this project, the ULBs ended up handing over the health posts (later renamed UHCs) to NGOs, clubs, private agencies, and the like.

There was little support for the UHCs from the state government then and even today (Jacob 2009). Visakhapatnam has 14 UHCs, nine controlled by the GVMC[9] and five by the District Medical Health Officers (DMHO), while Tirupati has five,[10] all of which are run by NGOs. The GVMC is supposed to provide one UHC for every 5,000 people living in slums, but at present each UHC covers more than 50,000 people. Under the existing arrangement, the GVMC and TMC hire medical personnel, while their salaries are paid through NGOs to prevent unionisation and bargaining. Most of the operational staff, including doctors and auxiliary nurse midwives (ANMs), in UHCs are on contract. As there is limited recruitment, the permanent employees are shuffled to head one department or the other and the contract staff manages day-to-day operations. For instance, the public health department in Tirupati has filled only 231 of its 304 posts, but has 488 contract workers. This indicates a significant change in the structure of governance in providing public health services in both cities.

The municipal corporations do not allocate funds for UHCs, and their focus keeps changing from time to time depending on their source of funding. For instance, the reproductive child health programme, universal immunisation programme, and hepatitis control programme provide partial funding for UHCs, and they have been functioning in line with the agendas of these programmes in the last few years.

The VSIP, supported by the DFID, was implemented for eight years, and it was meant to lay stress on education, infrastructure, health and sanitation. Officials said that several programmes for slum development were implemented with the DFID funds. However, once the funding stopped, there was no follow-up action on these programmes. The basic understanding that municipal corporation higher-ups got from the DFID collaboration was that the ULBs should act as coordinating agencies, not delivery agencies. This has provided the basis for the way in which UHCs are now being managed – in Visakhapatnam, their monetary issues are handled by the GVMC, but their day-to-day functioning is the responsibility of private agencies.

Arilova is a UHC in Visakhapatnam that had acquired a good name for its health services, but it has been handed over to a private agency. The funds for the Arilova UHC were initially provided by the DFID (£9 million) through the VSIP, and it has good infrastructural facilities, specialised equipment, and a staff of 30. Once the VSIP ended, a private agency was brought in as advised by the funding agency, despite its efficient functioning under the DMHO.

A closer examination of UHCs indicates that when a doctor who heads the organisation is a part-time and temporary employee with low pay and low status, commitment to the job suffers.[11] This dimension is reflected in the overall organisational structure. Contract workers, particularly the paramedics and community health mobilisers, have to be involved in clinical services at UHCs in the morning hours and work with slum outreach programmes during the rest of the day. Working hours tend to be long as they have to fulfil the targets of UHCs as well as participate in government programmes from time to time. NGOs claim that UHCs run by them are more efficient because they perform mandatory health services as well as take part in government health programmes despite a low pay structure. Municipal officials also defend the UHC model as it gives them control over contract workers. Contrary to this, an activist observed that health workers in UHCs sometimes charge patients unofficially, and that the clinical services provided are inadequate while only a few medicines are often available.

Exacerbating the problem, financial support for urban healthcare programmes from overseas development agencies has generally sought to reduce the government's role in upgrading and expanding healthcare infrastructure. So while the GVMC and TMC have acquired new roles as coordinating agencies, actual service delivery is being outsourced to the private sector. Since the 1990s, service delivery has been entrusted to NGOs and profit-driven private entities, supposedly to make them more efficient. Of the GVMC's budget of more than Rs 1,000 crore for 2009-10, only Rs 2 crore was earmarked for healthcare.

However, a few TMC officials pointed to the Rajiv Aarogyasri Scheme (RAS), which is supposed to be a success story in

public-private partnership in healthcare. Even ULB officials suspect that Aarogyasri is manipulated by private hospitals to a great extent, with the result that it has been reduced to merely doling out government funds to private hospitals and clinics. Of the Rs 4,000-crore health budget in AP, Rs 925 crore (nearly 25%) is allotted to the RAS. Another TMC official said that corporate hospitals overcharge, hike up surgery costs, and bill for fictitious services that have not been carried out. In the long run, this may lead to further neglect of the public health sector. This is corroborated by research studies, which indicate that Aarogyasri is a classic example of promoting the interests of the corporate health industry through tertiary hospitals in the public and private sectors in both rural and urban areas (Prasad and Raghavendra 2012).

The purpose of examining urban health services is not to evaluate them in terms of the public sector versus the private sector. There are several studies that indicate numerous problems with the functioning of the public health sector in rural areas (Jacob 2009; Kennedy et al 2009). With the existing policies, the health services provided by the public and private sectors in both the urban and rural areas have been dismally poor. The manner in which PPP model is being pursued as an efficient service delivery mechanism raises serious doubts about the nature and role of ULBs. The services in some places in Visakhapatnam are so ineffective that the urban poor and marginalised have no option but to depend on King George Hospital, Victoria General Hospital, and other private hospitals. The presence of unqualified doctors in every slum in both cities, the growth of private clinics from 200 to 2,200 in the last two decades in Visakhapatnam, the increased disease burden[12] among the urban poor in both cities, and high infant mortality rates (50 and 41 per 10,000 population in Visakhapatnam and Tirupati) compared to Hyderabad (22) raise questions about the efficient delivery of services through the PPP model in the health sector.

The feedback from user groups indicated that though UHCs exist among them in name, the services provided by them are limited in scope (reproductive health needs, family planning, and immunisation). Several respondents indicated that diseases such as malaria, dengue, and tuberculosis have been on the rise among slum residents. Therefore, the UHC model, a part of the new governance structure, seems to have only strengthened the role of private agencies while the services actually provided by it to slum residents have deteriorated.

Sanitation Sector

According to the chief medical officer of Visakhapatnam, sanitation was not on the priority list of either the state government or ULBs before the 1990s. It was the plague in 1993 in Surat that triggered sanitation awareness throughout the country. In addition, the emphasis of external donor agencies, particularly their scale of funding, has been crucial in encouraging reforms in the sanitation sector.

Discussions with municipal officials in both Visakhapatnam and Tirupati revealed that the ULBs had outdated equipment, machinery, vehicles, and personnel with little or no technical capabilities. In addition, the severe financial crunch alongside inadequate staff during the 1990s were also pointed out. In the light of these, the argument floated by external donor agencies that technological upgradation and modernisation of infrastructure could be a panacea for urban decadence was accepted with little resistance. However, the new governance mechanisms in the post-1990s emphasised outsourcing service delivery to private agencies. For instance, machinery for de-siltation of drains and sweeping, and special machinery like excavators, compactors, recycling machines, and stealth machines used in the sanitation sector are all supplied by private agencies in both the cities. Mechanisation of sanitary work has been justifiably intensified. However, this mechanisation process has taken a route of contracting out work, providing a large niche to private agencies. The number of trucks hired by private agencies to dump garbage is reported to be higher than the actual number of trips. One of the key respondents indicated that the nexus between contractors, sanitary inspectors, and health supervisors has opened up a range of corruption issues and also ones involving caste and kin networks in the outsourcing of jobs.

As part of a larger discourse on community participation, the GVMC and TMC have been involving local communities in implementing sanitation programmes. A large proportion of the sanitary workforce is now contract staff. RWAs now play an active role in sanitation delivery. The GVMC has recognised RWAs as intermediaries between the government and sanitation workers. For example, in Visakhapatnam, the GVMC[13] provides funds from its sanitation budget to RWAs, who then hire sanitation workers and pay them using these funds. However, due to the lack of monitoring, funds are often embezzled and misused by RWA office-holders, with little effect on sanitation conditions in neighbourhoods. Further, sanitation workers are overworked and underpaid, making the pre-reform period when they were hired directly by ULBs and government agencies far better.

Along with RWAs, self-help groups (SHGs) have also been the mainstay of most of the sanitation and public health programmes. From 1990 onwards, 13,140 SHGs have been formed in 72 wards in Visakhapatnam, and 1,500 SHGs in Tirupati. Both the GVMC and TMC facilitate bank loans to these SHGs, and so it has been an incentive for women to organise themselves into SHGs.

A society called Subhram (cleanliness) has been initiated among the well-organised SHGs in Visakhapatnam.[14] There is also the Janachaitanya society, mainly to collect garbage from house to house, and create awareness among residents of the need for good sanitation. This scheme has been launched in all the slums of Visakhapatnam. The GVMC provides one tricycle worth Rs 7,000 to cover 100-150 households through RWAs or private agencies. In all, there are 52 groups working under Janachaitanya. The GVMC is only involved at the supervisory level,[15] with one person from the sanitation department monitoring the work of Janachaitanya workers. Another category is night sanitation workers on the main roads, especially the national highways, and in important commercial areas and

markets in the night. All these workers are hired on contract. Table 4 shows the distribution of different types of sanitation workers in the GVMC.

Table 4: Different Types of Sanitation Workers in GVMC

Type of Workers	Number of Workers	Proportion (%)
Permanent workers	1,190	19.49
Subhram workers	3,080	50.66
Janachaitanya workers	325	5.32
DWACUA*	123	2.01
Night sanitation societies	802	13.14
Other contract workers	593	9.71
Total	6,103	100

* Development of Women and Children in Urban Areas (DWACUA), a society formed in urban areas on the lines of the hugely successful SHG, Development of Women and Children in Rural Areas (DWACRA), in AP.
Source: Fieldwork data collected in 2009.

The table indicates that 80% of the workers are hired on a contract basis through agencies or societies. The GVMC hires workers on a contract for every stage of waste disposal, including at treatment plants. For all these categories of workers, the GVMC does not pay salaries directly to workers. The payment is made into the accounts of RWAs or private agencies. This method not only ensures cheap labour but also avoids any obligation to make the workers permanent. Commenting on RWAs in Visakhapatnam, one of the RWA secretaries said that several RWAs have played into the hands of middlemen and local political leaders. Over a period of time, a clear nexus has evolved between the political class, RWAs, and contractors. In a study, Coelho and Venkat (2009) comment that RWAs belong to a new politics representing an emerging partnership between civil society, the reforming state, and private capital. Kamath and Vijayabaskar (2009) in Bangalore also suggest that RWAs constitute an increasingly mixed bag with enormous variation in their composition, concerns, modes of engagement, and political relations.

The GVMC has privatised or outsourced 50% of all water supply activities, 100% of operation and maintenance (O&M) of sewerage, 50% of cleaning and disposal of solid waste, and 100% of O&M of street lights. The requirement of water for the domestic and industrial belt is around 70 million gallons per day (MGD) and the GVMC could tap only 35 MGD from all its existing water sources. With French financial support, the Integrated Water Supply and Sewerage Project was completed. This project makes it possible to draw 21 MGD from the Raiwada link canal. However, our study findings indicated that the slum population still faces a severe water shortage because priority in the supply is given to middle-class and high-end residential areas, and industries. This is corroborated by other studies as well (Rao 2000).

In 2010, the GVMC outsourced all sanitation work in all the 72 wards for 25 years to Ramki Enviro Engineers. As per the memorandum of understanding (MoU), the GVMC is to pay Rs 1,683 per tonne of waste taken to the dump yard as a trip fee. In Visakhapatnam, nearly 1,000 tonnes of waste is generated, which means the GVMC has to pay Rs 70 crore where it earlier used to spend a maximum of Rs 40 crore. Similarly, maintenance of streetlights has been contracted to a private agency for seven years. Our respondents said the contractor is linked to the ruling party and the agency does not switch on even 50% of the existing street lights though it collects money for all the lamp posts in the city.

Under the JNNURM, the GVMC has used Rs 244 crore to build underground drainage. It imposed a Rs 5,000 service charge per household drainage connection in 2008-09 and increased it to Rs 8,000 in 2009-10. However, below the poverty line (BPL) households were charged a one-time connection charge of Rs 1,000. Meanwhile, the water board has increased charges four times. As a part of JNNURM reforms, the GVMC had cut the number of public water taps from 12,000 to 6,000 by 2010, and resolved not to install any new public water taps in the city. Our respondents said that while water charges had increased, the quality and quantum of services had not improved at all.

In Tirupati, sweeping, cleaning drains, and house-to-house garbage collection have been outsourced by the corporation from the mid-1990s. However, one-third of the work is still carried out by municipal workers, one-third by private agencies, and the rest by both municipal and private workers together. The TMC has privatised[16] sanitary work to a large extent by employing 99 workers through private contractors for sweeping and cleaning streets, and removing silt from drains every day. About 31% of the sweeping area has been given to private agencies. In the TMC, there are two types of contract workers – casual labourers who collect daily wages and piecemeal workers. For the latter, the TMC allots the work at a certain rate and supplies the things needed, such as cleaning material, and so on. Once a contract is given, it is the responsibility of the group or agency that undertook it to fulfil it. According to TMC officials, this helps in cost cutting, affords a tighter control over workers because they can be fired at any time, and allows the scope for setting high targets, that might compel workers to put in additional hours without any extra pay.

Contract and Permanent Workers

There is a lack of parity between different categories of contract workers, and a huge disparity in wages vis-à-vis permanent workers in the sanitation sector. The wages paid to the contract staff are well below the minimum wage and they are not given any employee benefits directly. While permanent workers get about Rs 11,000 or more per month, contract workers[17] get between Rs 1,900 and 2,500 in both cities. Municipal officials in the two cities said that the monitoring process is strict with regard to temporary workers, and it includes fixing targets, measuring the quantum of work performed, and so on. So the quality and quantity of work performed by contract workers are much better compared to that by permanent workers.

Discussions with sanitation officials indicated that as a policy,[18] outsourcing and contractorisation are the key terms used in official meetings and training programmes at the Ministry of Human Resource Development (MHRD) for all sanitation-related issues in the post 1990s. To legitimise outsourcing and contractorisation, elected trade unions, SC and ST associations, *badili* (substitute) workers and their children have also been made eligible to participate in "tenders" to undertake contract work.

In the post-1990s, according to the officials in the sanitation sector, the scrutiny of media and community organisations has been intense. It is pointed out that direct telecasts of municipal council meetings and discussions about them in the wards have increased the representation of various stakeholders. Whether this can be taken as an index of the increased participation of local communities is debatable. Our findings indicate that in most cases ULBs direct complaints towards local societies, RWAs, or the like. This actually results in pitting one group against another within the local community.

One of the local activists argued that the TMC discriminates between rich and poor localities in the city. There are unauthorised colonies where underground drainage waste stagnates regularly, making poor dalits more prone to various diseases. To add to it, mosquito preventive measures do not reach these colonies. But in colonies where the upper middle class lives, the TMC takes interest and there is regular maintenance. One of the unauthorised slums in Tirupati called "scavengers colony" is surrounded by a fish market, a graveyard, and a dump yard. About 350 households (all of them belonging to SC/ST communities) have been living in it for the last 15 years. Visakhapatnam is probably not very different. A group discussion with members of the fishing community there revealed that public services in the relatively well-off colonies such as Pedda Jalarpet are better than in localities such as Chinna Jalarpet. The condition of unauthorised slum residents everywhere is woefully bad and it reportedly takes years or even decades to get some of these slums notified to gain them access to water, sanitation, and health facilities.

According to our key informants, more than 60% of the elected representatives in both cities are *benami* (proxy) contractors. It was revealed that an unwritten rule specifies that contractors have to pay 6% of any contract amount to corporators and 2% to the municipal chairman irrespective of which political party is in power. Hence, corporators (elected representatives) have high stakes in privatising public utilities, primarily because it will help them reap rich benefits. Contract work is classified into urgent and non-urgent work. Urgent work does not require inviting tenders. ULBs usually notify work as piecemeal work, which does not entail calling for tenders for work up to a certain magnitude. This has created scope for political manipulation, and favouring contractors from certain caste communities. Features of privatisation, particularly outsourcing and contractorisation, have further increased caste and kinship patronage. For instance, contracts have been garnered by Balijas, Kammas and Reddys in Tiruapti, while most of the RWAs, societies, and other local associations in Visakhapatnam are controlled by Yadavas, Reddys, Kammas and Setti Balijas.

The study's findings indicate increased coercion or bondage within the new contract system. For instance, the public health department in Tirupati outsources its work to outside contractors. While the contractors are from the upper castes (Balijas, Kammas and Reddy), the workers hired are mostly dalits. Due to the social and economic compulsions, these workers work for longer hours at lower wages. So, caste operates at different levels in subjugating and negotiating dominance. Local leaders,

RWAs, leaders of societies and associations, corporators, and their middlemen/agents are examples of the increased representation and inclusion of non-public actors in public life, but their combination has resulted in an acceleration of the large-scale corruption-driven privatisation drive of the state. As Kumar et al (2009) point out, the progressive dislocation of the interrelationships of the caste system faces new activities and social mobility, which has made the link between class and caste more tenuous. Thus the findings show that the new governance mechanism has paved the way for the entry of private capital to the sanitation sector in a big way through outsourcing, contracts and RWAs. But, in terms of services, it has had only a limited impact on the inhabitants of notified slums, leave alone non-notified slums.

Education Sector

Although there has been a significant increase in the number of children, no new schools have been opened in the post-1990s and even existing vacancies have not been filled. In Tirupati, for instance, there are 48 schools, of which 29 are primary schools, 11 upper primary schools, and eight high schools. There are 50 posts vacant in these schools. Our discussions with slum residents indicated that ULB officials show little interest in these schools as only children from the low-income groups attend them. One of the retired employees remarked that before the 1990s, these municipal schools were reasonably good at what they did and had a different class composition. But now, "even the minimum facilities are not there", he said, which has made them lose their diversity and credibility.

Infrastructure (buildings, toilets, labs, and libraries) is not adequate in ULB-run schools. To fill the void, the GVMC has initiated the Sreekaram scheme in 58 of the 72 wards in Visakhapatnam since 2007. Here, each school has approximately 30 children with a teacher on contract, who is paid Rs 1,300 a month. The GVMC selects only local residents as teachers or "vidya volunteers". In all, there are 350 schoolteachers, including vidya volunteers, in GVMC schools.

Sreekaram aims at strengthening the infrastructure of schools, including constructing new blocks and carrying out repairs of what exists. As the municipal corporation's budget allocation for school infrastructure is low,[19] schools have been advised to invite individual donors to participate in school development through Sreekaram. The new blocks or assets created in schools by donors will be named after them. In addition, donors are encouraged to participate in school development, and can avail themselves of several concessions such as tax exemption for the money they contribute. They can also use the school premises for weddings and other private functions at no cost, and build commercial shops on a temporary basis as long as they manage the school. Textile merchants and their companies such as Daspalla and the CMR textile group in Visakhapatnam now participate in Sreekaram scheme, appropriating all available land for commercial purposes. Our field data indicates that the premises of a school have been turned into a temporary shopping complex. Of 94 municipal schools under the GVMC, 44 schools are under Sreekaram.

Post-1990s, the state government has been advising ULBs to recruit vidya volunteers instead of filling vacant posts. A vidya volunteer is paid Rs 1,500-2,000 by the state government through the district primary education project (a DFID project) and with a matching grant by the local community. Most of the teachers in the schools in both Tirupati and Visakhapatnam are vidya volunteers, who have no commitment to teaching in the long run. In the 29 schools in Tirupati, 40 posts were vacant; this makes the vidya volunteers critical to the day-to-day functioning of schools. To save expenditure, vidya volunteers are recruited in August and relieved by February, just before the final examination. This has adversely affected the learning environment. Municipal officials associated with the education sector comment that initially municipal schools were run only by the corporation. Later, funding agencies such as the DFID and World Bank provided grants to run these schools with their ideas (for instance, recruiting vidya volunteers instead of regular teachers). A recent development has been to invite individual sponsors. "There is a clear trend towards privatisation in the school sector", commented one of the urban community development officers. The new governance has given rise to new models such as Sreekaram, which invites private actors to use prime land for commercial purposes. ULBs may manage to run schools with vidya volunteers, but they are compromising on the quality and quantity of educational services.

Other Changes in the Structure of Local Governance

Property tax[20] is the main source of revenue for the municipal corporations and it constitutes nearly 40% of the revenue in both cities. The state government is supposed to revise the property tax every five years. As part of reforms, a separate property tax board has been constituted by the state government, bypassing ULBs, to decide on the taxation of residences. This has actually diluted the spirit of the 73rd and 74th amendments to the Constitution on the one hand, and provided autonomy to this board to hike taxes, impose service charges, and the like, on the other. In addition, ULBs and several parastatal bodies have also increased taxes and service charges from time to time, thus increasing the tax burden on residents. Property tax increased from Rs 32 crore to Rs 76 crore in 2010 alone[21] in Visakhapatnam. In the name of "building regularisation and penalisation schemes", several crores of rupees have been collected from residents in both cities.

The state government has forced ULBs to provide property tax exemption to some private companies, such as the Gangavaram port in Visakhapatnam, which is leased out to the Anrak mining company, and the Hinduja power plant. In addition, the GVMC is estimated to be losing Rs 20 crore in property tax due to the exemption given to special economic zones (SEZs), and the Andhra Pradesh Industrial Infrastructure Corporation.

TMC officials said that they have to pay for the corporation's electricity consumption at commercial rates, while the state government appropriated the revenues generated by ULBs in one way or the other, thus leaving them high and dry in terms of financial resources. They added that this makes the situation of non-metropolitan corporations precarious in terms of taking reasonable decisions on local needs, while also in providing public services, maintaining parks, street lights, and other infrastructural facilities.

With the new governance, there are two ways in which the land use pattern is being redefined. One is by taking possession of existing buildings and land for commercial purposes such as the taking over of Sreekaram schools in Visakhapatnam by textile merchants; and two by of way private capital forcing ULBs to sell or mortgage land. Under the JNNURM, the Andhra Pradesh State Road Transport Corporation in Visakhapatnam was forced to give its land on lease for 99 years to CMR Mall, a private enterprise, and this is a case in point. Similarly, to mobilise matching grants for the JNNURM, the GVMC has mortgaged 250 acres of land in Narava and 400 acres in Mudasarla to take Rs 350 crore from the Housing and Urban Development Corporation (HUDCO).

In Tirupati, the corporation has not mortgaged its land but is struggling to mobilise the ULB's share of resources under the JNNURM. Presuming that the ULBs are able to borrow, how will they service and clear the huge debt without raising charges for the services they provide? The JNNURM is characterised by its critics as "the thin edge of the wedge" that will eventually lead to the privatisation of all urban services (Sivaramakrishnan 2011).

In the name of a "slum-free" city, slum residents in Visakhapatnam were forcefully evicted as their land had become prime property. In 2011, residents of Sevanagar and Omkar Nagar, close to the railway station, were evicted. Efforts are on to Indira Colony and Suryateja Colony. A corporator in the GVMC revealed that at least 117 of the 741 slums in the city have been evicted and that this is to gather force in 2014. In Tirupati, 13 of 73 slums have been evicted on some pretext or the other. A distinctive problem in Tirupati is the growing number of non-notified slums, for which the ULB does not provide any services. As part of alternative housing under the Rajiv Awas Yojana, only 3,024 of 15,300 houses had been handed over till 2010. Of these 3,024 houses, only 364 were given to the BPL population. Due to the increased pressure on housing (land prices, cost of housing and rents), a lot of migrants are forced to stay 50-60 km away from the city. They rely on some private mini vans to commute everyday for work in both the cities. One of the NGOs working in Visakhapatnam estimated that about 30% of the labour comes from semi-urban areas and villages on a daily basis.

With the JNNURM and reform process, both non-metropolitan cities had expected higher financial flows to the corporations. However, in reality, the ULBs have become more vulnerable, and the migrant population and poorer groups have been pushed to the margins in both cities. Land resources under ULBs have come under tremendous pressure from private agencies, and undue tax concessions to private companies have undercut ULBs' revenues.

Under the JNNURM, ULBs are expected to mobilise 30% of the project cost. As the asset base of non-metro cities and their financial health is poor, ULBs are forced to sell, mortgage, or lease out land to private agencies to comply with the mandatory reform process. Therefore, the reform process affects

non-metropolitan cities much more than metro cities. Public-private partnerships have meant more aggressive privatisation in non-metro cities. Instances like textile group owners capturing government land to erect temporary shops and for private purposes are on the rise. With the JNNURM, ULBs have been further weakened, with elected bodies and public opinion assuming less significance in the scheme of things.

4 Discussion

The post-1990s reformist agenda has emphasised efficiency, accountability, transparency, and inclusiveness. The resources available with ULBs to address infrastructural and technological issues were estimated to be too little and the existing governance structure inadequate. Therefore, the new governance structure advocated the participation of private and voluntary agencies in urban development. The optimal utilisation of human resources has also been advised, implying that workers are to be hired in cheaper ways than recruiting them on a permanent basis. One of the noticeable changes in the last two decades has been large-scale privatisation in the health, sanitation, water, and education sectors as well as in land use and taxation patterns. ULBs have become more vulnerable not only in financial and administrative terms, but also in terms of decision-making.

A huge disconnect between participation and decision-making was observed in the study. For instance, increased participation 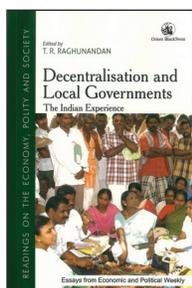through SHGs and RWAs has no connection with decisions made in the sanitation sector. Similarly, the involvement of community health volunteers and vidya volunteers in the health and education sectors respectively has not led to any significant change in the decision-making process in both these sectors. The study's findings indicate that civil society organisations (RWAs, societies) are controlled by the same political classes and castes. The social base of these "community-based organisations" is essentially the dominant upper castes and upper-class groups. A consensus is manufactured by co-opting representatives of different social groups into the contracting and outsourcing processes.

The notion of work ethic has been redefined in the new structure of urban governance. Corruption, patronage, and subjugation are three processes that have gained ascendancy in local institutions. For instance, contractors show a higher number of workers in the sanitation sector than they actually employ, which is certified by ULB officials. This is justified because community participation has been made mandatory in the externally-funded projects implemented by ULBs and that residents contribute only about 25% cost of the programme. This paves the way for manipulating programme implementation and to corruption in the health, education, and sanitation sectors. Sanitary inspectors, health officers, and education officers get their "cuts" (extra income) for certifying the "false numbers" in the workforce. Similarly, the nexus between sanitary inspectors, contractors, and health officers in deciding the quantum of work and the number of trucks required

to move the garbage at dump yards is another instance of corruption. Thus the new urban governance structure has not only intensified urban chaos and crises quantitatively, but also qualitatively. As the urban poor constitute a significant proportion (45%) of the population, the reduced role of ULBs in providing public services, particularly in health, education, and sanitation, has led to further deterioration of the living conditions of residents.

A careful scrutiny of new urban growth process indicates that non-metropolitan cities are fast emerging as zones vulnerable to the dominant culture. Under the JNNURM, ULBs imagined that an opportunity had come to access funds to improve urban infrastructure and meet the long-pending needs of urban residents, but in reality these funds have accelerated the process of the dominant classes and castes in both the cities pursuing their own narrow interests. This is how globalisation-induced reforms have reinforced existing power equations or accentuated socio-economic disparities by obscuring or misplacing the problem itself. Thus, instead of local bodies becoming more participatory, inclusive and effective, reforms in urban governance have further diluted the democratic spirit. At the same time, a large-scale fusion has taken place between economic and political classes and caste elites.

NOTES

1 Andhra Pradesh Municipalities Act 1965, Act of 1974, Act of 1989 specifies the governance framework, the spatial jurisdiction and the fundamental domain of local bodies, of all municipalities in the state. The functions of municipality have been defined in terms of taxation, road repairs, street lighting, sanitation, public health, conservancy, slum clearance, town planning, water supply, etc.

2 A group of 10 women form each DWACUA. Currently, AP government is advancing the loan at 25 paise interest per month (pavala vaddi).

3 Under JNNURM, four cities – Hyderabad, Visakhapatnam, Vijayawada and Tirupati have been identified in AP. In order to access JNNURM funds, these ULBs will have to commit themselves to several mandatory and optional reforms.

4 MEPMA has been initiated in AP in 2008.

5 This project is for a period of five years starting from 2010 with a grant of Rs 1,800 crore ($405 million) and is aimed at improving basic services for people by strengthening ULBs (News Reporter 2009).

6 Non-notified slums in official parlance are unauthorised or illegal colonies. The inhabitants of these slums do not have access to drinking water, electricity, sanitation and other facilities provided by the ULBs.

7 In implementing affirmative policies, state has devised a "roster system" by which SCs, STs, and women will get representation proportionally but it will be rotated amongst these groups during every municipal election.

8 In the last two years, Balijas moved towards Praja Rajyam Party (PRP), a political party founded by movie actor Chiranjeevi which later was merged with the Congress Party.

9 The four UHCs which are under the control of the NGOs through GVMC are: Arilova, Sriharipuram, Swarnabharati, Chengalaraopet. The NGOs that run these UHCs are Priyadarshini Service Organisation, Ramakrishna Service Society, Srisai Para Medical Staff Welfare Association.

10 Out of five UHCs, three are run by an organisation called People's Action for Social Service (PASS). One is run by the Indian Medical Association and another is run by Rashtriya Seva Samithi. The representative of PASS organisation said that the concept of UHC is a perfect example of PPP model. The land was identified and allotted by the municipal corporation for setting up the UHCs while World Bank provided Rs 15 lakh for construction of the buildings and they have been running the UHCs.

11 NGO-run UHCs pay Rs 5,000 as doctor's salary, Rs 3,000 to ANMs, Rs 2,500 to community mobilisers or volunteers, and Rs 500 per month to attenders.

12 A recent study on girl child health by an NGO shows that 80% are suffering from anaemia in Visakhapatnam.

13 GVMC prepares cost estimates for each activity and negotiates the best price with RWAs/private agencies. RWAs come up with their proposals in sanitation and public health activities. Based on the proposals, GVMC office scrutinises, then surveys the area, identifies and prioritises the need-based activities. Then GVMC gives approval by sanctioning certain fixed amounts. The RWAs contribute matching grants through collections from the residents; then sanitation activity is taken up.

14 This scheme started initially in 14 wards and has spread to 72 wards now. Under this scheme, 5-10 members come together to form a group in order to collect the garbage and keep it at specified points and in turn GVMC collects the garbage from these points to the dump yards. Thus, GVMC contributes Rs 1,100 as seed money for each group; however the worker is supposed to collect Rs 10 from every household as a matching amount through the RWAs.

15 Supervisors exercise their power in terms of marking the workers duties on a day-to-day basis so that it determines the salaries of the workers per month.

16 The transportation of garbage from the notified dustbins and from other collection points has been privatised by the TMC from 1 May 1997. The private contractors are transporting about 55 tonnes of garbage per day from about 300 dustbins, hotels and mandies while 75 tonnes is being lifted by municipal vehicles.

17 There is a new government order (GO) from the AP government asking municipalities to fix basic salary plus increment at Rs 3,900 in accordance with the Minimum Wages Act. However local bodies have not been implementing it.

18 These officials cited GO No 581 which provides clear instructions to be followed to outsource the work.

19 An annual allocation of Rs 1.4 crore for 75 elementary schools and Rs 13.2 crore towards 17 secondary schools is hardly sufficient for salaries of the teachers, rent of buildings and maintenance cost.

20 Property tax has two components, tax and non-tax. Tax includes water charges, shop loan rentals, income on leases, markets, road margin fees, dangerous and offensive trade license fee, encroachment fee, etc. Non-taxes include vacant land, advertisement tax, etc.

21 Instead of increasing property tax every five years, now it is proposed to be increased as and when property tax board deems fit.

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