Lakshmi Raj: Shaping spaces in post industrial Mumbai: Urban regimes, planning instruments and splintering communities

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Citation for published version (APA):

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CHAPTER 2: LITERATURE REVIEW: CHANGES IN URBAN LAND REGIMES -
APPROACHES, CONCEPTS AND OUTCOMES

INTRODUCTION

In this literature review chapter I will highlight several approaches to studying urban regimes, the key concepts involved and the theoretical frameworks related to the study of collective decision-making. In each section effort is made to include conceptual and theoretical discussions as well as the empirical studies carried out in India on these topics. Section 2.1 will provide a review of the literature on urban regimes, emphasizing the main characteristics and shortcomings of these approaches in studying different features of land regulation as well as drawing out common features from these approaches. It is argued that a composite perspective—examining formal and informal rules and institutions as well as practices of actors and their networks and coalitions—is needed when studying city-level urban land regime changes.

Section 2.2 will discuss key concepts (institutions, organizations and actors) and present a literature review on modes of co-ordination and control mechanisms. This section will also present a discussion on networks, focusing specifically on policy networks, coalitions and associations. The literature reiterates time and again that the predominance of a particular type of co-ordination defines the strategies and spaces available to actors. This type of multi-actor co-ordination can act as an important source of power in influencing urban land regulations.

Section 2.3 presents the main theoretical frameworks that have been used to study action/decision-making arenas. This section draws on the work of North, Ostrom and Sabatier-Jenkins Smith, comparing their perspectives. One of the direct expected outcomes of the influencing process is change of the land regulation regime and the development of collective public goods. Section 2.4 will present five types of possible outcomes, drawn from literature on developmental outcomes of state policy.

2.1 APPROACHES TO STUDYING URBAN LAND REGIMES

Regime theory has been used to describe a variety in systems of governance in several fields. Theorists of international relations have used it to characterize different forms of the international order, describing it as a bundle of norms, rule and decision-making procedures. Students of public policy have also used the concept of regime and have linked regulatory practice with its political content in cross-national comparisons (Elkin 1986). In urban political science, regime as a concept has been used to describe enduring policy styles in city government. This approach includes the nature of governing coalitions, the structure of relations between actors and the resources held by various players in the system. Stone, Mossenberg and others have focused their attention on the coalitions created between the private and public sector, with the aim of fulfilling common interests.

The existence and study of such collaboration between the private and public sectors has been termed ‘urban regime analysis’ (also called ‘urban regime theory’). It is distinctly different from the policy regime theory mentioned above. It was developed in the USA in the mid-1980s and has been used in western Europe as economic restructuring put development issues on the agendas of many European cities during the 1980s (John and Cole 1998; Stoker and Mossberger 1994). It focuses primarily on explaining the relationships between local governments and businesses in cities.

Studies of policy regimes refer more generally to the ways institutions and policies are interconnected in different sectors of a country’s political economy. This interconnectedness may produce institutional complementarity or other institutional features such as competition. Policy regimes are said to be ‘path dependent’, i.e. not being able to easily change into new policy directions.

Three common features emerge from the various uses of the regime concept:

1. All definitions include a systems perspective,
2. Regimes are seen as enduring phenomena,
3. Regimes are systems that can be nested in larger systems.

Thus it appears that the concept of regime is used to define, on the one hand, the policies of the state governing a sector and, on the other hand, an enduring form of collaboration between private sector and state actors.

A further specification of what dimensions constitute an urban regime is found in the study of risk regulation, seen as a particular type of ‘urban regulation regime’, which outlines urban regimes as a complex institutional geography—including rules, practices and ideas associated with urban development (Hood, Rothstein, and Baldwin 2001). Hood emphasized that, depending on the disciplinary background of the researcher, ‘different aspects of the regime gain focus; while the traditional lawyer may give primacy to the formal rule structure, an institutional economist to the underlying incentive structure, an anthropologist to the prevailing pattern of attitudes and beliefs, a political scientist to the distribution of power amongst actors a historian to the way past shapes the present, a geographer to the relation between physical scale and regulation’ (2001:12). The main assumption in the use of the term ‘urban regulation regime’ is that there is state intervention and it is regulatory in nature. To study how shifts in urban regimes occur, it is necessary to have a composite perspective, which includes formal and informal rules and policies, institutions and organizations and their resources, actors and their networks, and distribution of power among them.

The literature review shows that whereas economists focus on the institutions and rules, social scientists study the practices, people and power associated with institutional regulation and change. As the focus of this study is to examine the processes and outcome of regime change, in this study the term urban regimes shall mean both the institutions, rules, practices or activities, actors, resources and powers that are associated with urban land as well as its ownership, use, and development. Thus ‘regime’ in this study will be understood and used as both a verb and a noun—a process and an output. Specifically this study examines the transition from one type of regime to another, with the changes in planning instruments set within the wider system of development control rules and the Development Plan of the City of Mumbai.

Urban planning necessarily requires some form of co-ordination and collective decision-making amongst the actors set within institutions. Thus important concepts for this study include institutions, organizations, mechanisms and modes of co-ordination, and rules.

2.2 CONCEPTS

Institutions, organizations and actors

There is much confusion in the academic literature on differentiating between institutions and organizations. While authors such as North (1990) and Ostrom (2005) clearly distinguish between the two, Kabeer and Subrahmanian (1999) write about one overlapping entity. North and Ostrom, both economists, define institutions as humanly devised constraints that shape human interaction. They are the rules of the game that structure human exchanges—whether political, social or economic. Institutions define and limit the set of choices available to individuals. As the goal of economic institutions is to maximize wealth, actors influence these rules to achieve this goal. The maximization behaviour of economic organizations therefore shapes institutional change by (1) investments in knowledge; (2) ongoing interaction between organizing economic activity, the stock of knowledge and the institutional framework; and (3) incremental alteration of informal constraints (North 1990).

For political scientists, institutions are constituted by the boundaries they define concerning specific categories of people; few are fully inclusive all the time. Institutional rules and practices determine which categories of people are included (and which excluded) and define the allocation of tasks, activities and responsibilities within production processes and different resources in the institution. Institutional patterns of inclusion, exclusion, position and progress express class, gender and other social inequalities (Kabeer and Subrahmanian 1999).
Organizations, on the other hand, are groups of individuals bound by some common purpose. They include political bodies (political parties, the city council or a regulatory agency), economic bodies (firms, trade unions, family farms, cooperatives) and social bodies (churches, clubs and educational bodies). Which organizations come to exist and how they evolve fundamentally depends on the institutional framework. Organizations are created as a consequence of opportunity sets, resulting from the existing sets of constraints, and take on the role of agents of institutional change by influencing the underlying rules of the institution (North 1990).

**Actor-oriented perspectives**

Theories on agency of actors add a further dimension. They acknowledge that individuals are also powerful entities able to influence institutional policies and institutional rules. In this set of theories, the individuals within institutions can influence their policies. The main actors are state actors, which influence decision-making along with other actors, such as private sector actors and civil society groups (Kabeer and Subrahmanian 1999; Giddens 1986; Devas et al. 2001; Long 2001; Evans 1995). Actor analysts bridges the gap between those theories that see economic and political structures as dictating human behaviour and rational choice theory, which largely places the responsibility on individuals as actors in decision-making. Actor analysis creates a middle ground by focusing on the embedded actor, whose actions are dictated by a combination of individual and structural factors—some rooted in the historical past, others in earlier institutional practices and the individual’s own needs.

The actor-oriented perspective needs to be seen as a refinement rather than a contrast to the institutional model approach to studying urban development. It has its roots in the belief that human agency through collective action can bring about a change in the environment. The actor-oriented perspective introduces a number of new concepts (such as networks, domains and arenas, interfaces) as actors engage in the process of changing the institutions within which they are embedded. Following are some key features of this approach, as adapted from Long (2001):

1. It honours heterogeneity.
2. It studies both social process as well as structural outcomes.
3. Agency of actors is seen as a collection of actors’ abilities:
   i. The capacity of the actor to process their own and others’ experiences and to act upon them;
   ii. A certain knowledge and ability whereby experiences and desires are reflexively interpreted and internalized (consciously or otherwise);
   iii. The capacity to command relevant skills, access material and non-material resources and engage in particular organizing practices.
4. Social action takes place within networks of relations (involving human and non-human components), shaped by both routine and explorative organizing practices and bound by certain social convictions, values and power relations.
5. Social action and interpretation are context-specific and contextually generated. Boundary markers are specific to particular domains and arenas.
6. Actor perspectives reveal interlocking relationships, actor ‘projects’ and social practices that interpenetrate various social, symbolic and geographical spaces by using the concept of ‘interface’, which explores how cultural interactions and power relations are mediated and perpetuated or transformed as critical points of linkage or confrontation.

Thus it is not surprising to find at a more local level a research focus on studies of local actors in urban development, their networks and the processes they engage in to influence policy and rules of institutions (Devas 1999; Shatkin 2007; Baud et al. 2009; Baud and de Wit 2008). Two distinct
perspectives appear when identifying which actors or ‘people’ interact with institutions to bring about change. While one perspective identifies institutional patterns of inclusion and exclusion of actors, the other emphasizes the role of the sector in deciding which actors will get involved. Both the study of actors as well as their organizational formations while interacting with institutional rules are necessary for this study.

According to Giddens, talking about how patterns of human behaviour form or change rules and structures of institutions, the actions of the self are recursive, that is, there is a sameness of activity of actors across space and time, because human action is dictated by the *longue durée* (drawing from the theory of path dependency). Further human action, according to Giddens, is embedded in a set of processes: unacknowledged conditions, reflexive monitoring of actions, rationalization of actions, and motivation of actions. Both the actors as well as the institutions that they create in practice are being emphasized. Building on the actor centric approach to institutional change, various authors have examined what kinds of resources actors use to exercise their agency, and their capacity to mobilize these resources, i.e. the formation of groups and organizations to either bring about social change or retain rules of institutions (Giddens 1984).

The dilemma is whether changes in institutional rules by actors and their organization amount to regime change, or are changes in the rules that govern institutions enough to bring about change in regimes? How do actors coordinate amongst themselves, and what governs these arrangements of coordination?

**Modes of coordination**

It is generally accepted that markets, state institutions and community institutions (e.g. through clans) are three modes of coordination. Some authors prefer to call them modes of social control or order (Ouchi 1991; Foucault 1991). In recent times, network associations have been included as a fourth mode (Castells 1996; Meuleman 2010; Meuleman 2008). Each of these modes is governed by some principles: bureaucracies are governed by hierarchical control, markets by dispersed competition and communities are based on social ties. Further, some sectors appear to be dominated by organizations bound by one or the other modes of control. For example, markets’ predominant mode of control is through the private sector, while bureaucracy dominates in the public sector. To mediate transactions between individuals within these modes requires the presence of certain conditions, outlined by Ouchi (1991) and presented in table 2.1.

**Table 2.1: A mode of coordination**

<table>
<thead>
<tr>
<th>Mode of Control</th>
<th>Normative requirement</th>
<th>Informational Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market</td>
<td>Reciprocity</td>
<td>Price</td>
</tr>
<tr>
<td>Bureaucracy</td>
<td>Reciprocity</td>
<td>Rules</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legitimate authority</td>
</tr>
<tr>
<td>Clan</td>
<td>Reciprocity</td>
<td>Tradition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legitimate authority</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Common values and beliefs</td>
</tr>
</tbody>
</table>

*Source: Ouchi (1991).*

Academic studies that examine how the public sector, private sector and civil society cooperate together to provide goods and services to the community tend to see society in what has been called a three sector model, with state, private sector and civil society as distinct entities. For analytical purposes Kabeer identifies four key institutional sites: the state, the market, the community/civil society and civil society. The decision to include the fourth mode, community/civil society, is to reflect a recognition of the critical role played by civil society actors. This mode, which is prevalent in the public and private sectors, is characterized by the formation of collective action around the pursuit of specific objectives. It is characterized by a high degree of interaction among the actors and a high degree of formality in the way decisions are made. The actors within this mode are often organizations that are specifically formed to achieve a particular goal. The decision to include this mode is based on the premise that civil society is an important actor in the process of institutional change and that it plays a crucial role in the development of the country.
society and the domain of family/kinship. The state constitutes legal, military and administration organizations; the market is the framework for organizations like firms, financial corporations, farming enterprises and multinationals; the community is made up of various supra-family groupings, neighbourhood networks and non-governmental organizations. Households, extended families and lineage groupings are some of the ways in which kinship relations are organized (Kabeer and Subrahmanian 1999). Chatterjee brings in an added dimension specific to the Indian context, which he terms political society, linking the poor and the state. This is distinctly different from civil society, which is largely an arena utilized by middle-class citizens (Chatterjee 2004). Chatterjee emphasized the existence of not only civil society which interacts with the state, primarily consisting of the middle class, but also a political society mobilized by the state to support goals set by a government project. Political society becomes a necessary sector, which if mobilized successfully can secure benefits for poor and under-privileged sections of society. He claims that this is not possible within the domain of civil society. Further, he says that only when the poor in a country like India are able to mobilize political society and affect governmental programmes in their favour can one conclude that they have expanded their freedom by using means not available to them in civil society (Chatterjee 2004).

These institutional sites can be clearly demarcated theoretically, but in practice a closer look at institutions and actors in action indicates that boundaries can be 'fuzzy' (Edwards, Wu, and Mensah 2005). The fuzziness of boundaries can be explained by the degree to which state and non-state actors may be ‘embedded’, i.e. the extent to which influential leaders are members of both state and local groups, or business and public collaborations (Evans 1996). Thus the approach is to take a systems view of all sectors, by looking at the different components of sectors (which could be individuals, families, groups, organizations or any association of organizations), and how they interact with each other and with subsystems of other sectors. Although the system has been presented as a bounded entity for purposes of simplification, in reality there is constant movement and fluidity, which has been taken into consideration by elaborating their interrelationships. It is only when we examine the interests of actors within these sectors that we can identify common interests.

Heterogeneity of the urban social actors has its basis in their different interests. Common interest actors are known to cluster and form organizations to collectively pursue their common interests. Actors are also known to engage in social networks and direct or indirect relationships, in order to exercise their agency or influence institutional rules and regulations. Information, resources and services are known to be exchanged in these networks. The nodes in a network may be individuals or organized groups, for example, family enterprises or business firms (Long 2001; Wellman 1983).

Sociologists define networks as the ‘web of relationships’ used for exchanging resources and services (Castells 1996). Informal networks are distinct from formal networks in that they are not officially recognized or mandated by organizations, and in that the content of their exchange can be work related, personal or social. The network school combines structural and social exchange theories to explain the ties and resources that individuals provide to their network members. Political scientists studying the process through which polices are formulated and implemented have also used network approaches. While some academics criticize the approach, seeing networks more as a metaphor than a theory, other theorists have used it extensively in studying agricultural (Marsh and Smith 2000; Thompson 2004; Bruckmeier and Tovey 2008) and educational policy. Some of the debates in applying network theory to policy have centred on issues of approach and focus.

Policy networks

Policy networks can be defined as ‘complex or organizational networks connected to each other by resource dependencies and distinguished from other by breaks in the structure of resource dependencies’ (Benson 1982; Rhodes 1988). A network is created when exchange and adaptation processes among actors are looked upon as an investment process, to fulfil mutual needs and interests. Although policy networks are not new and have been written about for the past twenty years, what is new is the growing power of these networks as self-regulating bodies, with little governmental regulation in the way of steering. It can be said that they are even challenging the interests of the state. Rhodes (2002), in posing the possible threats of governance through self-organizing networks, feels
that policy networks challenge governability as they become autonomous and resist central guidance, a process led primarily by the private sector which becomes a prime example of governing without government. Powerful governance networks are criticized as they can consequently result in public policies becoming shaped more by the interests of self-appointed individual actors pursuing private interests in the network than by the larger collective public interests (Benson 1982; Pierre and Peters 2000; Rhodes 2002).

Rhodes elaborated on this point, arguing that networks have different structures of dependencies varying over five key dimensions:

1. **Constellation of interests**—the interests of participating in a network vary by services/economic function, territory, client group and common expertise (or a combination).
2. **Membership**—membership differs in terms of the balance between public and private sector, and between political-administrative elites, professions, trade unions and clients.
3. **Vertical interdependence**—intra-network relationships vary in their degree of interdependence, especially among actors central in the network in terms of the implementation of policies for which they have service delivery responsibility.
4. **Horizontal interdependence**—the relationships between networks vary in their degree of horizontal articulation, i.e. the extent to which a network is insulated from or in conflict with other networks.
5. **The distribution of resources**—actors control different types and amounts of resources and such variations in the distribution of resources affect the patterns of vertical and horizontal interdependence.

Policy networks have been identified in India by Bardhan (1985), Lloyd and Hoeber Rudolph (1987), and Guha (2008). Bardhan and Rudolph have called them pressure or interest groups functioning more at the national level, while in an urban context another associational type of network has been identified by (Narayanan 2003). The next section will examine some of these formations.

**Pressure or interest groups**

Political scientists identify interest-driven pressures, where specific elite groups and those who own land or means of production have a strategic role in designing the regime (Harvey 2000; Bardhan 1985; Jessop 1997; Lloyd and Hoeber Rudolph 1987). Bardhan and Rudolph have shown that in India different sections of interest groups have been active in influencing policies at different periods of time, including large landowners, government officials and students. This kind of politics has been termed demand-based politics as it allows for the accommodation of interests of different demand groups (Harvey 2000; Jessop 1997; Bardhan 1985; Lloyd and Hoeber Rudolph 1987).

Hood also finds organized, interest-based pressure groups to exist within the government (2001). Generally, policy networks have been identified to be functioning at the central government or sector level (e.g., industrial networks have been identified by Evans), whereas city level networks are mainly presented as growth coalitions only in urban regime studies (Evans 1995; Soja 2010).

**Associations**

The difference between policy networks, coalitions and joint projects for transformation of regimes is that in the first two the influencing actors are not necessarily directly involved in delivering developmental outcomes. In joint projects for regime transformation, actors who are likely to engage in the developmental outcome of the changed rules are not merely engaging in policy change but are also included in the implementation process. Such organized efforts of actors are seen to be associational in nature. Associations are contrasted with community, market and state networking, as they are organized concentrations—in contrast to the supposed ‘spontaneous solidarity’ of the community, ‘dispersed competition’ of the market and ‘hierarchical control’ of the state.

In social science research, associations are often treated as cartels and associative action as a major cause of inefficiency and suboptimal resource allocation. Streeck and Schmitter identified that at the
core of associations stands the principle of interactions and allocation amongst a privileged set of actors (1985). Several key types of associations are class, field and professional associations. The central principle is concentration, or negotiation, within and among a limited and fixed set of interest organizations that recognize each other’s status and entitlements and are capable of reaching and implementing relatively stable compromises (pacts) in the pursuit of their interests. They refer to such coordination among a select group of actors as a corporative-associative order (Streeck and Schmitter 1986; Thompson et al. 1991).

Political scientists regard associations as a threat to liberal democracy, parliamentary rule and state sovereignty, pointing to phenomena such as industrial action in defiance of legislation, colonization of state regulatory agencies or undermining of parliamentary sovereignty by ‘social pacts’ negotiated between the government and strong interest groups. However, before taking a normative position it is important to theoretically discern the different types of connections between actors.

What differentiates associations from other pressure or interest-based politics? Interest associations can grow into a corporative associative order, provided they are not fragmented into rival communities, organized into competing markets for members, and/or are resources dependent. In the corporative associative order, actors are contingently or strategically interdependent, in the sense that actions of organized collectives can have a predictable and determining effect (positive or negative) on the satisfaction of the interest of other collectives, and this induces them to search for stable pacts. The motivation of actors to subordinate themselves to the associational negotiated pact provides less uncertainty about aggregate outcomes and greater assurance of receiving a proportionally more ‘equitable’ share of the spoils.

Such corporative associations have also been called ‘private governments’, often associated with the illegitimate use of power. However, others prefer to see such associations as arrangements that make an attempt towards associative, self-interested collective action and towards contributing to the achievement of public policy objectives or collective good (Lowi 1979). The functional advantage of private interest government is that self-regulation by organized interests is capable of solving a number of problems associated with state intervention, market competition or voluntary community action. Such private interest government does this by providing for an organization where policy formation and implementation take place within one and the same organization. The same associations that negotiate the terms of regulation of their members’ behaviour are charged as private governments with the responsibility to enforce them. The extent to which private and collective goods overlap depends largely on how the relationships between organized group interests and the state are structured, and the complex bargaining processes between them (Streeck and Schmitter 1986; Thompson et al. 1991).

Thus, the literature presents a number of typologies of coordination amongst actors that have played a role in influencing state policies, namely: networks, interest groups and associations. There are key differences in the relations that they have with each other. While policy networks and interest groups are likely to have actors from the same sector, coalitions and associations are cross-sectoral networks, with associations likely to represent professional bodies. While policy networks and interest groups have a strong focus on cooperating for policy changes, coalitions have the reallocation of resources and positions as their main motive, and associations focus on joint projects and pacts in implementing policy change.

While networks are more likely to be based on loose ties and short-lived, interest groups are more homogenous and dismantle only after their demands have been met. Coalitions can last longer, but have loose ties and minimum coordination. On the other hand, associations can emerge only when they are well-organized and not fragmented. Further, the literature also suggests that the nature of actor coordination directs the process of regime transformation. While policy networks and interest groups are likely to bring about pressure on the state, coalitions are likely to use multiple venues and strategies. Associations are more likely to engage in making closed bargains in a pact that promises equitable shares to the actors involved.
Networks cannot be characterized as either a typical market or typical hierarchical governance networks. Different governance structures coexist (either complementary or competitive) within the larger system. By sticking to the twin pillar of market and hierarchies our attention is deflected from a diversity of organizational designs that are neither fish nor fowl, nor some mongrel hybrid, but a distinctively different form’ (Powell 1990).

Mechanism of modes: price, authority and trust

The analytical approach is that hierarchies use authority as mechanism of control, just as markets use price and clans develop trust. Authority mechanisms are written into contracts and exist implicitly by virtue of industry practice. Both authority and price are attached to each transaction, while trust is a type of expectation that alleviates the fear that one’s exchange partner will act opportunistically. Zucker outlined three different ways that trust, as a set of expectations shared by all those in an exchange, is produced (Zucker 1986). Process-based trust emerges from recurrent transactions; characteristics-based trust rests on social similarity; and institution-based trust is tied to formal social structures. It has also been found that markets and hierarchies, or relational trust patterns, are not mutually exclusive mechanisms. Often price and authority mechanisms are found within firms along with trust-based relations. Further, modes themselves may undergo transformation. In theories of transaction costs much of the academic debate is concentrated around identifying which of the two are most efficient: markets or hierarchies (under different conditions of uncertainty, asset specificity and frequency of transactions). These dimensions are said to affect the costs associated with writing, executing and enforcing contracts. When such costs are high, markets fail and hierarchies emerge in their place.

Granovetter argued that trust can be embedded in markets through weak ties. Similarly trust and authority are also found to be mixed amongst informal groups in firms that govern transactions. Mutual dependency among exchange partners in firms is said to promote trust. Thus dual forms of mechanisms are recognized in markets and hierarchies. Control mechanisms appear in the real world in plural forms and may often run parallel to each other at different levels of transactions (individual transactions and transactions at system levels) (Granovetter 1985). Bradach and Eccles concluded in their chapter dedicated to this debate that a combination of control mechanisms are observed to be overlapping, embedded, intertwined, juxtaposed and nested. This complexity they believe exists because only occasionally are control mechanisms created on ‘greenfield’ sites. Typically control mechanisms are grafted onto and leveraged off existing social structures, as for example in the installation of price mechanisms in hierarchies and the functioning of business relationships in industrial communities (Bradach and Eccles 1989).

Planning

Planning is an instrument predominantly used in hierarchical institutions to help realize the goal of allocating goods and services. It is seen as a necessary effort on the part of the state to allocate resources amongst citizens. The socialist model of economic allocation in India was centralized and bureaucratic. Urban planning in India has emerged from the socialist principles adopted by national leadership in the post-independence period. Urban planning was mostly blueprint planning, a lengthy process justified by principles of equality and its balancing role between demand and supply ex ante rather than ex post so as to avoid substantial waste of resources. Planning was advocated as it held the potential to remove the predictable economic insecurity of capitalism.

Planning is seen as a major intervention or guiding strategy of the state. Planning and market principles are often seen as in opposition to each other, and many nation states are choosing to depend more on the market for provision of goods and services and less on centralized state planning. In India a mixed path was chosen in the period after independence, with centralized planning used for the allocation and trading of most goods and services (Harriss and Corbridge 2000).

It is generally accepted that a totally planned economy is no longer desirable or viable as it is unable to deal with vast complexity of modern economic systems, creates concentrations of power in the hands
of central and state agencies, stimulates privately run black economy and generates new social hierarchies divided along political or bureaucratic lines. However, this is not to say that planning is altogether redundant and that there are no problems associated with pure market modes of allocations of services and goods. The recent trend has been to develop means to overcome the difficulties associated with centralized planning rather than to accept planning as undesirable and impossible. Decentralization, democracy, local participation and negotiations are all models of contemporary social planning (Baud and de Wit 2008; Jayal, Prakash, and Sharma 2006). In urban planning too similar trends are visible; master planning and land use planning is being strengthened by strategic and action planning, participatory governance and decentralized planning (Ruet and Tawa Lama-Rewal 2009).

Much of the debate is about the modes of co-ordination, whether by the market, state or civil society or a combination of the above. Depending on the mode of co-ordination promoted by the national government, planning mechanisms are sometimes in the forefront. When national governments move towards more market-based modes of co-ordination, centralized planning is likely to weaken as the role of the state itself changes more towards a coordinating and monitoring role. The decision-making arenas reflect the complex interplay between external factors and interactions amongst the participating actors. Another area of debate questions the very role level of urban planning, as a significant gap opens up between increasingly techno-managerial and market-based systems of government administration, public provision and planning, and the everyday lives of marginalized and impoverished urban populations living largely under conditions of informality. This debate draws attention to the gap between what has been called applying western standards of planning and the new forms of urban informality and poverty (Devas and Rakodi 1993). As a result urban planning has come to be viewed as a tool used by the wealthy to protect their property values and to exclude the poor (Hall 1999; Watson 2009; Burra 2005; Roy 2009).

There are now moves towards incorporating new forms of planning in master plans which reflect more forward and strategic planning strategies, incorporating elements of flexibility and resource management in such plans. In India the move has been to expand project planning and create city development plans, as part of new nationally-funded programmes like JNNURM (Sivaramakrishnan 2011). The role of municipal corporations and local planning authorities in both the planning process and its implementation are central. The role of development plans and developmental regulations in urban India has been studied in terms of the impediments it creates for real estate development. The general conclusion is that in urban India development control rules have created an impossible network of building and planning standards, which force people to circumvent the law in order to get permissions for construction and improvements (Bertaud, Buckley, and Pathak 2005; Krishnan 2010).

Watson argues that given the changed context of planning, with shifts in governance as well as city dynamics dominated by informals, requires a differential response from urban actors. There is a need to steer conflictual planning into a consensual process. This would mean lowering standards set by planners who, in her view, need to balance between the logic of governing and the logic of survival. She suggests that planning should work with informality, supporting the survival efforts of the urban poor rather than hindering them through regulation or displacing them with mega-projects (Watson 2009; Levy 2000).

Using negotiation as a strategy to interface between actors has been tried in Mumbai. As Roy shows in the case of resettlement claims made by those displaced by a World Bank funded infrastructure project, it consists more of making peace with the violence of the state than making place for those evicted by the brutality of the state (Roy 2009). Efforts of NGOs are likely to be co-opted or compromised in light of the conflict between marketization and privatization of services and infrastructure and on-going promotion of urban modernist reforms. Similarly, Baud and Nainan show that class conflicts are likely to turn negotiated spaces into captured spaces by a powerful section of the city (Baud and Nainan 2008; Roy 2009).
2.3 ANALYTICAL FRAMEWORKS FOR STUDYING COLLECTIVE DECISION-MAKING

Different analytical frameworks have been proposed to study collective decision-making processes. Devas has proposed a simple linear theoretical framework linking actors, processes and outcomes. This framework has been further elaborated by Ostrom into an institutional analysis and developmental framework (Devas 1999; Ostrom 2005).

Figure 2.1: *Institutional Analysis and Development (IAD)*

![Diagram of Institutional Analysis and Development (IAD)](source: Ostrom (2005)).

Ostrom draws attention to the importance of the action arena as a set of dependent variables. The factors affecting the structure of an action arena include three clusters of variables: (1) the rules used by the participants to order their relationships; (2) the attributes of the bio-physical world that are acted upon in these arenas; and (3) the structure of the wider community where the particular area exists. The components of the action arena are itself assumptions about the rules used by participants to structure their relationships, about attributes of the bio-physical world and about the nature of the community. These jointly affect the types of actions that individuals can take, the benefits and costs of these actions as well as the potential and likely outcomes.

Discussing what constitutes the bio-physical/material variables, Ostrom speaks of ‘events’, meaning the ‘goods and services’ produced, consumed and allocated as well as the technology available for these processes. Various factors—whether goods and services are toll goods, public goods, private goods or common-pool resources; the size of the resources; the mobility of its resource unit; the presences of storage in the system; the amount and distribution of rainfall; and many other—add up to what constitutes the independent variable bio-physical/material conditions (Ostrom 1996).

Attributes of the community that affect the action arenas according to Ostrom include the values of behaviour generally accepted in the community; levels of common understanding that the potential participants share (or do not share) about the structure of particular types of action arenas; the extent of homogeneity in the preference of those living in a community; the size and composition of the relevant community and the extent of inequality of basic assets among those affected. Culture, history of experience with governance institutions affects the way local participants understand, implement, modify or ignore rules written by external officials. The extent to which common values are held and vernacular language is used language to express their ideas, develop common understanding, share learning and explain the foundation of their social order are also crucial variables relevant to institutional analysis.
The concept of rules is central to the analysis of institutions. Ostrom uses rules as a set of instructions creating an action situation in a particular environment. Rules combine to build the structure of an action situation. While some theories lay too much importance on the rules, others believe that rules are important only because they allow the outcomes—which are result of the choices made by participants—to be unambiguously specified. As there are a number of rules, it is necessary only to classify rules according to their direct impact on the workings of an action situation.

Participants in an action situation are decision-making entities capable of selecting actions from a set of alternatives made available at nodes in decision-making processes. Participants in action situations can also be corporate actors (nations, states in a federal system, private corporations, NGOs etc.). Ostrom identified several important attributes: number of participants, their status as individuals or as a team or composite actor, and various individual attributes (such as age, education, gender and experiences).

Ostrom’s attributes regarding participants are rather weak as they do not include the interests and resources of the participants. Devas has suggested a more elaborate list of attributes of participants important for decision-making process (1999). Which actors are included in the policymaking arena? He observes that usually the most powerful interests within communities dominate policymaking arenas. It is important therefore to examine which sections of society are included among policymakers. Althorpe uses the term ‘framing’ to describe the way in which policies crucially determine or specify ‘what and who is actually included, and what and who is ignored and excluded’. Kabeer uses ‘privileging’ and ‘suppressing’ to further indicate that both conscious interest politics as well as unconscious bias may play a role in policy ‘framing’ (Kabeer and Subrahmanian 1999).

Describing the action situation, Ostrom identified several positions that participants take on (2005): player, voter, judge, buyer, seller, legislator and police officer. Depending on the structure of the situation, a participant may simultaneously occupy more than one position. Action situations vary substantially regarding the degree to which participants control their own entry or exit from a position.

Sabatier and Jenkins-Smith (1999), in their study on decision-making process, have examined the action arena in more detail. They stressed the aspect of consensus needed for major policy change and the conflicting nature among participants in coalition formations. Similarly, Stone asserted that power to govern urban areas is fragmented and any decision-making requires a coalition of actors (Stone 1989). In the next section the advocacy coalition framework developed by Sabatier and Jenkins-Smith will be presented.

Structure of advocacy coalition framework (ACF)

According to Sabatier and Jenkins-Smith, policymaking occurs in a policy political subsystem. This is a geographically defined policy arena that encompasses policy participants from all levels of government, multiple interest groups, research institutions and media.
Figure 2.2: Elements of key variables in the ACF

Source: Sabatier and Jenkins-Smith (1999).

The ACF combines actor-oriented perspective with ideas of structuration. The ACF incorporates the existing pattern of structured relationships, in the variable of relatively stable parameters and at the same time incorporates the actor/agency aspect of any intervention. The next section will cover definitions developed to explain the ACF.

Relatively stable parameters remain stable over a long period of time—100 years or more. They pertain to the nature of the problem, the resources available to policy actors; they establish rules and procedures for changing policy and reaching collective decisions, and form the values that inform policymaking. The relatively stable parameters frame the policymaking process with a policy subsystem with its territorial boundaries (Sabatier and Jenkins-Smith 1999).

The territorial boundary of the policy influencing/intervention process is made up of and by policy participants from all levels of government, multiple interest groups, and media and research institutions. They seek to influence policy subsystems and maintain their participation over long periods of time, ensuring their objectives are achieved. Similar to Ostrom, Sabatier and Jenkins-Smith also identify the external or context variables as independent variables which shape the action arenas or venues in this conceptual map.

‘Venues’ are political arenas where collective decision-making among actors takes place. Sabatier and Jenkins-Smith suggest that participants in the venue form coalitions, and there they have an opportunity to influence beliefs of policy stakeholders. Coalitions spend a considerable amount of time venue shopping, looking for an arena where they might have competitive advantages. They often launch initiatives in several venues that are similar territorially and often interact in such venues simultaneously. In order to shape policymaking processes and outcomes, coalitions attempt to influence views, change institutional rules, resource allocations and decision-making. The policy outcomes in one sector often affect policies outside that particular subsystem.

In comparative policy subsystems, policy disagreements between coalitions escalate into political problems. Conflicts are mediated by policy brokers who seek to find reasonable compromises among hostile coalitions. ACF also recognizes the possibility of a ‘stalemate’ between coalitions without
possibility of resolution: political participants on both sides of the issue consider the status quo unacceptable and perceive no alternative venues for achieving their objectives.

**Strengths and limitations of the ACF**

ACF presumes that individuals are rationally motivated but bound by their imperfect cognitive ability to learn about a complex world. It does not challenge the notion that individuals tend to accept information that bolsters their belief, and discard information that contradicts their learning from earlier experiences. It is important to introduce Giddens’ concept of recursive human social activity here. Thus, it largely depends upon the ability of actors to learn from their actions, a process of building knowledge by internalizing the consequences of actions, which determines the nature of change or continuity.

Despite its limitations the framework can be used as a starting point to examine the public policymaking process and how it is influenced by various actors and their coalitions. It has several strengths as a framework:

1. It provides a framework to study on-going change within an institution.
2. The framework provides an opportunity to study not only local but also national and international actors.
3. It provides the opportunity to examine interfaces between different actor networks and groups, recognizing this interface as a site of conflict, dialogue and negotiation.
4. The framework does not limit itself to the policy process but also includes social and cultural structures of society (the relatively stable parameters), thereby overcoming Moe’s critique of neo-institutionalist scholars, who according to him are interested only in ‘midcourse correction which accelerates their progress’ (Moe 1990).

However, the framework’s benefit for the study of interventions in urban development of Mumbai will be limited, unless one further issue is linked to the existing framework, namely, the outcomes and impacts of policy implementation. Also some social activities by social actors can work towards changing the relatively stable parameter, and this itself could be an outcome to be examined.

Project level political society appears in Chatterjee’s work on Bengal where he identifies the functioning of networks between the poor and political leaders, calling it ‘political society’ (2004). He defines political society as constituting largely the poor and the underprivileged sections of society; their activities largely fall outside the legal parameters set by the state, but they still make claims to habitat and livelihoods as a matter of right. Also state agencies recognize that they have rights on government programmes and welfare but their rights but are not justifiable rights as the state does not have the means to deliver those benefits to the entire population. As a result, Chatterjee writes, a process of negotiation takes place between groups of the population and government agencies. The instrumental use of votes also takes place as part of this negotiation which involves political parties, leaders, influential groups, government functionaries and others. These negotiations are part of the political society processes mediated by intermediaries, who could be political or group leaders.

Benjamin (Benjamin and Bhuvaneswari 2001) came to a very different conclusion about the relationships between groups of poor citizens and elite actors. He found that in order for groups of poor to retain access to land, they form transaction networks with local elites. Where local elites are not linked to local land development programmes or local economies, the poor face high risks of losing their access to land, as their alliances with the local power structure remain fragile. One school of thought sees this form of coalition as a cartel or capture of the state. A second view is that the interaction between the hierarchy of state departments forming networks with sections or class groups, with the objective of bringing about rule and regime changes, is necessary for transformation and growth. A third view is that policy networks are not necessarily constraints on government but can be manipulated by governments towards fulfilling their own interest, i.e. proposing an asymmetric relationship (Evans 1995; Stone 1989).
Evans has shown that states foster the embedding of industries by assisting new social groups and interests. According to him, fostering requires a level of connection between the bureaucracy and networks of social groups and classes, who together share a project, resulting in transformation and growth. In such joint collaborations private interests are also responsible for implementing joint projects. Further, it is quite possible that a number of advocacy networks exist around the same issue, representing different interest groups. Which network is eventually successful is determined by the opportunity structure provided by the state as well as the strategy and power of the network actors or as Evans puts it on the nature of ‘autonomy and embeddedness’ (1995).

The mere existence of coalitions is not sufficient to indicate that regimes exist. Dowding et al. suggest that the regime model (here he is referring to regime analysis) has eight characteristics (Dowding et al. 1999), but in order to identify a particular local government coalition as regime, a subset of these characteristics needs to be present. The first four are particularly significant: (1) a distinctive policy agenda, which is (2) relatively long-lived and (3) sustained by coalitions of interests or personnel not formally or fully specified in institutional structures, often in the form of a ‘grand coalition’ or a larger-majority coalition of interests, and often with (4) cross-sectoral or institutional boundaries. The policy agenda should also (5) survive personnel and leadership changes or political succession, reflecting a specific ideology or agreement over fundamental values for members of the coalition; this allows for continued electoral success. It should also (6) primarily involve the mobilization of external resources, creating a positive-sum game within the polity and the formation of public-private partnerships, often transcending partisan divisions. The policy agenda should also (7) be associated with strong or exceptional leadership, capable of assembling an unusual coalitions and linking it with a distinctive political vision. And, finally, it should aim towards (8) bridging institutions and community interest by creating ‘partnership’ forms, spanning the public-private sector divide. What appears important is that the coalition is able to bridge sectors and has a distinctive vision and policy agenda that survive personnel and leadership changes.

Despite the fact that it takes into account contextual, actor and relational factors, the main limitation of the advocacy coalition framework by Sabatier and Jenkins-Smith is that it completely ignores informal processes of decision-making. These processes form a large part of the hidden arena or what Chatterjee calls ‘political society’ (2004). Further, it is also possible that the same actors are engaged in not one but multiple policies within the same or different spheres (which could take place simultaneously at different scales). Jetkins and Smith use only two criteria to describe a coalition, common beliefs and non-trivial engagement. This seems rather general and does not clearly distinguish between a network, a coalition or any other associational action. These definitions need to be examined more closely. The difference between policy networks, coalitions and joint projects for transformation of regimes is that in the first two the influencing actors are not necessarily directly involved in delivering the developmental outcome.

It is also important to have a closer look at the process of negotiations and dialogue. Long has called such spaces where dialogue takes place ‘interfaces’, highlighting that its analysis enables us to comprehend how ‘dominant’ discourse are endorsed, transformed or challenged (2001). According to him the concept of interface is broader than that of space for negotiation. Interface situations often provide the means by which individuals or groups come to define their own cultural or ideological positions vis-à-vis those espousing opposing views. Thus such interfaces occur at different levels and within these various interfaces struggles of meanings and relationships take shape. Following Long’s definition of interface, various spaces in which debates and decisions on urban development in Mumbai take place can be defined as interfaces: courts, MCGM, MMRDA, urban infrastructure and housing projects, development plans etc. It is necessary to draw boundaries around the interfaces being studied as part of this study (see chapter 3).

Negotiation and dialogue in the urban development interfaces or action arenas

For this discussion I would like to draw on Anthony Gramsci’s insight that the persistence of social and economic structures in the face of the inequalities and alienation of early twentieth century capitalism does not depend on coercive control by a small elite (1971). Rather, hegemony rests on a
broad base of consent, which relies on coalitions and compromises that provide a measure of political and material accommodation with other social groups, and on ideologies to achieve a mutuality of interests. Later studies by Domhoff and others have used this framework to study the American policymaking process (Domhoff 1990).

Gramsci assumes that the information and knowledge of social groups is complete and that other than loss of ideology by accommodation there can be no gain in dialogue. Secondly, he also assumes that identities are frozen and not overlapping and there is no common ground on which the collective power of the elite and the commoner can be exercised. Friere and Long, on the other hand are much more positive about interfaces as spaces where collective power and knowledge can be created as outcomes of struggles over meanings and resources (Long 2001; Gramsci 1971; Freire 1970).

According to Long actors use interfaces to develop strategies of compromise and accommodation with social groups that have other ideological positions, in order to achieve a common interests. This encounter incorporates new information, which reshapes already existing knowledge frames and evaluative modes (themselves reshaped through the communicative process). Hence knowledge emerges as a product of intention, dialogue, reflexivity and contest of meaning, and involves aspects of control, authority and power. Creating room for manoeuvring implies a degree of consent, a degree of negotiations and thus a degree of power, as manifested in the possibility of exerting some control, prerogative, authority and capacity for action. Thus it appears that power inevitably generates resistance, accommodation and strategic compliance as regular components of everyday politics (Long 2001; Scott 1985).

An important purpose of the interface is negotiation over social values or what Ostrom calls social dilemmas (2005). In urban development similar to other arenas, actors and their organizations have differing values. For example, residents and neighbourhoods would like to retain, protect and enhance social relations and public spaces while builders would like to see more land come under development. The interface provides a space for dialogue over diverging values and seeks possibilities where interests can be knitted together.

The outcome of the interface depends on a number of variables including the location of the interface, rules that define the space and its participation, the ability and willingness of the actors and their networks to use this space for negotiations as well as the strategies and tactics used by the actors. Academics are critical about such interfaces because these ‘encounters’ (as Long calls them) take place in unequal playing fields and are mere acts of performance without any real intention to change social relations. Along similar lines, a study by Palumbo and Nachmias pointed out that policymakers often are not looking for the best way or most efficient alternative for solving a problem. They are instead searching for support for action already taken and for support that serves the interests of various components of the policy shaping community (Gramsci 1971; Palumbo and Nachmias 1983).

2.4 OUTCOME AND IMPACT OF URBAN LAND REGIMES

There is sparse academic work on the outcomes of rule changes—undertaken jointly by state, society actors—and their implementation in the form of collective public goods. Drawing primarily from the literature on development outcomes of state policy changes and the accompanying assessment tools, the research asserts no simple relationship between the efforts of actors and fixed or planned outcomes. The consequences are more likely to be unanticipated.

Large sections of the political science literature are very critical of the development outcomes that state action can produce. Even the most well intended and well thought-out interventions fail, according to Scott, because they do not take into account social structures and local knowledge (Scott 1998). Scott and Ferguson analyze how and why development plans often fail in achieving their intended aims. People refuse to be rendered legible and enumerable through census surveys; and development programmes often are used to serve interests and fail in their stated goals. The collective side effect is expansion and de-politicization of bureaucratic power. Development outcomes are not as envisaged. Foucault suggests that one should examine what is being served by the failure of
development projects or more correctly which section or whose interests are being served by the project, pointing to the hidden or covert goals of the project (Foucault 1991).

Economists use the linear approach to study outcomes, where the outcomes are measured by examining the achievement of expressed and implicit policy goals. In another approach to studying outcomes—the relational approach—the policy statement is described as a desired ends, with a range of means selected for achieving it (Kabeer and Subrahmanian 1999).

This study deals with joint state-society process and projects, which bring about change in urban land regulation regimes (specifically changes in the rules governing the development of the city), and shall focus on what the literature has to say about development/collective good outcomes in this sector. The shift as mentioned in chapter 1 is from the earlier planning instruments to the new planning instruments that are based on market strategies.

**Indicators to assess outcomes of new planning instruments**

Kabeer draws attention to the fact that all means and ends relationships exist within institutional contexts, and that these institutions are the sites of rules and resources, production and allocation/distribution and power relations. At the level of policy design, the first problem is that the finite means available to policymakers lend themselves to a variety of different ends. Thus, according to Kabeer, the basic dilemma for policymakers is how to go about selecting specific sets of means and ends over others, i.e. which instruments are selected for reaching which goals. It is therefore important to include within the conceptual framework the instrument or policy means that were chosen over others. Perhaps these problems on the means, the ends and who is included in the policymaking process are all settled on the basis of which actor can eventually realize the goal. In other words, if the objective of the joint programme to gain 'power to' is performance related, then the choice of instruments, means and actors to be included in the policymaking process is guided by this larger goal rather than any moral or ethical obligation.

The envisaged outcome motivates actors to shape institutional change. However, this behaviour is likely to result in other unplanned outcomes. The literature describes a number of potential outcomes over and above the changes in regimes. Some prominent outcomes as well as the concepts that describe these are discussed below.

1. **Change in regime**

A key element of regime formation is the joining of forces between private sector actors and the state to transform urban areas, which results in a new mode of control or a shift from a ‘government’ to a ‘governance’ mode of control. Changing roles of actors and from governments to governance in urban areas have been extensively discussed in the academic literature (Pierre and Peters 2000; Maloney, Smith, and Stoker 2000). This shift of engagement with multiple actors and primarily with non-state actors is observed as a move towards neo-liberalization of urban politics (Harris, Hunter, and Lewis 1995).

One of the policy outcomes of the New Planning Instruments in Mumbai is the new roles and tasks for the state, the private sector as well as for civil society groups (such as the community-based organizations of slum residents).

Arrangements which involve multiple actors beyond the state are novel to India. Swyngedouw describes state-based arrangements as ‘hierarchical and top-down (command-and-control) forms of setting rules and exercising power (but recognized as legitimate via socially agreed conventions of representation, delegation, accountability and control) and mobilizing technologies of government involving policing, bio-political knowledge and bureaucratic rule. Governance-beyond-the-state systems, in contrast, are presumably horizontal, networked and based on interactive relations between independent and interdependent actors who share a high degree of trust, despite internal conflict and oppositional agendas, within inclusive participatory institutional or organizational associations’ (Swyngedouw 2005, p. 1994-1995).
According to Schmitter, governance is a ‘method/mechanism for dealing with a broad range of problems/conflicts in which actors regularly arrive at mutually satisfactory and binding decisions by negotiating with each other and co-operating in the implementation of these decisions’ (2002, 12). ‘Governance beyond the state’ is resolutely put forward as presenting an idealized normative model (Le Galès, 1995; Schmitter, 2000; Schmitter, 2002), which promises to fulfil the conditions of good government ‘in which the boundary between organizations and public and private sectors has become permeable’ (Stoker 1998). ‘It implies a common purpose, joint action, a framework of shared values, continuous interaction and the wish to achieve collective benefits that cannot be gained by acting independently (Maloney et al., 2000; C. Rakodi, 2003; Stoker, 1998).’ This model is related to a view of ‘governmentality’ that considers the mobilization of resources (ideological, economic, cultural) from the actors operating outside the state system as a vital part of democratic, efficient and effective government (Pierre & Peters, 2000).

Swyngedouw insists that successful restructuring of capitalism demands strong ‘governance’ in order to produce stronger ‘economic dynamics’ within the market and simultaneously maintain cohesion with civil society. According to him, the ‘restructuring of “governance”’ often takes place at exactly the time that civil society goes through painful shocks associated with that restructuring; shocks that further undermine the legitimacy of the state and reinforce calls for alternative models of “governance”. In other words, “governing” becomes more problematic and the terrains of governance begin to shift’. The state in such situations can either become more authoritarian (as happened with fascism) or more autocratic, while delegating power and including new strata of civil society in the forms of governance. Drawing from Foucault’s notion of governmentality, which refers to the rationalities and tactics of governing and how they become expressed in particular technologies of governing, Swyngedouw draws attention to the tactics of government as a dynamic form and historical stabilization of societal power relations (D. Harvey, 2005; Lemke, 2002; Swyngedouw, 2005).

Governmentality, therefore, is at the same time both internal and external to the state, since it is the tactics of government that make it possible to continually redefine what is within the competence of the state and what is not, i.e. the public versus the private. Thus, ‘the state can only be understood in its survival and its limits on the basis of the general tactics of governmentality’ (Foucault 1991, 103). Within this definition the neo-liberal agenda for the ‘withdrawal of the state’ can be deciphered as a technique of the government, which does not always lead to the state losing powers of regulation and control and can instead be construed as a re-organization or restructuring of government techniques, shifting the regulatory competence of the state onto ‘responsible’ and ‘rational’ individuals.

‘Neo-liberalism’, as Lemke describes it, ‘encourages individuals to give their lives a specific entrepreneurial form’. It responds to stronger ‘demand’ for individual scope for determination and desired autonomy by ‘supplying’ individuals and collectives with the possibility of actively participating in the solution of specific matters and problems that had hitherto been the domain of specialized state agencies. This participation has a ‘price tag’: the individuals themselves have to assume responsibility for these activities and the possible failure thereof (Lemke, 2001).

Lemke argues that a Foucaultian perspective permits a view of neo-liberalism not as the end but a transformation of politics that restructures the power relations in society. What we observe today is not a diminishment or reduction of state sovereignty and planning capacities, but a displacement from formal to informal techniques of government and the appearance of new actors on the scene of government (e.g. NGOs). Statehood is being fundamentally transformed with a redefined relationship between state and civil society actors (Lemke 2002; Baud and de Wit 2008).

Jessop draws out a further distinction between governance and meta-governance (2002). Metagovernance refers to the strategic activities of the state in relation to governance, such as decisions concerning the overall design, balance and coherence among different modes of governance (through hierarchy, market exchange and networks). Thus the process of decision-making on modes of governance is termed meta-governance. While meta-governance is principally focused on the strategic capacities of the state and the nature of state power, governance is connected more with state activities that impinge directly upon a range of actors. Classifying regimes from the meta-governance perspective
can be done in terms of strategic capacity of the regime itself and the balance of power between the ruling coalition and any organized opposition or countervailing power.

2. Quantity of outputs—collective goods delivered by the regime

The strongest advocates of joint state-society projects point to the quantity of collective goods realized through such efforts. Promoters of new public management argue that well-designed market planning instruments (MBI), if applied appropriately, offer the potential to deliver more collective goods at lower cost to governments and, with improved flexibility and lower compliance costs, to landholders than alternative instruments.

Another key discussion in the academic literature deals with the price and undesirable outputs of market instruments. Amongst the undesirable outputs of market-based instruments is that they may cause inflation in the real estate sector, driving up the price of land and housing. This problem is likely to keep new consumers out of the market and to make it more attractive for a section of consumers to feed inflation market. As a result consumers show a tendency hoarding.

Market instruments intrinsically depend on market forces. In this case it means price and availability of input materials (such as land, cement, capital) and price of incentive outputs (such as TDR, middle and upper class housing units etc.). Some researchers have pointed to the possibility of growing inequality within the city as an outcome of NPI. Some market externalities can also be location specific. These spatial preferences need to be closely studied along with any potential inter-linkages (D'Souza 1990; D'Souza 1990).

3. Achievement of social welfare value

Policies are designed to achieve the goals set by the regime. Policy academics write of two sets of goals, one often referred to as the ‘Pareto principle’ goal and another known as the ‘value oriented’ goal. Rather than defining efficiency as the ability to make someone better off without making someone else worse off (the Pareto principle), efficiency is defined as the allocation of goods to maximize the social welfare function or the ‘greatest good’ principle. The assumptions inherent in the principle are that utility of the good is experienced equally by all. Value oriented goals reflect values set by the society at large and are normative in their essence. As individuals we turn to philosophy, religion, and our moral institution to help ourselves develop systems of values that in turn guide our assessments of which value achievement will result in social welfare. There is no universally accepted value description for social welfare. In the absence of a consensus on the values to be considered and their relative importance when they conflict, our political institutions must play a role in selecting the specific values to be considered in collective decision-making. Thus decision-making often involves a trade-off between achieving the ‘greatest good for all’ and specific social welfare values.

Some of the social welfare values which compete with efficiency are mentioned in ‘Human dignity; equity of opportunity and basic consumption’(Weimer and Vining 1992). The other approach has been to study which human needs are being fulfilled as an outcome of policy or rule change. This has been called the ‘hierarchy of needs’ approach, drawn from Maslow’s hierarchy of needs. Ends or outcomes of any intuitional intervention need to be evaluated in terms of whether they achieve human well-being (security, survival, dignity and autonomy) and for which section of people (Kabeer and Subrahmanian 1999).

What is crucial in the discussion of outcomes is whether the new urban policy regime increases equality of outcomes, i.e. can it deliver fairer distribution of land and related public services across geographical space and classes in Mumbai? One possible way is to study the changes in ownership and land use by different social classes in the city. Alternatively the consumption of land based services for the poorest groups in the city can be studied. John Rawls argued that policies should aim to deliver the greatest benefit to the least advantaged members of society, a principle also upheld by Gandhi (Rawls 1971; Gandhi 1948).
Equality has been written about as ‘vertical equality’ or equality amongst hierarchical social classes. For example, in terms of tax policy vertical equality means that those with greater wealth pay higher taxes so that everyone gives up the same level of utility. The other is ‘horizontal equity’, which requires that those in similar circumstance be treated alike.

Building on horizontal and vertical equality amongst citizens, the International Federation for Housing and Planning suggests that equality as a goal needs to be broken down into equality amongst citizens living in similar urban areas (1998). It recommended three criteria for assessing equality amongst citizens:

1. Equality of land cost for citizens living in urban areas;
2. Security of tenure of land for the squatter population;
3. Improvements in living conditions of the squatter households and communities.

Rakodi introduces a comprehensive set of indicators to assess changes in household assets, such as human, social political, physical, financial and natural capital (Rakodi and Lloyd-Jones 2002). As the key question of the study is to study which section of the community has benefited from the new planning instruments and how have the living conditions improved for all, it is important to study key physical assets—housing and basic amenities, access to public amenities and social political capital—as these are likely to be impacted by the new planning instruments.

An economic angle to the nature of public goods produced would be to assess whether the output goods have been transformed in the process of production, i.e. whether ‘pure’ public goods (e.g. playgrounds) have become club goods or toll goods. Even though the use of the criteria of quantum of goods produced may indicate a positive trend (compared to earlier modes of production), if the output goods have a limited use their production does not fulfil the stated objective of the market instrument. Using this definition of public outputs of the policy process, the economic and management literature has identified four basic types of goods, namely: toll goods, private goods, public goods and common-pool resources (Ostrom 2005). These differentiations are made on two distinguishing features: subtractability of use and difficulty of excluding potential beneficiaries.

### Table 2.2: Four basic types of goods

<table>
<thead>
<tr>
<th>Subtractability of use</th>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>Difficulty of excluding potential beneficiaries</td>
<td>Low</td>
<td>Toll goods</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Public goods</td>
</tr>
</tbody>
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4. Altering power inequality?

Criticizing the liner approach to social welfare, Kabeer states that empowerment has many different dimensions and cannot be captured through unidimensional or hierarchical measures. The need is to focus on whether the policy has a potential to transform. In other words, what difference can it make in the lives of different sections of society and how significant is this difference in terms of structural power inequities? Power relations are also an outcome of any policy action. Changes in rules and regimes also change the power relations amongst the actors, concentrating more power in those actors favoured by the rules in terms of resource and authority (i.e. recognized power to make decisions). In the broader social sense, however, power is not formally rule defined, but is most likely to be exercised by those who are able to mobilize these resources over a range of organizational domains (Kabeer and Subrahmanian 1999).

A new regime is created by a coalition of actors. What space do the hitherto excluded have in the new coalition and at what level of governance? Are the empowered sections of urban society able to redraw
rules to their own benefit or to the benefit of a larger section of society? These are some of the potential outcomes of the new regime.

5. Impact on city space

A number of urban writers have written about the impact of changed urban rules and policies on city space. Jones has suggested that the state institutions are endowed with distinctive spatial selectivities. Spatial selectivity refers to the process of spatial privileging and articulation through which state policies are differentiated across territorial space, in order to target particular geographical zones and scales. State spatiality is never permanently fixed but like all other aspect of the state, represents an emergent, strategically selective and political contested process (Jones 2001).

Modernity and post-modernity are seen entangled in city space through the praxis of fragmentation and ephemerality, indicating that the status of a globalized city is being earned through the production, disaggregating and flexibilization model of globalization, reflecting a wider restructuring of the economy. McGrew identifies five such contradictory forms of metropolitan spatiality (McGrew 1993). They demonstrate a differential and contingent reach that embodies more tensions and oppositions than convergence and uniformity:

- Political relations in such disjoined city space tend toward polyanarchy—a politics of grudging tolerance—which emerges from interactions and accommodation within and between various class and ethnic power groups.
- As these cities become linked to global networks, their basic industrial functions become flexibilized, organized around declining industrial areas on small sized units integrated into clusters of economic activity. Such spaces are occupied simultaneously by labour intensive craft forms and high-end technology.
- The function of the city diversifies.
- Increased mobility of capital and information changes claims on built environments.
- Segmented localities and social polarization

Intertwined with the contemporary politics of space they reflect characteristics of fragmented praxis, indicating that not all quarters of population and space are equally affected by the above process.

Harvey places the logic of Mumbai’s ‘restructuring’ on the shift of capital from primary circuit of production to the secondary circuit of the built environment, a movement towards financial manipulation rather than productive enterprise as a source of profit based on the flexibilization hypothesis (Harvey 1985). Thereby Mumbai is redefined as a 'heteropolis'—a multifunctional place where city spaces co-exist with the contradictions and flux of the postmodern city (Harvey 1996).

Globalization of capital, labour and culture are found to be intrinsically associated with the restructuring process of Mumbai, resulting in extreme heterogeneity. Banerjee-Guha stresses that ‘heterogeneity systematically leads to greater marginalization of the poor and polarization of city space’ (2007, 26). The overall result is division of territories into autonomous functional units, having links with diacritical set ups of global systems, with large geographical incongruity. The resultant ‘spaces of differences’ reflect an actual spatial imbalance combining modern functions and ‘first worlding’ in certain areas, with relocating sections of the poor and dilapidate area giving way to ‘edge cities’. At the heart of the above ‘heterotopia’ lies the contradiction of capitalismsubsumed in the endless interplay of differentially woven networks of locality and globality (Soja 2010; Banerjee-Guha 2007; Dematteis 1994; Katz 2001; Dear and Flusty 1998; Dear and Flusty 2002; Foucault 1986; Nijman 2008).

It would be incorrect to define Mumbai’s transition as a ‘post-Fordist’ phase; a large section of the population has always functioned outside the formal organized industrial labour force. The flexibility that appears to emerge in the post-Fordist phase existed simultaneously with large groups of formal industrial labour. The above theories pay too much attention to global flows of capital, linking up with global networks of information, finance and consumerist goods. Other factors such as interests of local
entrepreneurs, changes in interests of political actors are underemphasized. Further, the state has a large role in designing spatial selectivity, which is also ignored by this analysis. Another element that is missing is the role played by land markets in the urban spatial landscape. Several urban studies in India, completed by Benjamin, examine this relationship. He finds that while at the local level the state is open and porous to influence of local political leaders, at the state level the influence of the private entrepreneurs amounts to a takeover of the public policymaking domain (Benjamin 2000). Urban historians have been able to prove that the modern spatial selectivity of the state has a certain path dependency. In Mumbai, with its colonial history of differentiated townships for the colonizers and the indigenous people, this process of segregation will continue.

Following this literature review it appears that a section of the local actors have historically asserted their interest in governance of land and its development in Mumbai. Colonial forces were obstructed in their efforts to bring land under uniform rules, and efforts to apply the global city model of Singapore to Mumbai were similarly thwarted in the early 1990s. Other groups of local actors were and are more willing to participate in earlier efforts of colonial and now global economic forces to liberalize land and its development. This political process has a geographical aspect. Nijman (while studying the shifts of offices in Mumbai during the post-liberalization period, shows that only a small part of the city—located near and around the old business district—is linked with the global world. The question therefore would be whether the new planning instruments, which engage with non-state actors in a new way to deliver land based public goods, are able to reverse the process of segregation of urban space of Mumbai (Kaiwar 1994; Dossal 1995; Nijman 2007).

The study of urban space phenomena highlights the linkages between one spatial formation in one area with the behaviour of urban dwellers in the same or related area. Is there a relationship or a linkage between the spatial changes, which otherwise are shown as fragmented or splintered? Are the spatial splinters related? Another set of questions evoked by scales of decision-making and their relationship is whether there is a linkage between policies and practices as they take shape locally and with the help of state efforts. Urban decision-making processes are much more complex than usually assumed and there is a need to compare processes within different arenas of practice, and the negotiations and bargains struck amongst actors who hope to benefit from development.

Outcome parameters thus need to examine greater complexity over and above the question whether the welfare goals of the policy have been achieved or not. It is important to ask what is the justice model and the role of the state in the actual provision of these services? Has the differentiation between social groups lessened or increased as a result of changes in urban regimes? Has the adoption of new rules improved the economic basis of the state? How has the adoption of New Planning Instruments (TDR and AR), which engage private landowners and builders as co-producers of public amenities, impacted the decision-making process on the provision of amenities and what are its effects on urban equality? The outcomes of this discussion on the literature are incorporated in the conceptual framework developed in chapter 3 for this study.