Report of the Workshop on

Interrogating Governance and Financial Implications of 'Smart Cities' (Part I)

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CFA
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Introduction

"Smart Cities" have been promoted as the panacea for problems of urbanisation in India over the past 5 years. There is growing evidence, however, that such projects have contributed little to resolving disparities in development and instead are advancing the creation of small islands of prosperity. **Joe Athialy** of the **Centre for Financial Accountability** observed in his opening remarks, "*If you look at the past 5 years of the Smart City Mission, far from mitigating poverty, forced evictions have pushed more people into poverty*", and highlighted how Smart Cities propagate a governance model devoid of democratic accountability.

That national and international corporations and financial institutions are evincing interest in Smart City projects is widely reported. This is largely based on a technocratic reliance on the power of smart technology and data analysis to deliver what are touted as 'smart solutions'. There also is heavy reliance on the private sector to deliver public goods, and in the efficiency of the public-private partnership model in turning projects successful and profitable.

In the first of this two-part workshop, representatives from government, civil society and academia discussed challenges posed by Smart Cities, their implications for democratic and federated governance, and also the international experience with such projects.

The 'Smart Cities' Argument and India's Constitutional Mandate for Urban Governance

Speaking on this theme, **Leo Saldanha** of **Environment Support Group, Bangalore,** drew attention to how the Indian constitutional mandate for decentralised urban governance is being diluted and sidestepped through the Smart City mission, especially through the creation of Special Purpose Vehicles (SPVs), private limited companies through which Smart City projects are implemented. He also highlighted the ramifications of such displacement of urban local bodies from playing their due role, on various aspects of governance such as land use, natural resource planning, environment, labour, etc.

Leo explained how early high-level administrative discussions on the evolution of Smart Cities, as also prevailing efforts to make the project work, reflect the intent of decision-makers to create a corporatized and technology-driven urban governance model. Citing the Ajmer Smart City example, he pointed out how though people there essentially wanted the city to be made functional before being made 'smart', the focus was skewed in favour of Smart City interventions over normative urban governance. Such methods are resulting in contestations over differing aspirations of different urban populations: what they desire, who gets served and who does not. He flagged how Smart City governance concentrates power in the central government and almost bypasses state governments, and how the adoption of a market-friendly approach undermines citizen concerns, particularly ignoring ground-level concerns of vulnerable groups.

He drew attention to Article 39 of the Constitution of India, that is, to *"ensure that ownership and control of the material resources of the community are distributed as to best serve the common good."* He further observed, "*the construction of smart cities idea in the Indian Government's mind is to secure the support of municipal officials, not elected representatives or the people of the city. It is their visions that ultimately become the vision of the Smart City."*

The Experience with Smart Cities in Tamil Nadu

Speaking next, **Dr. B. Chandramohan, IAS, Principal Secretary of the Government of Tamil Nadu** explained the working of Smart Cities based on his personal administrative experience, especially as Chairman (earlier) of Chennai Smart City Limited. He began by dwelling on the conceptualisation of Smart Cities in India as a means to improve urban living standards for all by leveraging technology, based on a tailored approach that suits the priorities of the citizens of a given city. The idea was to move forward from a paradigm of incremental improvements in the quality of urban experience and life to one that is substantively better.

Dr. Chandramohan stressed that it was a misconception that Smart Cities are divorced from local self-governance, sharing that the SPVs are designed to be created by and remain accountable to elected urban local bodies. He also highlighted examples of public involvement in Smart City governance such as Chennai, where 15-20 lakh citizens voted to determine the locality for Smart City project implementation and the nature of the intervention. He stressed that the Chennai Smart City endeavours to be an inclusive space, elaborating on projects such as smart classrooms in corporation schools which makes high-end technology accessible to the lowest strata of society. He illustrated how Smart Cities are attempting to deliver systemic solutions to urban problems through the example of the integrated multimodal transport system being developed in Chennai.

Dr. Chandramohan also spoke of several other successful measures such as pedestrianisation, water body and estuary rejuvenation, and promotion of energy efficiency. In that sense, he argued that Smart Cities can indeed be an engine of inclusive and efficient growth. *"Smart Cities provide a platform for people to directly participate in choosing the Smart City of their choice,"* he stressed. *"In a country where elected representatives make decisions, for the first time citizens had a direct say in how their cities should improve,"* because of Smart Cities. Futherr, he stated: "*Smart Cities bring ad hocism to a stop and bring about smart, technology-led solutions. This gives an impetus to building new interventions that can overcome systemic difficulties.*"

'Smart Mobility' in Imphal, Manipur

Ramananda Wangkheirakpam of **Indigenous Perspectives**, **Manipur,** spoke about the impact of 'smart mobility' in Imphal. He shared his experience participating in public hearings on several Smart City-related projects promoted in Imphal, which included flyovers, underground passes and footbridges, and the introduction of smart

cycles. In these hearings, various advocacy groups, many led by women, had strongly submitted that flyovers, underpasses and footbridges would pose a problem for the functionality of women's markets of Imphal, which rely on ground-level pedestrian access. But these concerns were dismissed. He expressed grave concerns that while these projects were promoted as being pedestrian-friendly, they actually worked to make the city vehicle-friendly.

Ramananda further highlighted how Smart City projects promote the marginalisation of poor and vulnerable communities by citing the example of traditional diesel and petrol rickshaw drivers who were being pushed out of business due to unilateral decisions to introduce and promote e-rickshaws in Imphal. This drew a 3-day protest from the impacted drivers, and brought the entire city to a halt. "*The main issue of the Smart City is that of inclusivity. A concerning global trend is that rich investors are taking over cities*," he opined.

The State Finance Commission's Role in the 'Smart Cities' Mission

Tikendar Panwar, former Deputy Mayor of Shimla, termed the Smart City model as an 'obituary' to the 74th Constitutional amendment. He specifically highlighted this as an outcome of the unsustainability of the model due to its corporatized and technology-driven economics, and the absolute lack of participation of elected representatives in smart city SPVs. The creation of SPVs, he highlighted, has even resulted in conflicts about decision-making between SPV CEOs and elected representatives, such as City Mayors. He also observed that urban governance has been overtaken by parastatal bodies that favour specialised development plans leaving little room for self-governance. These, he opined, influence the distribution and accumulation of capital (particularly through real estate), and thus allow inequities to deepen.

Tikendar discussed the alarming condition of State Finance Commissions, bodies supposed to play a crucial role in the devolution of funds on a state and sub-state level for rural and urban local bodies under the 73rd and 74th Constitutional Amendments. Only 13 states are following the constitutionally mandated timeline for creating new State Finance Commissions, while the average per capita devolution of funds by the Commissions continues to be minimal. He also pointed out several limitations faced by finance commissions, such as the lack of qualified members with knowledge of urban governance. Arguing strongly against the promotion of the Smart City-based concept of urban renewal, Tikendar asserted, *"the Smart City mission went bust when the lockdown was announced. The migrant labour population started leaving the cities within 24 hours."* For him, the *"Smart City mission is an unsustainable model because there is no participatory governance or accountability attached to it".*

Experiences with 'Smart City' Development in Tumkur, Karnataka

Bhargavi Rao of Environment Support Group (Bangalore) and Centre for Financial Accountability (New Delhi), provided a detailed analysis of the inconsistencies in the Smart City project coming up in Tumkur, Karnataka. She shared various instances of the Smart City endeavour in the city to highlight how there was a gap between the wider public's aspirations and what was being delivered through Smart City projects. She pointed out how the promotion of technology-based citizen engagement processes has an embedded classism, what with an expressly stated anti-hawker, anti-street vendor stance in the project's design and development. She wondered how then the Smart Cities could work their 'smart' solutions' to address the needs and concerns of poorer sections of society, particularly those who lived in the city's slums.

Bhargavi explained that the Smart City program fell short of being inclusive and equitable since it unduly focuses on technocratic transformations and beautification projects, instead of ensuring basic services. In some instances, these projects have been unscientific and without adequate public consultation. For example, a major lake, Amanikere, approximately 500 acres in size, is being beautified in contradiction to guidelines proposed by the Karnataka High Court in ESG's PIL promoting lake conservation. Besides, a wholly unscientific landfill is being built in a village in spite of local opposition, as a Smart City venture. She also pointed to the failure of the Smart City program to address frequent delays in payment of wages to sanitary workers of the municipality, and the lack of addressal of the massive engagement of manual scavenging. Tumkur has also become a site for rampant dumping of mixed and hazardous waste, but this is not prioritised for action. This is an outcome of, Bhargavi analysed, a situation where "*citizen engagement is largely technology-based through smartphones".* She left the audience with a poignant question: *"What class of people gets to engage through this medium?"*

Germany's Experience with 'Smart City' Development

Nele Kress of the Helmholtz Centre for Environmental Research-UHZ, Leipzig, Germany, pointed out various similarities between the Smart City experience in India and Germany. Like India, in Germany too the vision for Smart Cities is corporate-led, globalized, and rooted in technological solutionism. There is also a focus on catering to the affluent, and participatory processes are less focussed on actual dialogue. Instead, they are focused on creating acceptance of proposed interventions. Further, there is a strikingly similar neglect of ensuring environmental sustainability; in fact, several projects are focused on vehicle-friendliness. Overall, the process is an experimental, model-city based approach to building smart cities.

However, Nele highlighted, there are key differences in the India and Germany models. Germany does not have a nationally dictated Smart City mission or strategy like India. Further, though initiatives are not completely grassroots, cities still have a greater level of autonomy and responsibility in making decisions. Nele also shared that there are several claims and efforts for making city governance inclusive and sustainable in Germany, an example of which is the recently adopted Smart City Charter to guide Smart City development in the country. However, she drew focus to the fact that "*in Germany too, Smart City programs leave out the marginalised and focus on the affluent.*" This is even when "t*here is a consensus-based approach, and governments experiment with different kinds of models and promote incremental changes across Germany.*"

The presentations were followed by a vibrant discussion sparked by thoughtful questions on the state of Smart Cities in India, and this drew interesting insights from the speakers. Leo reflected, for instance, that *"the Constitutional 74th Amendment might be in a coma but is certainly not dead, at least not in Bangalore, following the High Court directions for functioning of the ward committees."* This, he said, was even though Smart Cities do not give space to ward committees in governance. Bhargavi stressed the need to sensitise people to the fact that their rights of participation in decision making are being taken away. Dr. Chandramohan, on the other hand, reiterated that in Tamil Nadu there have been several opportunities for participatory democracy in Smart City governance. Nele stressed "*the need to think about supplementing, if not replacing, Smart City solutions with other alternatives.*"

Tani Alex of the Centre for Financial Accountability thanked the speakers and participants.

A video recording of the webinar is accessible at: https://bit.ly/2IKXAFH

[Malvika Kaushik of ESG authored this report with inputs from Ashwin Lobo, Karthik Anjanappa, Sana Huque of ESG, and support from Himanshu Umesh, Sneha and Siri Harish, Interns at ESG.]

The second and concluding part of the '***Interrogating Governance and Financial Implications of "Smart Cities"'*** series will be held on Thursday, 19 November 2020 (6.00 pm to 8.30 p.m. IST on Zoom and Facebook). The focus will be on financial implications of Smart Cities in India and their impact on urban futures**.**

To participate, please register at: https://bit.ly/2H7rcwi

More details on this webinar series can be accessed on www.esgindia.org and www.cenfa.org.

Speakers

Leo Saldanha is a Trustee of ESG and its full-time Coordinator. He has gained wide-ranging experience in the areas of environmental law and policy, decentralisation, urban planning and a variety of human rights and development-related issues, working across many sectors for over a decade. He has supported various distressed communities to secure justice through advocacy efforts, and has argued as party-in-person in several public interest litigations, many of which have resulted in remarkable judgments.

Dr. B. Chandramohan, IAS is the Principal Secretary to the Government of Tamil Nadu. He has extensive experience in the urban sector, and has formerly worked as Commissioner of the Greater Chennai Corporation and Managing Director of the Chennai Metropolitan Water Supply and Sewerage Board. He has also been the Chairman of Chennai Smart City Limited and a mentor for the Madurai Smart City project.

Ramananda Wangkheirakpam is the Director of the Forum for Indigenous Perspectives and Action and the President of the Manipur Cycle Club. His advocacy is focused on analysing huge infrastructure projects in the northeast, especially hydropower.

Tikendar Panwar was the elected Deputy Mayor of Shimla city. Under his leadership, the city created a development plan that speaks of inclusive growth, greater planned social infrastructure and in making not just the city but the citizens resilient. He was a member of the National Task Force to review the 74th Constitutional Amendment. He is supervising and has contributed to the vision document for the town of Leh.

Bhargavi Rao is a Trustee of ESG and the Deputy Director of CFA. She has co-worked as Coordinator and Faculty of the India sector of the 'Cities of the 21st Century' and 'Health and Community' courses of the International Honors program and as Co-Director of the India Centre of Minnesota Studies in International Development, a division of the Learning Abroad Centre of the University of Minnesota. She has also been associated with the Public Health Foundation of India and Azim Premji Philanthropic Initiatives.

Nele Kress studied environmental and sustainability studies with a focus on political science in Germany, the Netherlands and Sweden. She is currently working with the Helmholtz Centre for Environmental Research-UFZ, Germany on the research project 'Governance of Sociotechnical Transformations', where she critically examines how Smart Cities are envisioned, legitimised and enacted as a path to a sustainable future in Germany.

Joe Athialy, Executive Director of the Centre for Financial Accountability moderated the session. He has previously worked with the Bank Information Centre, Amnesty International, Narmada Bachao Andolan, and various other human rights and accountability institutions in leading positions. He is a key organiser on issues of accountability of International and National financial institutions with regard to the impact of their activities on human rights and environment.