

## CHAPTER 3.

### FINANCIALISED AND INSURGENT: THE DIALECTICS OF PARTICIPATION IN BANGALORE'S NEOLIBERAL WATER REFORMS

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#### 1. Introduction

Mirroring broader trends in international development over the past two decades, the current urban reforms lineup in India has seized upon the closely related discourses of citizen participation, accountability, and transparency. These themes are increasingly endorsed in city, state, and national policy scripts as pillars of ‘good’ urban governance, and are frequently tied to an overall goal of realigning public service delivery along market-based and private sector-inspired principles. Various programmatic arrangements and technologies—from user charges aimed at cost recovery, to designated interfaces for citizen-state engagement, to streamlined electronic or ‘e-governance’ systems, have been mobilized in the pursuit of good urban governance.

In recent years, however, critical scholarship has contended that participation as currently institutionalized in mainstream development can be seen as a ‘new tyranny’ (e.g. Cooke and Kothari 2001). As a predominantly top-down technocratic intervention, scholars have reproached proponents of participatory development for its depoliticizing effects—its tendency, on the one hand, to be used to legitimize a pro-market, neoliberal agenda, and on the other, to perpetuate existing social inequities and hierarchies or to re-engage them in other sites. A rebuttal to this literature suggests that rather than dismissing participation wholesale, we should perhaps reconsider the potential for participatory approaches to be genuinely transformative, particularly when they are embedded within a wider political project to enhance substantive citizenship rights (Hickey and Mohan 2005). A crucial debate relevant to the Indian context and to the field of critical social science more generally, then, is the extent to which institutionalized and more technocratic avenues for participation can become the basis for ‘insurgent’ (cf. Holston 1999) or ‘invented’ (cf. Miraftab 2004) forms of political struggle and mobilization that do, in fact, disrupt the status quo.

In this chapter, I use the case of a market-oriented drinking water project on the outskirts of Bangalore to explore the relationship between institutionalized citizen participation—in this case, mandatory cash contributions to recover the cost of the water network facilitated by an NGO intermediary—and the resulting grassroots collective organizing around water access, pricing, and payment at the periphery. Rather than seeing these two as emblematic of ‘top-down’ versus ‘bottom-up’ forms of participation, following Ananya Roy (2009a), I see these regimes as mutually constitutive and part of a broader dialectics of participation.

My goals are two-fold. First, through an examination of the recent political-economic history of Karnataka, I aim to shed light on why institutionalized participation in the water sector has tended to be narrowly equated with financial participation in the current moment. I delineate an important conjunctural moment in the 1990s in which shifting inter-governmental fiscal relations precipitated a regime of discipline in states and cities—one that was unleashed particularly aggressively on the urban water sector. Following scholarship inspired by Foucault (e.g. Dean 1999; Miller and Rose 1991(2008)), I show that it is in this context that citizen participation emerged as a governing technology to direct the conduct and shape the subjectivities of citizens as good *paying* ‘stakeholder’-citizens. Second, I explore how mandatory cash contributions to water infrastructure for those living in peri-urban Bangalore opened up arenas of contestation in which neighborhood associations did, in fact, *participate* and engage with the state. I show that such engagement occurs in order to renegotiate the terms of payment and to leverage the conduct of paying for water in struggles over tenure regularization—a concern that most peri-urban dwellers living under dubiously legal tenure arrangements inevitably share. I thus focus on the co-constitution between managed techniques of participation, and more spontaneous, politicized acts of collective action that seek to co-opt the former, and to stake claim to the material bases of urban citizenship.

I proceed in Section 2 by tracing Karnataka’s recent political-economic history in order to contextualize the current genre of participatory reforms in the urban water sector. This recent history is not unique to the state—indeed, several other states were forced to

adjust to macroeconomic transformations occurring at the center during the late 1990s, and continue to do so. Nevertheless, Karnataka provides one particularly compelling example of the influence of international and domestic financial institutions in setting the agenda for water reforms—an agenda that is preoccupied with mobilizing resources via users to recover costs and enhance the commercial viability of water projects. The institution of a neoliberalized logic of participation, I contend, must be understood against the backdrop of the state's longer macroeconomic and political history and relationships with external lenders. In Section 3, I discuss a water project in Greater Bangalore that exemplifies this regime of financialized participatory development. I examine how the policy of mandatory cash contributions from 'beneficiaries', also dubbed 'stakeholders' in project rhetoric, serves as a political technology—a technique cloaked in the language of scientific impartiality through which citizens are expected to govern themselves in accordance with political objectives (Dreyfus and Rabinow 1982; Shore and Wright 1997). The political technology in question aims to re-codify relations between citizens and the state to better resemble that between stakeholders and a firm, or between clients and a business. Finally, in Section 4, I show how the policy of cash contributions gives rise to spontaneous or what Faranak Miraftab (2004) calls 'invented' forms of participation that involve collective acts of contestation, consent, and compromise over the meaning of payment. These insurgent citizenship practices, as James Holston (2008; 1999) would refer to them, must be understood through a historically grounded reading of civic associationism in peri-urban Bangalore.

## **2. Mapping the Conjunctural: How Debt, Discipline and Participation Came Together**

Over the past two decades, major policy directives and statements pertaining to India's water sector, from national-level Five Year Plans, to state-level water strategy documents, to the language surrounding individual water projects, have reflected a profound paradigm shift. From being viewed as the domain of government—a service that must be socialized and, by default, managed through discretionary relations between politicians, local bureaucrats, and citizens—today, water is viewed as a self-sufficient

business that cannot be efficiently delivered unless it is undergirded by market principles. According to the latter viewpoint, economic efficiency cannot be realized unless political interference is kept to a minimum. While this paradigm shift has been far from smooth—indeed, aspects of a previous era of state developmentalism and patronage continue to persist in the day-to-day management of water—critical scholars concur that water utility reforms in India have resonated with a neoliberal, market-oriented development ethos shaping decision-making in the public sector today (Coelho 2005; Sangameswaran 2009). Yet, while there are strong echoes of a now standardized set of reform prescriptions that are as likely to be found in South Africa as in India—for instance, cost recovery, contractualization, and participatory tools that seek to move ‘beyond the ballot box’ (World Bank 2004)—scholars insist that the actual workings of the neoliberalization of water must be understood as shaped by the specific political, economic, and cultural contexts in which it takes hold (e.g. Loftus and Lumsden 2008; Swyngedouw 2004).

A useful theoretical starting point in the analysis of the pathways of neoliberalism is the Marxian philosopher Antonio Gramsci’s ([1971] 2000: 201) notion of the ‘terrain of the conjunctural’. In an effort to come to terms with the collapse of Europe’s economy after the First World War, the failure of the revolutionary project in the face of the rise of organized fascism in Italy in the 1920s, and a reinstatement of capitalist relations, Gramsci conceptualized the terrain of the conjunctural as the point at which differing ideological and political struggles come together and are fought out. As Stuart Hall (1987: 17) puts it, Gramsci was interested in how different forces come together contingently ‘to create the new terrain, on which a different politics must form up’—a politics which asserts itself as the only commonsensical alternative to the prevailing order. It is at this point, as Hart (2004: 96) says, ‘where alternative trajectories are always possible, but never pre-ordained’ and where certain development regimes are made hegemonic while subjugating and silencing others (Goldman 2005). The manner in which these struggles are fought out, moreover, is always deeply a product of history and circumstance.

The fiscal debacle of the late 1990s across Indian states, Karnataka included, and ensuing disciplinary interventions at the municipal level can be thought of as one such conjunctural moment. The state’s fiscal deficit had grown steadily throughout that

decade, provoking warnings of a likely fiscal ‘crisis’. Karnataka was no exception in this regard and it was hardly the worst off: across India, states witnessed a sharp widening of their deficits in the late 1990s, partly as a fall-out of higher expenditure on government salaries (Vijayabaskar and Wyatt 2005), as well as a series of global and domestic factors. What is interesting, of course, is not so much the state deficit itself, but how it was diagnosed and capitalized upon to initiate sectoral reforms.

Several forces came together at the time to emphasize a pro-market orientation in urban water management, including the reengagement by international financiers in sub-national lending, private sector-led momentum behind governance innovations in Bangalore, a shift in inter-governmental fiscal relations that affected the nature of transfers, and the specific reform aspirations of top tier political leaders. I focus here on the reengagement of institutions such as the World Bank and US Agency for International Development (USAID) in setting sectoral policy agendas via targeted, sub-sovereign lending.

As scholars have discussed, Karnataka’s crisis provided an opportune moment for the World Bank already waiting at the wings for a sign from the central government to step in with sub-national structural adjustment lending. Lending to specific states allows the Bank continued and targeted policy leverage in India—a desirable outcome at a time when the Bank’s significance for the country has been thrown into question (Kirk 2010). Decision-makers on either side also expected that focusing on reform-committed states, such as Andhra Pradesh and Karnataka, would produce ‘demonstration effects’ to encourage lagging states to embrace similar policies. Additionally, the finance ministry maintained that the World Bank would be in a better position to enforce fiscal discipline on states since, unlike the coalition government at the center, an external actor did not need the political support of individual states.

Consistent with this philosophy, the Bank moved to finance a series of relatively small, but influential economic restructuring loans to Karnataka starting in 2001 in order to induce ‘corrective measures to put its finances back on the rails’ (GoK 2001: 2).<sup>1</sup> Policy changes scripted in a state-level fiscal rectitude act mandated by the loans included improving tax collection, reducing budgetary support to public enterprises, and ‘reducing implicit subsidies in respect of services, such as drinking water

supply...particularly those not directed to the poor'.<sup>2</sup> The latter essentially translates into levying higher 'user charges', and is expected '*to be brought about by greater community participation* in maintenance of assets and by ensuring [the] quality and reliability of services' (GoK 2001: 6, emphasis added). In addition, echoing an influential report published by the Expert Group on the Commercialization of Infrastructure in 1996, a slew of policy statements, from Five Year Plans to Finance Commission reports, began to urge municipalities in the latter half of the 1990s to borrow from the market rather than rely on sovereign guarantees and allocations for urban infrastructure (Baindur and Kamath 2009). What we are seeing in the current moment of reforms, then, is not only that 'community participation' is highly connotative of user charges, but also a strong association between user charges and market-based financing.

Such discursive and strategic couplings are starkly visible in the case of USAID-supported 'bankable' municipal water and sanitation projects in India. I discuss one such project in Greater Bangalore below, but a few details are in order here. While the World Bank has no doubt been active in what it now does best—policy-based lending—the USAID has been instrumental in commercializing urban infrastructure in the country, mainly by spurring the domestic capital market. The vehicle through which USAID has promoted the capital market is its Financial Institutions Reform and Expansion through Debt (FIRE-D) program. Since its inception in India in 1994, USAID's FIRE-D has proved to be the single most influential force on India's municipal bond market: as a result of its involvement, by 2008, over Rs. 12 billion worth of municipal bonds had been mobilized from the capital market across some 40 cities in India (Vaidya and Vaidya 2008).

FIRE-D leverages the US capital market to raise private finance for municipal infrastructure in India. In smaller cities with weak credit ratings, FIRE-D projects operate by pooling the finances of multiple cities in order to obtain higher credit ratings for bonds issued, and subsequently escrowing or pledging revenue sources from those cities for debt servicing. Importantly, 'bankable' or financially viable water and sanitation projects account for 70% of municipal bonds issued via FIRE-D to date. Well-known examples of FIRE-D initiatives in India include a series of water extension projects in the city of

Ahmedabad, and two pooled financing projects in southern India: a sanitation project for less credit-worthy towns in Tamil Nadu and a water project for peripheral municipalities in Bangalore, the case I discuss here.

Since the debt incurred on bonds must ultimately be repaid, a core component of every FIRE-D project is the collection of appropriate user charges—both upfront connection fees and recurring tariffs. Most projects instituted by FIRE-D to date have therefore attempted to build-in outreach efforts to enlist community participation. As a USAID (2005: 23-27) evaluation report states based on its experience over multiple years:

...the transformation of utilities from unbankable to bankable conditions...requires public acceptance for new methods of doing business. It can require acceptance of increased fees and tariffs, and, in all cases, that customers pay their bills. *Public participation in decision-making is therefore essential in all phases of transformation*, from gaining initial support for change through establishing continued lines of communication between the WSS [water supply and sanitation] utility and its customers (emphasis added).

Without interventions to solicit financial participation and without responsible payment behavior by clients, it is difficult for such projects to be commercially viable. Yet the extent to which ‘public participation in decision-making’ and the establishment of ‘lines of communication’ as claimed above have actually been institutionalized in these projects, let alone won the support of participants, is far from clear, particularly in light of critiques about the centralized and non-transparent nature of decision-making in the Greater Bangalore case (e.g. CASUMM 2006; Ranganathan et al. 2009; Rath and Rao 2006; Urs and Whittel 2009). Above all, the imperative seems to have been to enlist participation for the sake of recovering costs; if local input into decision-making has transpired and lines of communication have been opened at all, it is largely because of grassroots efforts that lie beyond the project’s institutional framework. Notably, these are efforts that already have a track record in negotiating citizenship rights at the city’s fringes as I discuss below.

It is worth considering here an important reason for the centralized and non-transparent nature of decision-making in the current suite of market-based water projects: the institutional channels through which external lenders are inclined to work. In Karnataka, FIRE-D works through a parastatal (state-owned) financial intermediary, the Karnataka Urban Infrastructure Finance Development Corporation (KUIDFC), born in the early 1990s to channel finances, negotiate the terms and conditions of loans, and oversee the implementation of externally funded projects. Grounded predominantly in an epistemology of finance and economics, KUIDFC is a public sector corporation that, like all parastatals, is directly accountable to the state government but not to elected representation. By identifying areas of interventions, bounding them, dissecting them, and devising corrective measures to produce desirable results, KUIDFC's technocratic predisposition epitomizes the operation of what Tania Murray Li (2007: 123) would call 'rendering technical'—in this case, perhaps better put as 'rendering financial'.<sup>3</sup>

Parastatals are a peculiar feature of India's colonial and post-colonial legacy.<sup>4</sup> Although I do not have the space to go into this unique history here, suffice to say that Karnataka has a predilection for non-elected, technically oriented, state-run institutions, established both during the colonial era, as well as *en masse* at the height of the post-colonial developmental state from the 1950s to 1980s. As a result of these indelible historical features, despite concurrent calls for urban decentralization and the devolution of powers to local governments by the early 1990s, neoliberal water projects stressing user fees have been set in motion by remarkably centralized and politically insulated forms of authority. That is, the manner in which reform projects and their so-called participatory components have been implemented in practice continue to be deeply inflected by the state's legacy of bureaucratic control, developmentalism, and centralized decision-making. Why this brief historical interlude matters is because it sheds light not only on why participatory interventions accompanying the neoliberalization of water are dictated by financial criteria, but also on why they have tended to continue to exclude local input and circumvent electoral politics. As Leitner et al. (2007) have recently argued, precisely because neoliberalism articulates with its 'others', precisely because of its parasitical relationship with prior political formations, it is crucial to understand the contexts in which programs of reform are implemented. These are terrains already deeply

etched by institutional idiosyncrasies, political-economic prerogatives, and the dynamics of cultural and political struggle.

### **3. Financialized Participation in Greater Bangalore's Piped Water Project**

With a steadily rising population that today stands at eight million, a booming real estate market, numerous job prospects ranging from the unorganized to white-collar sectors, and no proximate surface supplies to speak of at present, water is and always has been one of Bangalore's more dire concerns. Inequitable distribution stemming from topography, colonial and post-colonial planning legacies, and contemporary economic impulses is such that piped, treated water provided by the water board is available only in 'planned' pockets in the city's core and selected pockets of the periphery. For over a century, the city's modernization vision has entailed sourcing water from ever-distant surface water supplies. Yet because of a widening demand-supply gap, much of the demand—up to 50% according to some estimates—is currently met by heavily exploited groundwater resources, while only a remaining proportion is met by the state-owned water board. Today, the vast majority of the board's own supply (around 900 million liters per day in gross terms) is sourced from the Cauvery River located some 100 km southwest of the city.

By the end of the 1990s, rapid demographic and industrial growth at the fringes had focused attention on the need for expanding water supplies. At the time, technical expertise was almost singularly directed to augmenting Cauvery water supply, and few other resource options were considered. Studies were contracted to ascertain the engineering and design feasibility of extending Cauvery supply to the city, and were used to inform what subsequently became known as the Greater Bangalore Water and Sanitation Project or GBWASP.

Although initially abandoned on grounds of a lack of state resources, in 2003, the project assumed a market-based financing structure when USAID's FIRE-D experts were approached by the state government to test out its 'pooled financing' municipal bond model in Karnataka. As discussed above, pooling finances had the advantage of being able to ensure that smaller, less credit worthy cities—such as those on Bangalore's

outskirts—can gain a favourable credit rating on their bonds. FIRE-D experts suggested that the pooled financing model would bring in ‘fiscal discipline in municipal operations especially for debt servicing’ (USAID 2003: 27) because the participating municipalities would be required to adhere to stringent repayment conditions. The notion of bringing about ‘fiscal discipline’ was quickly embraced by proponents in the Government of Karnataka who were simultaneously attempting a series of techno-managerial municipal reforms in the state. Bonds floated on the domestic market thus accounted for approximately 30% of the total budget (USAID 2006).

As I have discussed with collaborators elsewhere (Ranganathan et al. 2009), once FIRE-D entered the fray and won the support of senior bureaucrats, financial criteria rapidly began to override all other criteria, and as a result, robust engineering, water resource planning, urban planning, and socio-economic analyses fell by the wayside, much to the detriment of the project’s outcomes. By early 2004, most major decisions around the project were being taken by senior financially versed bureaucrats and technocrats at KUIDFC with a shared appreciation for market-based reforms. Yet, all the finance aficionados in the world were not going to be able to perform one vital task: encouraging Greater Bangalore’s residents to *pay* for and thereby *participate* (financially) in the project. What was now needed was a catalyst for citizen participation, one that could be seen to provide the needed legitimacy and transparency in the project as far as its beneficiaries were concerned.

In 2005, Janaagraha, an NGO which later became a ‘citizen’s movement committed to the practice of participatory democracy’ (Janaagraha 2005: 2), was recruited to design and implement an institutionalized model for citizen’s participation in the project that could be replicated throughout India in similar capital-intensive projects. By that time, the organization had already established a prominent reputation both within and outside Bangalore, particularly because its founders played instrumental roles in the city’s private sector-led governance experiments of the late 1990s-early 2000s. In May that year, Janaagraha signed a memorandum of understanding with the Government of Karnataka for implementing its Participatory Local Area Capital Expenditure or ‘PLACE’ program. PLACE documents declared ‘the central issue that occupies policy-makers and service providers is not *whether* to bring user groups into the decision-

making process, but *how* to do this in an organized and institutional manner' (Janaagraha 2005: 3, emphasis mine).

PLACE envisaged the creation of a structured citizens' platform for participatory decision-making in order to motivate citizens to contribute to the capital costs of the project. To ensure cost recovery in the project, a further 35% of the total budget was expected to come from 'beneficiary capital contributions', or one-time, upfront payments by households according to a predetermined scheme. Other specific goals of PLACE were to ensure regular interactions with the utility, police illegal connections and pilferage, monitor service quality levels, and create consensus around possible private sector participation in the distribution of water to customers.

By glossing over potential differences in social and cultural capabilities among peripheral dwellers enlisted for participation, and attempting to create consensus for the marketised imaginary of GBWASP, PLACE might be accused of the type of 'tyranny of participation' that critics like Cooke and Kothari (2001) warn against. In other words, PLACE might be critiqued for tending towards a depoliticizing and ahistoric view of participation, one in which communities are considered homogeneous and conflict-free, and participatory rhetoric is merely used in the service of legitimizing a set of neoliberal policies. Indeed, in PLACE, participation was invoked largely to achieve economic criteria and goals, while its role in opening democratic channels of communication between citizens and the utility, city officials, and politicians, was not as clearly spelled out. While these critiques are envisagable, and were made to some extent by local activists, the program was far too short-lived to make any concrete assessments. In 2006, Janaagraha in fact pulled out of the project on the grounds that project designers had not as yet clearly enunciated a policy for how the poor would be connected (The Hindu 2006). With the NGO's withdrawal, there was no longer an institutionalized participatory intermediary in the project, and therefore no means of obtaining information about the project's progress and schedule for completion. Still, capital collections continued in fits and starts, and it remained up to the resident welfare associations (RWAs) of the periphery to lobby for greater information, demand revisions to the terms and conditions of the payment policy, and fight for actual water delivery to be prioritized to their wards.

Before turning to these local dynamics, let us turn to how project documents deployed the construct of ‘citizen as stakeholder’—an increasingly popular trope in the current agenda. According to reforms discourse in India today, not only are the city’s service agencies defined as stakeholders, but citizens, too, are invited to be stakeholders (Nair 2005). The use of the term ‘stakeholder’ in public policy rhetoric is not unique to the Indian context; most recently, it has been associated with the moralizing discourses of the New Labor under British Prime Minister Tony Blair’s regime (Rose 1999). The term’s use in the UK, much like in India, implies that citizens must take an active role in the public services rendered to them since the government can no longer be relied upon for its welfarist role. As Janaki Nair (2005) discusses, in Bangalore, increasing reference to citizens as ‘stakeholders’ accompanied the spread of private sector-inspired approaches to governance that reconstituted citizenship rights as customer rights. In the case of GBWASP, ‘stakeholders’ are imagined to be citizens who, by virtue of paying for water assets, are expected to be empowered to participate in the operation and management of those assets, and thus ‘be assured of sustainable service delivery’ (GoK 2005a). As an information packet published by the state government on GBWASP claims:

The project has a very large capital expenditure with the primary benefits of this expenditure flowing to the households that take the connections.

The burden has to be, therefore, shared by the beneficiary citizens to some extent. In this process, *the status of citizens is elevated to that of stakeholders* which will facilitate their participation in the management of the assets created under the project (GoK 2005a, emphasis mine).

Being a stakeholder, of course, comes attached with a price. After several revisions and recommendations made by a visiting World Bank team, a progressive slab system that ties cash contributions to property dimensions was ultimately settled upon. Because property dimensions are easily verifiable and income is not, experts rationalized that this metric served as a convenient proxy for income. Accordingly, the larger the property dimensions, the more cash needed to be paid upfront, ranging from Rs. 2,500 for properties of less than 600 sq. ft, to Rs. 15,000 for those larger than 2,400 sq. ft. In the

event of tardy payment (that is, after July 31, 2005), citizens were also required to pay an additional monthly penalty (an interest rate of sorts) ranging from Rs. 50 to 300 per month, again, depending on property dimensions. Following protests by pro-poor groups in the city of the insurmountably high amount for financially weaker households, decision-makers waived the payment requirement for those believed to be the poorest, i.e. those living in properties of 600 sq ft or less.

Leaving aside for the moment the potential equity issue of charging peripheral residents for water when people in the core had not been required to pay; ignoring for the moment the pitfalls of considering property dimensions a proxy for income when the so-called rich are often no more wealthier than their neighbours in smaller properties, there is an important point to note here about the construction of the ‘stakeholder’. As argued above, financialized participatory development provides an invaluable way to recover costs and meet funding shortfalls in the wake of fiscal rectitude policies in the state. At the same time, as a political technology, the manner in which the beneficiary contribution scheme was devised—while seemingly rational and backed by scientifically devised surveys—has much to say about how the state perceives and seeks to shape the subjectivity of its citizens. By instituting a monthly penalty, bureaucrats and BWSSB engineers, morally anticipated a tendency of non-compliance among the mostly lower to middle class peripheral dwellers of Greater Bangalore who, as one maintenance engineer told me, have been ‘used to getting everything free from the government...they have been used to not paying anything for water...now we must show them how to pay’. There are thus two constitutive rationalities at play in the design of the capital contribution: on the one hand, it was intended that citizens be ‘elevated’ to self-activating, responsible stakeholders, and on the other, there was an expectation that citizens would resist payment—necessitating the imposition of a penalty threat.

In her study of pre-paid meters for electricity and water in neoliberalizing South Africa, von Schnitzler (2008) shows that the pre-paid meter was not only seen as a solution to cost-recovery, but also developed in response to a very specific political problem inextricably bound up with apartheid and its struggles. With a built-in mechanism to shut off utility supplies upon failure to pay, pre-paid meters were thought to correct for a historic ‘culture of non-payment’ among poorer township dwellers.

Inscribed in the pre-paid meter are thus ‘sociologies that *anticipate* users’ behaviour (*ibid*: 912, emphasis original). The process of producing a political technology is not merely an impartial process, but ‘inherently social and moral’ (*ibid*). In the case of GBWASP, I find that the political technology of beneficiary contributions is also a microcosm of the larger shifting terrain of citizen-state relations in liberalizing India. On the one hand, state projects are insisting on the consumerification of middle class citizens (Fernandes 2004), and on the other, entrenched socio-spatial and caste hierarchies and subjectivities continue to endure and shape those relations. In the following section, I show how the terms of payment in the water project, particularly the penalty clause, were both debated by and complied with by residents.

#### **4. Insurgent participation at the periphery**

Once the payment policy had been finalized in 2005 and the Government of Karnataka had announced the details in local newspapers, residents began to come forth with the cash contributions, which they were required to pay in one of two bank branches spread across the city. But there was also significant reservations about, and resistance against, the logic and terms of the cash contribution policy. Several residents remained unconvinced by the notion of paying *before* the actual arrival of water and felt it more prudent to wait for water to start flowing in their taps. Others were not accepting of the paradigm shift of citizens fronting the capital costs of infrastructure, rather than the recurring fees entailed in consuming its services. A water shortage to the peripheries by the anticipated delivery date (2006) due to its rapid absorption by existing consumers, and the fact that the laying of distribution pipes had not yet been completed on account of unanticipated growth and piping requirements—which in turn, greatly delayed the delivery of water—did not help this prevailing skepticism.

Still, a good proportion of residents decided that it was in their best interest to engage with authorities over the terms of the payment policy, and to pay for the scheme as mandated, rather than refrain from proactive behavior all together. In other words, a good proportion of residents ultimately *participated* in this market-based water project, and leveraged their conduct of payment to negotiate with and make claims on state

authorities in the face of new threats to their legitimacy. In this section, I examine how institutionalized participation—*i.e.* the structured cash contributions and ‘stakeholder’ rhetoric described—becomes the basis for more subversive forms of participation and political engagement. Following Holston (2008; 1999), I see these forms of participation as sites of *insurgent citizenship* because they provide the means of contesting belonging in the city, and at a basic level, ‘carve spaces of political engagement with state authorities’ (McFarlane 2004). Importantly, insurgent practices cannot be romanticized as forms of resistance and said to create a more socially just city, but they do temporarily destabilize the rigidities of market rule and coax an eventual compromise (Roy 2009b; Shakya and Rankin 2008).

Between 2007-2009, I conducted 44 in-depth interviews with RWAs in Greater Bangalore. I also attended RWA meetings as a participant observer. These methods provided an informative way to triangulate and contrast findings gleaned from official and newspaper reports about the political agency and payment conduct of peripheral residents. I selected RWAs non-randomly based on their listing in local government phone registers and newspapers and willingness to speak with me. Conversations with RWA representatives primarily revolved around their perceptions of GBWASP and its cash contribution policy; how they had organized around the project if at all, and the amount that their ward had contributed and why.

As I began to uncover the specific behaviors and perceptions of RWA representatives about the project, I also developed insight into a broader pattern of civic struggle and engagement with the state at the peripheries, and in particular, struggles over land politics and conditions of tenure. As discussed in the detailed study by Bangalore-based Alternative Law Forum (2003), the peripheries of Bangalore are characterized by a spectrum of land tenure regimes, each attached to a differing shade of ‘legality’. Because of the dearth of serviced and affordable housing options in the core, it is not uncommon for middle class residents to purchase subdivided agricultural land at the fringes—lured there by lower prices, fewer barriers to access and upgrading, and promises made by private developers. But because subdivided agricultural land not officially converted and sanctioned for residential use, such settlement is not officially considered ‘legal’ by the main planning authorities for the city.

In Bangalore, settlements with dubious legal standing are termed ‘revenue layouts’ based on the fact that they derive from taxed agricultural or ‘revenue’ land. The emergence of revenue layouts can be traced to a period of public sector-led industrialization in the 1960s, when employees in peripheral industrial townships sought to make their home in surrounding villages, closer to their place of work. But the growth of revenue layouts witnessed a spike post-economic liberalization in the 1990s, as job-seeking white collar migrants sought to realize the dream of home ownership, which they could not do in the city’s core given soaring real estate prices. As Kamath et al. (2008) have shown in their ethnographic research, residents at Bangalore’s periphery most often receive *de facto* tenure security by paying taxes and other fees to local municipal and village governments, who are increasingly cash strapped because of the exigencies of fiscal rectitude described above. In return for the sporadic collection of taxes and development charges, local governments have historically provided a minimal level of services in revenue layout neighborhoods.

In addition, resonating with Benjamin and Bhuvaneshwari’s (2001) research on how poorer groups practice a ‘politics by stealth’ in which they negotiate material claims with lower rung officials of the ‘porous bureaucracy’, I found that even lower and middle class groups living in revenue layouts—what I have elsewhere called the ‘peripheralized middle class’ (Ranganathan 2010)—use a variety of strategies and political maneuverings to secure urban services and regularize their settlements over time. These range from the more disorderly street protests and demonstrations, to the promise of votes for political candidates in exchange for local development initiatives, to the more ‘civilized’ forms of activism, including writ petitions and organized deliberations with local functionaries. As recent research on urban associationism has shown (e.g. Coelho and Venkat 2009; Kamath and Vijayabaskar 2009; Ranganathan Forthcoming), the fact that such strategies run such a wide gamut is also testament to the diversity of India’s middle classes—a finding that runs contrary to a widespread assertion in the literature about its elitist, electoral politics-eschewing, and primarily technocratic strategies. At the same time, associational strategies reproduce their own exclusions—they are primarily dominated by older males, for instance—and are pre-occupied by citizenship struggles specific to the neighborhood, and not necessarily broader agendas for change.

Understanding the basic politics and dynamics of Bangalore's peripheralized middle classes is crucial in the context of water reforms that purport a 'participatory' component for three reasons. First, such an understanding lends insight into how such residents might gain access to and engage the state in renegotiating the terms and conditions of payment in the project, and conversely, why lower rung officials and local politicians might respond to these demands. In other words, an analysis of associational practices lays bare why so many residents did not simply accept the payment terms passively, but leveraged their contacts in the state to proactively fight for a more favorable set of conditions. Second, it explains why peripheral residents ultimately *do* participate (financially and otherwise) in such a project, regardless of whether an external NGO intermediates or not. Third, the longer history of associationism in the area provides pointers to what cash contributions might actually *symbolize* for residents, and why. While the promise of reliable piped water supply is undeniably a prime motivator for making a contribution, I found that payment also represents a sense of legitimate belonging in the city. Let me address each of these in turn.

Initially, before residents were allowed to submit their cash contributions, they were required to demonstrate proof of legal tenure; in Kannada, this property document is known as a *khata* (literally, 'an account'). But after a series of negotiations with water board engineers, and the realization by the board's upper management that peri-urban residents do not possess such documented proof of their citizenship—largely because of the dubiously legal processes of land exchange described above—this requirement was waived. Subsequently, another alteration to the payment policy was made: the interest on late payments was also set at a maximum period of 30 months, after which the penalty no longer applies. This reduced the total penalty to some Rs. 2,000 for most households. Finally, and most significantly, residents convinced their elected representatives, who in turn convinced management at the water board and KUIDFC officials, to release water *first*, and then collect cash payments in order to inspire confidence in future customers. As described above, the actual delivery of water in this project was severely delayed on account of a series of technical miscalculations. Using their newly elected representatives as channels to put pressure on the water board, associations seized upon the contradictions of the project (the charging of late penalties when water itself was

delayed) to demand revisions. Association representatives also directly confronted senior management in the water board by making frequent visits and submitting writ petitions. It is precisely because of their track record of engaging different echelons of the state apparatus—and the skills and familiarity they have developed along the way—that RWA members were so emboldened to participate in and renegotiate water reforms.

This research found, then, that for many neighborhoods, it did not matter that the institutionalized participatory mechanism (PLACE) ultimately did not take off the ground. For those neighborhoods with a strong history of associationism, participation is something of a way of life; a way of engaging the ‘everyday state’ (cf. Fuller and Harriss 2000) in order to carve insurgent spaces of political engagement and to make demands on it—even if that engagement is more often confrontational rather than consensual. Like all governmental schemes, the Greater Bangalore Water Project recruits a certain set of local actors because, as Donald Moore (2005: 11) puts it, they come to ‘identify their particular interests with a general, more universalizing one’. This does not mean, however, that participation is always an inevitable outcome of governmental schemes and that all forms of citizen-state engagement can be construed as ‘participatory’. Nor am I suggesting that all peri-urban neighborhoods in Greater Bangalore were equally enthusiastic and proactive in organizing around this project. Rather, I contend that we must revalue the discourse and material implications of participation beyond project-specific outcomes, what it comes to mean in particular contexts, and how actually existing forms of participation are always shot through by local histories and relations of power.

Finally, financial participation in the Greater Bangalore water project did indeed create ‘stakeholders’, but perhaps not in the sense that project proponents intended. The act of paying for the capital costs of water symbolized more than simply a client-oriented ‘stake’ in the physical assets. For those who came forth with payment, I discovered that it also represented a sense of the right to be considered legitimate members of the city. Let me demonstrate through an example. In 2007, the state government passed a punitive legislation targeting the legality of revenue layout dwellers, known as *Akrama Sakrama* (‘illegal legal’). Under this law, revenue layout dwellers were slapped with regularization fees ranging from Rs. 100,000 to 400,000 depending on how large their property dimensions were in order to be considered legitimate residents of the new Greater

Bangalore City Corporation (Deccan Herald 2009). This was an infeasible burden when compared to the median annual income estimated for households in these categories (see World Bank 2005: 243).

Shortly after *Akrama Sakrama* was announced, protests erupted across the periphery challenging the new regularization scheme. Most interesting was the manner in which cash payments for water under GBWASP was invoked in the context of debates over tenure legality. Several people vigorously debated the logic of the scheme: how could those paying the capital costs of water still be considered illegal? It was virtually impossible to get through a single interview without discussion of these contradictions. Echoing others, one resident contended: ‘My pocket belongs to illegal layout. But all the connections are being paid – e.g. BESCOM<sup>5</sup> and Cauvery water charges, so what’s so illegal about it? If you’re calling us illegal, how do you collect all these charges?’ Another reported in a local e-magazine ‘...what about the money that the government collects under various heads like water, electricity, registration, etc.? The state government has no right to declare layouts which are paying these fees as unauthorized?’ (Jacob 2007). Given the RWAs’ historic legacy in leveraging the payment of fees and taxes as a way to assert their legality, I found that payment for GBWASP under the market-oriented participatory scheme was also deployed as a political strategy. It is ultimately vital to keep in mind how so-called participatory approaches can be appropriated and made to work for purposes not originally intended by reform proponents.

## 5. Conclusion

Institutionalized approaches to participation in urban development projects and infrastructure reforms are likely here to stay. Whether financialized, aimed at creating decentralized structures of decision-making, putting in place an NGO intermediary, or centered on the notion of creating ‘stakeholder’ citizens, participatory frameworks and discourses have won widespread appeal among pro-market reformers in India. At the same time, it is clear that such frameworks can risk an over-simplified and ahistoric reading of embedded power dynamics and civic struggles. They can also fail to

sufficiently grasp the nature of the local state and its relations with groups targeted for participation. It is thus critical that we come to terms not only with why institutionalized participation takes on a particular form at a particular moment in time, but also how such programmatic approaches intersect and are constituted by on-going grassroots struggles around the material bases of citizenship.

Through the example of the Greater Bangalore water project, this chapter tried to think out why participatory approaches are preoccupied with recovering costs in the current moment. Although such an approach is not unique to the Indian context, the analysis here suggests that we view the trend of financialized participation against a backdrop of a fiscal crunch and reorientation of public spending and fiscal transfers to states. This political-economic analysis was supplanted with an exploration of the cash contribution as a political technology—a governing mechanism that prefigures a set of behavior patterns and aims to constitute responsible paying citizens. The chapter also shows, however, that in order to understand how such technologies work in practice, it is to the history of associational politics in which the peripheralized middle class in Greater Bangalore partake that we must turn. Such a lens sheds light on how and why peripheral residents engage with the state over the terms of payment, and ultimately participate in the project and leverage it to stake their claim to urban space. Instead of dismissing participatory approaches for their flawed frameworks, I contend that it might be more worthwhile to understand the co-constitution between financialized and insurgent strategies.

## NOTES

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<sup>1</sup> Note that the third of these loans (\$200 million) was withheld for a short while in 2003 because Karnataka failed to achieve certain reform milestones in the power sector (Menon 2004).

<sup>2</sup> Toshniwal and Vyayasulu (2008) find that over the past decade since the initiation of fiscal correction, Karnataka's spending on social sectors such as health and education as a proportion of total expenditure in the state have declined [see also the state's Human Development report (2005b: 40-45)].

<sup>3</sup> Amita Baviskar put this suggestion to me at the National Workshop on Opening Up Or Ushering In? Interrogating Discourses of Public Consultation and Citizen Participation (CP and PC) in Urban Governance held in Pondicherry on July 25 and 26, 2009.

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<sup>4</sup> While most states across India share core features of the socialist developmental state legacy, it is important to note that states and cities across the country established parastatal institutions to differing degrees depending on prevailing circumstances. Thus for instance, while Bangalore, Chennai, and Hyderabad's water supply are run by respective parastatal 'boards' overseen by their state governments and not local elected representation, this is not the case in Mumbai where water supply lies with the locally elected government.

<sup>5</sup> Bangalore Electricity Supply Company, state-owned electricity distribution utility.

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