



A new megaproject model and a new funding model. Travelling concepts and local adaptations around the Delhi metro



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ABSTRACT

The practices and instruments of urban governance are rapidly changing in Delhi, a metropolitan area of 24 million inhabitants characterized by strong socio-economic inequalities. The Delhi metro megaproject and its financing mechanism through land value capture are the prism through which this paper analyses governance patterns at different scales. This model has led to the production of mixed-use spaces in the heart of the city, allowing for a spatial cohabitation of transport functions as well as residential, commercial, and economic uses, following a pattern that has been identified as one of the defining features of a 'new generation of megaprojects' (Diaz Orueta & Fainstein, 2009). It argues that although there has been significant institutional change, notably the entry of private sector actors in mega infrastructure development, careful analysis of the modalities of this mechanism reveal important aspects of continuity including the pre-eminence of techno-scientific planning, minimal stakeholder consultation and conflicts in the public sphere. The Delhi metro case will be situated within the larger Indian context, which has been marked since the 2000s by the emergence of city-centric growth strategies with public investments concentrated in large cities often in the form of public-private partnerships (Kennedy & Zerah, 2008), and the importation and adaptation of international models.

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Introduction

This paper explores governance issues around the planning and the management of local outcomes of mixed-use megaprojects in the metropolitan area of Delhi. The reconfiguration of urban space through large-scale mixed-use projects has been identified in the international literature as one of the defining features of a new generation of megaprojects (Diaz Orueta & Fainstein, 2009). The paper presents a case study of the Delhi metro, which is a testing ground for a new funding mechanism for urban megaprojects that consists of financing part of the capital costs by capturing the land value, an instrument not previously used by public actors in India. This model has led to the production of mixed-use spaces in the heart of the city, allowing for a spatial cohabitation of transport functions as well as residential (condominiums), commercial (shopping malls), and economic uses. The paper focuses on the appropriation and distortion of this model, borrowed from Hong Kong, and the interactions between planning procedures and outcomes.

In India, the 2000s were marked by the emergence of economic development strategies centered on cities (Kennedy & Zerah, 2008) and growing awareness of the challenges involved in this policy shift, in particular with regard to the provision of infrastructure. In this context, policy-makers and planners in India are carefully observing what is being done elsewhere, taking a leaf out of international models and adopting mobile concepts. Currently, transport infrastructure in metropolitan areas with very high population densities is woefully inadequate. A dozen metro projects are underway and a dozen cities are preparing detailed project reports. All these metro projects require considerable public investments and substantial technological capacity, and all are bringing in foreign capital and expertise. The Delhi metro and the instrument of land value capture is considered to be a model for the country, and will be the focus of this analysis.

Delhi is a large metropolitan region with a population of 24 million inhabitants, high levels of socio-economic disparities, and with a pattern of social-spatial differentiation and residential segregation both at the scale of the neighbourhood and at the scale of the metropolitan area (Dupont, 2004). Unlike Mumbai, Delhi did not have a local train connecting it with the outskirts and huge investments in transport infrastructure have been necessary, including to improve access to some intra-urban areas. In 2010,

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Delhi hosted the Commonwealth Games, a major sporting event, which acted as a facilitator for taking decisions and raising funds.

Following [Altshuler and Luberoff \(2003\)](#), the Delhi metro megaproject is considered 'an unusually revealing window' to discuss governance issues and urban planning.¹ The Shastri Park project in East Delhi was selected as a study site for this paper to discuss the outcomes and the governance patterns of the megaproject at a local scale and in relation with its surrounding environment. The fieldwork was carried out between 2011 and 2013 and combines qualitative and quantitative approaches. In-depth interviews were conducted with stakeholders directly involved in the decision-making processes including engineers, planners, politicians at different levels (Union, State and municipal), and international actors. Comparative research was conducted on metro megaprojects in two other Indian cities, Mumbai and Hyderabad. Different rounds of in-depth and semi-structured interviews of inhabitants and local workers were conducted in the settlements adjacent to the project, and with local stakeholders like municipal councillors, local politicians and project officers. Background information and secondary data related to the megaproject (including maps, policy documents and related government orders, tenders, impacts assessments, costs and revenues data), and to the selected study site were collected over the same period of time.

The paper is structured in four parts: the first part presents a brief overview of literature on the politics and governance of urban mega projects and introduces the Delhi metro and the instrument of land value capture case study. The second part analyses the governance patterns of the model of spatial cohabitation of transport functions as well as residential, commercial, and economic uses at a metropolitan scale. The third part introduces the Shastri Park project and discusses the outcomes and trade-offs of the megaproject at a local scale. The fourth part concludes the paper by discussing critically the results of the case study in relation to international literature on urban megaprojects presented in the first part of the paper.

Politics and governance of urban mega projects

The term megaproject is more and more present in the political discourse and that of developers or investors. There appears to be a growing consensus, arising from efforts to define and classify different types of megaprojects, that suggest a transition is occurring, a change in the way they are planned, and the actors involved. Although megaprojects are not 'new', the academic literature identifies 'a new generation of megaprojects' ([Diaz Orueta & Fainstein, 2009](#)) as a framework to understand emerging trends observed in the production of urban space. This literature is influenced by concepts and theories coming from the various field of urban studies, such as 'urban entrepreneurialism' ([Harvey, 1989](#)), or the 'neoliberal city' ([Hackworth, 2007](#)) which explore the transformation of state action, new forms of privatization of planning, and changes in urban policies and their outcomes.

The first metro in India, planned in the 1960s in the city of Calcutta, required huge investment and 'marks a great engineering milestone in the urban transport' of the country ([Kharbanda & Pinto, 1996](#)). The metro in Delhi was approved 30 years later. It differs from the Calcutta metro particularly in the structure of governance, the presence of foreign capital flows, the massive transfer of technology, and the choice of the financial structure. The metro in Delhi does not constitute only a network, but produces new spaces in the core of the city, using the instrument of land

value capture borrowed from Hong Kong to source new revenue. There is a large literature on the transfers of expertise and knowledge around megaprojects, the flows of international capital and the participation of non-local actors and institutions. This is expressed in concepts such as 'policy transfer' ([Stone, 2004](#)), 'mobile urbanism' ([McCann, 2011](#)), sharing of 'best practices' ([Navez-Bouchanine & Valladares, 2007](#)) and the construction of a common rhetoric of legitimation. These planning processes are not described as an 'importation' of a model, but as an 'adaptation' of a model in different local socio-economic and political contexts, with actors who mobilize different type of knowledge, normative frames, interests and references. This implies to focus on the planning practices and procedures, the way in which megaprojects are conceived and implemented and the rationales put forward. Furthermore, a multi-scalar analysis of megaprojects underscores the fact that the relations between actors are not static, they evolve during the different phases, which usually span a long time period, and at each change of scale (at the scale of the megaproject, the metropolitan and regional scale), the rules change and thus the positions of power and struggles for influence between stakeholders ([Crozier & Friedberg, 1977](#); [Delaney & Leitner, 1997](#)). The critical question then is how various actors, and how a project with different uses (transport, residential, or commercial), and thus different planning procedures and rules can constitute a system? The inherent conflicts of a megaproject have to eventually lead to a form of consensus, through different means like deliberation or litigation.

The paper uses [Barthel's \(2008\)](#) definition of a 'special regime' of megaprojects to discuss the use of exemptions, and a supposed specific governance structure for megaprojects in order to question whether the instrument of land value capture requires a powerful agency 'well insulated from normal politics' ([Fainstein & Fainstein, 1983](#)) to manage successfully the metro project? The special regime does not refer only to the governance structure but also its spatial translations and the use of spatial tools to assert control over a space, and to build collective action. This is linked in the literature with broader issues of justice, and democracy. A key consideration is the 'participation' of stakeholders and the scope for community mobilization through formal and informal procedures and structures: what kinds of spaces are open and mobilized for participation? And how do people experience megaprojects in terms of impacts (positive and negative) and risks, including the disruptions during implementation and the shifting promises made by authorities? Examining a slum redevelopment project in Mumbai, [Weinstein \(2012\)](#) identifies the means by which groups within the local community are able to engage with power. She insists on the different practices and political resources of the groups within the same community, and thus their different possibilities and capabilities to negotiate in the neoliberal restructuring of urban space. This works through a complex process of organization, cooptation, patronage, exclusion, and requires situating megaprojects in space taking into account their cultural, political, social and economic particularities at a very micro scale.

The Delhi metro case study and the process of land value capture

An agency – the Delhi Metro Rail Corporation (DMRC) – was set up in 1995 specifically for the construction of the metro network, planned in four major phases (1995–2006; 2006–2011; 2011–2016; 2016–2021). 300 km of metro lines are to be constructed by the end of phase 3 in 2016. The first line was opened in 2002 and by 2012, more than two million people were taking the metro daily.

Implementation of metro megaprojects is associated with very high capital investment costs and operation and maintenance costs.

¹ These questions form part of my doctoral research on metro megaprojects in Indian cities and their role in urban production and negotiation.

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