Neoliberal Utopia and Urban Realities in Delhi

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Abstract
Since 1991, the city of Delhi in India has become a focal point of economic liberalization. Economic liberalization has been accompanied by local government efforts to attract both foreign and domestic investment, particularly in the service sectors of the economy. The attraction of investment has been achieved by spatial reconfiguration, pitting the interest of global and domestic capital against the interest of deprived populations. I herein analyze the unfolding of the neoliberal economic regime in India, the production of space in Delhi, and the ways in which planning and governance in Delhi, geared to attracting foreign investment, have affected slum and industry location and public transport networks. Such spatial reconfiguration has been carried out as part of an effort to make Delhi cleaner. I argue, however, that the current environmental agenda has been co-opted by neoliberals to assert class power by militarizing space to the detriment of the poor.

Introduction
Many have wondered if utopia has any social function. According to Jameson (2004), if utopia no longer has a social function, then perhaps the explanation for its irrelevance lies in that extraordinary historical dissociation into two distinct worlds characterizing neoliberal globalization. In one of these worlds, Jameson claims, the disintegration of the social is so absolute—misery, poverty, unemployment, starvation, squalor, violence and death – that the intricately elaborated social schemes of utopian thinkers become as frivolous as they are

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irrelevant. Harvey (2000: 179-180), on the other hand, acknowledges the relevance of utopia, but points out that “materialized utopias of the social process have to negotiate with spatiality and the geography of place.”

In examining urban planning and policy transforming Delhi into a node for neoliberal development, I too find the idea of utopia to be full of social relevance. But deviating from Jameson or Harvey’s context, my concern is about a class project overtly presented as a utopia. My use of the term utopia here is sarcastic, a critique of Thomas Moore’s (1506/2007) notion of utopia—a utopia representing an exclusionary space, a space that is ideal for an elite and privileged section of society. Those considered to be ideal residents/citizens have legitimate claim to the benefits of utopian space, while non-conformists are excluded. This is how utopia is being materialized in Delhi’s neoliberal city planning.

The last couple of decades have been marked by the transformation of neoliberal ideas of marketization and economic ‘deregulation,’ which I prefer to call reregulation in the interest of capital (see also Snyder 1999; Mansfield 2004), into economic and governmental policies and practices in different parts of the world. During the 1990s, global trade continued to expand at an unprecedented rate. Basic inputs of production became cheaper. Capital flows were increasingly unfettered by national government controls. Under such congenial market conditions, according to neoliberal doctrine, one might expect to find “unrivalled prosperity and social justice” (UN-Habitat 2003: 34). Instead, between 1988 and 1993, global inequality increased sharply, from 0.63 to 0.66 in Gini coefficient\(^2\) units (Milanovic 2002), i.e. by 4.8 percent. A 4 percent increase in Gini coefficient, spread over 15 years, is sufficient to wipe out the gains to the poor derived from a sustained one percent per annum rate of growth in consumption per capita (Ravallion et al. 1991; Chen and Ravallion 2001). Increasing global poverty has tremendous socio-economic ramifications, not least of which is to call into question any neoliberal claim to rising general levels of well-being, including the claim of increasing incomes for the poor (see for example Dollar and Kraay 2002; Sachs 2005).

Neoliberalism has accentuated global inequality and poverty, but policy makers in the Global South continue to adopt and implement neoliberal policies. This is because neoliberal discourses are symbolic formations arranged around persuasive political ideas. Their discursive power rests on the universalization of a particular regional experience (Peet 2002), essentially that of Anglo-America. According to Harvey (2006), neoliberalization has swept across the world like a tidal wave of institutional reform and discursive transformation, entailing destruction of prior institutional frameworks and powers, divisions of labor, social

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\(^2\) The Gini coefficient is a measure of inequality of income or wealth distribution. It is defined as a ratio with values between 0 and 1. A low Gini coefficient indicates more equal income distribution, while a high Gini coefficient indicates more unequal distribution. Zero corresponds to perfect equality and 1 corresponds to perfect inequality.
relations, welfare provisions, technological mixes, ways of life, attachment to land, and ways of thought (see also Laurie and Bondi 2006). Destruction has been accompanied by recreation of new forms of governmentality3 (Foucault 1991), new socio-spatial relationships of power, and new infrastructures that support such relationships (Harvey 2006; Peck and Tickell 2002; Perry 2003). Existing geographical literature on neoliberal governance and the production of space—both discursive and material—shows that despite the coherence of neoliberal ideology, neoliberal practice and transformation are socially embedded, and in turn, spatially contextual (see for example Brenner 1999; Brenner and Theodore 2002; Smith 2005; Jessop 2002; Weber 2002; Swyngedouw, Moulainty and Rodriguez 2002; MacLeod 2002; Wilson 2004; Ahmed 2010). In other words, the institutional frameworks, policy regimes, regulatory practices, and political struggles around neoliberal urban planning and transformation differ across and within nation-states.

Though copious, existing research on neoliberal urban governance tends to focus on cities of the Global North (for exceptions, see Chatterjee 2009; Banerjee-Guha 2006; Briggs and Mwamfupe 2000). This paper is geared to enrich the existing literature on neoliberal urban governance and transformation by focusing on Delhi, a city in the Global South. Given that neoliberalism is largely about Anglo-American development experiences, my research brings to light the fact that the current form of transformation in the Global South, particularly India, contradicts the neoliberal notion of development. In theory, neoliberalism is about increased mobility of global capital in search of cheap labor. As manufacturing declines in the West, economic liberalization in the Global South should attract investments in manufacturing industry. Proponents of neoliberalism never argue that economic liberalization in the Global South would, at this point of time, replicate the deindustrialization of the West. In fact, they argue that the Global South would gain on account of the migration of manufacturing capital, allowing the Global South to replicate the manufacturing boom and past developmental experience of the West (see for example Sachs 2005). So neoliberalism in the Global South does not so much debunk modernization as co-opt it with the rhetoric of privatization and marketization. But neoliberal urban transformation in Delhi has been detrimental to the growth of the manufacturing sector and has, instead, favored the growth of the service sector.

Even though I do not focus on this transformation per se, I examine the violence that this transformation has entailed. After all, the development of a manufacturing sector has greater potential than service industries for absorbing immigrants from nearby villages (Burgess 1925). Services—particularly banking, insurance, and information processing outsourcing—largely employ well educated individuals. In India, they largely employ individuals who have had access to

3 Governmentality refers to the mentality of modern government—governors and governed. The term refers to the shaping of human conduct for definite ends by authorities and agencies broader than the state, particularly by institutions that invoke truth through the use of scientific resources, means and techniques.
English education. The neoliberal economy in Delhi, which creates favorable conditions for English-educated elites, limits opportunities for others and accentuates the class power of the historically privileged. This paper focuses on class relations that have been instrumental to neoliberal urban change within India, questioning the interests behind the Indian state’s neoliberal policies. This is a theme obliquely referred to in the existing literature (Chatterjee 2009), but not examined in detail.

Following Harvey (1999; 2000; 2003; 2005), I argue that neoliberalism accentuates elite class power and uneven development (see also Smith 2000). It is in elite interests that the state takes a neoliberal stance. Class struggle and class power, thus, are intrinsic to neoliberalism. Following Harvey (2005; 2006), Peet (2002; 2007), and Peck and Tickell (2002), this paper examines the embedding of neoliberalism as persuasive political ideas in the utopian imaginaries of the elite in India and its manifestation in exclusionary city planning, particularly via (seemingly progressive) greening/environmental agendas.

Reference to class in this paper alludes to caste as well, even though the close relationship between class and caste power is not the focus of this project. This is because one cannot sharply separate class and caste in India (Dumont 1970; Namboodiripad 1977; 1981). The poor are largely from the lower castes. My data sources include documents published by the World Bank, research groups and the Government of India, and newspaper and BBC archives. In addition, in the summer of 2006, I conducted open-ended interviews with key informants, including several ministers and cabinet secretaries in the Government of India⁴. The results of the interviews and archival data analysis are used to examine the relationship between developmental imaginaries/policies and the creative destruction of urban space.

**Neoliberal Economy in the Slums**

The relationships between economic development and urban space are many and varied. Neoliberal economic policies have produced a wide range of national growth rates with contrasting internal patterns of inequality in household income distribution. Interest or apathy on the part of local governments in developing urban policies has affected the affordability of land, housing and urban services (Pugh 1997). These problems are particularly significant in the context of changes in the roles that governments in different parts of the world have envisaged for themselves, or have been advised by the global governance institutions like the World Bank or the International Monetary Fund (IMF) to adopt (Ahmed 2006a).

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⁴ I interviewed high-level political executives and bureaucrats in the Planning Commission and the Ministries of Small-Scale Industries, Trade and Commerce, Energy, Urban Development, Labor, and Rural Development of the Government of India. Interviews were semi-structured and open-ended. I started off by asking about the significance of Socialism as a prescribed goal of the Indian state as stated in the Preamble to the Indian constitution. I followed this up by asking if this goal was at all relevant in the current global political economic scenario. I also asked the interviewee whether she/he considered herself/himself a socialist. Further questions were asked based on the nature of the conversation.
Unlike the past, urbanization in many developing countries has been radically decoupled from industrialization (Davis 2004). Some, like Friedman (1999) argue that this is an expression of an inexorable trend: the inherent tendency of advanced global capitalism to de-link the growth of production from that of employment. However, in most parts of Asia, as in Delhi, urbanization without industrialization is more obviously the legacy of a particular global political conjuncture (the debt crisis of the late 1970s and 80s and subsequent IMF-led restructuring of the developing economies) than an iron law of technological advance. Cities have ceased to be job growth machines just as ‘de-peasantization’—due to agricultural deregulation policies enforced by the IMF (and now the World Trade Organization)—accelerated the exodus of rural labor to urban slums (Davis 2004; Chakrabarti 2001).

Despite its reputation for rapid growth, manufacturing output in the Global South has in fact declined over the last couple of decades (Drakakis-Smith 1996; Chatterjee 2007). It continues to do so with China becoming the center of global manufacturing output. Further, in the Global South as a whole, the growth rate in manufacturing employment has failed to keep pace even with general and urban population growth rates declining (Drakakis-Smith 1996). Major Indian cities now have opportunities for employing people skilled in telecommunications, information technology, finance, marketing and customer service, etc., but have little to offer immigrants from rural India, who come in search of skilled and unskilled blue-collar jobs.

In a study conducted by the Confederation of Indian Industries, Delhi was ranked the most favored business destination in India. The city also has the highest population growth rate among the mega cities in India, and by 2021 is expected to have a population of around 27 million (Kumar 1996; Sivam 2003). Rapid urban growth in the context of structural adjustment, currency devaluation and state retrenchment has also been a recipe for the mass production of slums (Davis 2004). Declining state investments in rural development has manifested itself as falling economic growth in agriculture all over India. This has acted as a push factor in rural to urban migration, and, in turn, in the growth of slums. Slum expansion has also been accentuated by a lack of state intervention in improving the living conditions of the urban poor (Ali 1995; Tarlo 2003). Slum creation has additionally been accompanied by the militarization of space (Davis 1992), and the ‘othering’ of the poor. This militarization is often manifested in residential segregation and in the overtly hostile reaction to how the poor use public space in contrast to the rich. City planners, however, view the slums more as a management problem than a product of unequal development accentuated by neoliberal policies. The present Delhi Master Plan recommends the curbing of migration to the city, with the assumption that “rural migrants, by swarming the city, ruin urban life by creating problems in housing and services” (Jain 2003: 144).
India in a Neoliberal World

Neoliberal economic discourse tends to give primacy to capital over labor (Painter 1995; Peck 1999; Aguiar and Herod 2006). Neoliberal policies, at the global scale, are pushed by multinational corporations (MNCs), and are strategically supported by state(s) on which national elites and MNCs wield substantial influence (Ellwood 2001). These policies are further promoted by global governance institutions like the World Bank, the IMF and World Trade Organization (Wade 1996; Peet et al. 2003). The neoliberal agenda, in developing countries, is promoted as a developmental initiative within an underlying argument in favor of free trade that is expected to ‘integrate’ the world market, facilitating the functional integration of the world and the free international flow of finance (Friedman 1999; England and Ward 2007).

Like many other developing countries, India has now become an essential component of this neoliberal global order. India’s avowedly socialist-oriented mixed economy\(^5\), with sectors considered strategic to social and national interest being publicly owned, started undergoing pro-capital transformation from the mid 1980s (Pedersen 2000). India’s balance of payment crisis in 1990-91, followed by intervention of the World Bank and the IMF in the form of conditional and “structural adjustment loans”, radically transformed India’s policy regime (Government of India 1992: 75). But the continuance of neoliberalism, even after India overcame the economic crisis, is a product of internal contradictions within Indian society and economy and represents an exercise in class power. Taking into account international circumstances and the IMF and World Bank intervention is vital to understanding the introduction of neoliberalism in India. It is equally important to recognizing and examining the role of the state in developing countries, and the role of society and interest groups to bring out the nature of class power embedded in neoliberalism, and in turn, urban change (Alvarez 1997; 1998; Bosco 1998; Painter 2000).

The rise in oil prices—related to the 1990-91 Gulf War—resulted in the depletion of India’s foreign currency reserves (Cerra and Saxena 2002). In addition, India was downgraded as an investment destination by two leading international credit rating agencies (Government of India 1992). All of these had a down-ward spiraling effect and led to capital flight, as non-resident Indian investors withdrew local deposits, reducing India’s foreign currency reserves to a level equivalent to only two weeks’ worth of imports (Corbridge and Harriss 2000). The economic crisis forced the government of India to seek immediate loans from the IMF. Loans came with the precondition that India had to devalue its currency. Loans were made contingent on the abandonment of import substitution and

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\(^5\) According to the Preamble to the constitution of India, “THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC” (emphasis in original).
planned growth strategies and on the implementation of ‘macro-economic stabilization’ and ‘structural adjustment’ policies (Bardhan 1999; Government of India 1992). The Government of India was asked to reduce its fiscal deficit, meaning that governmental spending had to be reduced, if not completely eradicated (Chossudovsky 1993). All of these influences combined with the eventual rapid dissolution of the Soviet Union, previously a close friend of India. This was an additional factor leading to the decreasing influence of alternatives to neoliberalism.

The neoliberal transition in India simultaneously resulted from internal pressures. The post-independence period saw the growth of an urban bourgeoisie. Its emergence was aided by the introduction of an education system, which for the rising bourgeoisie was often offered in English (see also Nijman 2006). This enabled them to secure employment in the bureaucracy, public sector organizations or in the tertiary sectors of the economy (Rudolph and Rudolph 1987; Varma 1998). There also developed a relatively large group of medium to small-scale entrepreneurs who had initially benefited from the state’s protectionist policies (Rudolph and Rudolph 1987; Corbridge and Harriss 2000).

By the beginning of the economic transition in the 1980s, India had a substantial number of wealthy people aspiring to accumulate more capital and seeking to change government policies in their favor (Varma 1998). Articles and editorials in major dailies from the late 1980s to the early 1990s show bourgeois dissatisfaction with existing opportunities for private trade, commerce and employment in lucrative service industries. They were vehemently opposed to the high taxes that the state levied on their incomes. This group also had the inclination to view the poor as responsible for their own fates and as a drag on the rest of the country (Varma 1998). For example, a news piece in The Times of India complained that in Delhi’s industrial zone of Okhla, “The jhuggi [slum]-dwellers tap power and water lines, leaving nothing for the industries” (Singh 1999). With time, the upper class became increasingly vociferous in demanding freedom from the burden of sponsoring the poor. By the mid 1980s, with North American and Western European business interest groups and governments championing global capitalism and the Soviet economy on the brink of a collapse, Indian elites began to see places like New York, Los Angeles, London, and Tokyo as the new utopia and neoliberal capitalism as the cure (Varma 1998; Ravindran 2000). Such utopianism

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6 I am using the term “bourgeois”, “upper-class” and “upper middle class” to refer to the educated, primarily with English as the medium of education, owning property and/or business or professionals holding white-collar jobs in Multinational Corporations, public corporations or the bureaucracy.

7 This is deduced from a large number of articles and editorials published in major Indian dailies and weeklies and some British newspapers, including the Telegraph, The Times of India, Economic Times, India Today, and The Hindustan Times. I have gone through all these newspapers (from 1984 through 2006) that are kept in the archives of central library of the Jawaharlal Nehru University, New Delhi. I have used critical discourse analysis, which bring to light how particular utterances and text excerpts, including qualifications or counter-themes embedded in them, have themselves been formed out of wider socio-politically shared repertoires, ideologies, discourses and socio-political positions of the actor and institutions involved.
supported elites’ belief in the possibility of transforming urban spaces into safe, unreal no-place zones in which to play out their paltry fantasies (Marin 1984).

After independence, the Indian state had also become synonymous with nepotism, red tape and corruption, hindering entrepreneurial activity (Bhagwati 1993; Jenkins 1999). The media played an influential role in the transition by reinforcing this view and providing space for bourgeois protest. ‘Excessive’ government interference and taxes, criticism of government export and import policies, negative comparisons between India’s ‘inefficient’ planned developmental strategy with the US’s ‘efficient’ neoliberalism were some of the recurring themes in English-language newspapers during the 1980s and 1990s. For example, the Financial Times described India’s Union Budget of 1995 as “Disappointing” because “The focus of Mr. Manmohan Singh, the finance minister, was unashamedly populist, with heavy emphasis on support for the rural poor. Bold new steps on economic reform were lacking” (Financial Times 1995). India Today, advocating tax reduction on behalf of industries pointed out “if small tax increases can have huge negative effects on the economy, tax reductions could correspondingly have huge positive effects” (Aiyar and Rekhi 1997). The media essentially acted as propaganda8 organ for the bourgeoisie (also see Fernandes 2000), among whom emerged a general consensus that the prevailing model of economic development had run its course and needed to be transformed (Jenkins 1999; Varma 1998). But it was not just through media access that the bourgeoisie was able to influence government policy. The Confederation of Indian Industry (Kohli 2006) and ample representation in parliament and legislative assembly played crucial parts in pressuring the government.

The change in developmental imaginaries from ‘socialism’9 to neoliberalism and the contested nature of this transition were evident when I spoke to some of the ministers in the Government of India. When I asked Jaipal Reddy— the Union Cabinet Minister in the Government of India in charge of Urban Development—if he was a socialist, he said, “I am a social democrat”10. When I asked Oscar Fernandez— the Union minister in charge of labor in the Government of India—the same question, he too was ambivalent and did not provide a direct answer. According to the Union Minister for Urban Development of the Government of

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8 I call this propaganda because the media was largely controlled by the bourgeois, and I grew up seeing programs on the television and reading articles in the newspapers which, more often than not, epitomized Western Capitalism as a cure without bringing to light the fact that this type of economy came along with its own set of problems.

9 Socialism simply remained an enshrined constitutional goal, an imaginary. India actually had a mixed economy with much of the strategic sector, industry and infrastructure being publicly owned. Private capital in industry and infrastructure was quite small when compared with the total size of the economy.

10 Social democracy, particularly under Keynesian Capitalism, has been a part of history of left movements in several parts of Western Europe, but in India, at least till the end of 1980s, the two terms (social democracy and socialism) have been understood as separate. At that time, India could be called a social democracy (with its limited welfare related resource), but in theory, it aspired to become socialist; not like Western Europe, but more like the USSR, even while remaining a democracy.
India, “free market strategy can produce economic growth with social justice, but not in the shot-run. When rapid economic growth takes place, it will be a tide that will lift all posts.” His view summarizes the dominant rhetoric under which neoliberalism, as a policy doctrine, and as a space-altering process is being implemented in India. None of the 15 high-ranking government officials that I interviewed had any idea about how a regime based on competition, withdrawal of welfare support and primacy of capital over labor could protect the interests of the poor. Most of them (13 out of 15 officials), however, believed that neoliberalism would be good for ‘everyone’ in India in the long run.

According to the UNDP (2006), India is ranked 126th, irrespective of the euphoria over India’s neoliberalism in the West (see for example Sachs 2005), and the excitement about neoliberal policy amongst the political and class elite discussed earlier. India is among the poorest countries of the world. Nevertheless, state intervention to produce equality and justice is supported by a large number of people, including many intellectuals, so ‘socialism’ as the enshrined goal remains in the Indian constitution. But ministers and bureaucrats are not willing to call themselves socialists because ‘socialism’ no longer has any currency amongst the elites. In fact, the policy-makers I interviewed believe that neoliberalism is good for India and that free trade and foreign investments will ultimately better the lives of the poor.

This new mentality is reflected in the Jawaharlal Nehru Urban Renewal Mission of the Government of India (Government of India 2006). The Mission sets the guidelines for reforms (read neoliberalization) in all major cities, including Delhi. Prior to structural reforms, urban infrastructure investment was the responsibility of national and state governments. According to the new urban renewal mission, “a national level initiative is required that would bring together the State Governments and enable Urban Local Bodies catalyze investment flows in the urban infrastructure sector” (Government of India 2006: 3). Thus, private investments and especially foreign investments have become synonymous with urban development. The elites’ reliance on foreign capital to better their own lives continues to be reflected in state action, policies and strategies, leading also to transforming Delhi’s urban space.

**Utopia of ‘Disciplined’ Urban Space**

The class power underlying the transition has not been met passively in the urban spaces affected by the neoliberal turn, such as in Delhi. On January 30, 1995, a youth was beaten to death by a group of enraged house-owners and two police constables. According to Baviskar (2003: 89), the young man’s crime was that he chose to defecate in a park in a well-to-do neighborhood. The young man was visiting a relative who was staying in an adjacent slum. This slum had 10,000 households, sharing twenty-four latrines, effectively one toilet per 2,083 persons. For most of this slum’s residents, large open spaces, under the cover of darkness, became a place to defecate. Their use of open space was anathema to the more
affluent residents of the area. This young man’s death was thus the culmination of a long-standing battle over contested space that, to one set of residents, was symbolic of ‘quality’ urban lifestyle, and their association with ‘nature,’ and that to another set of residents, was a space that could be used as a toilet.

The desire of the rich to inhabit urban space free of poverty is enmeshed in socio-spatial contradictions (see for example Duncan and Duncan 2004). While the poorer sections of the population provide essential services, including cleaning the city or working as domestic help in the homes of the rich and the middle class, the perceived baggage that they carry (swarming the city, ruining urban life, creating problems in housing and services are examples of how the rich perceive this baggage) make them undesirable to the rich and the middle class in the city. Further, national and regional government policies to create ‘global cities’, whereby they can attract investments from within and more importantly from outside the country, are also enmeshed in socio-spatial contradictions. While the city of Delhi mirrors the socio-spatial contradictions prevalent in the entire country, a façade of beauty and well-being has to be presented to international investors to enhance the competitive capacity of the city as an investment site.

In the context of neoliberal governance and efforts towards creating clean and secure urban space in Delhi, the judiciary has come to play a very important role in forcing the relocation of the poor from within the city to its outskirts (see also Chatterjee 2004: 131-148). The judges’ understanding of development issues, after all, is not immune from notions that are predominant among their class peers. Evidence of this can be found in recent court verdicts that sympathize very little with the poor (Ahmed 2006b). Over the last ten years, the judiciary seems to have adjudicated more in favor of neoliberal utopia, couched in the context of environmental protection and improvement, than of protecting the ‘socialist’ values enshrined in the constitution.

Bourgeois environmentalism (Butola 2000; Wallis 2000) has converged with the disciplining zeal of the state and its interest in creating manageable spaces and conforming citizens (Scott 1998). The Supreme Court of India, through a series of judicial orders, has initiated the closure of all polluting and non-conforming industries in Delhi. This has resulted in the loss of nearly 2 million jobs (Baviskar 2003). At the same time, the Delhi High Court has ordered the removal and relocation of all squatter settlements on public lands, an order that will demolish more than 3 million people’s homes. These processes, set in motion by environmental groups’ legal actions, indicate that new bourgeois values of ‘quality of life’ have emerged through organized force in Delhi. Scholars examining similar phenomena in the West have termed it environmental injustice (O’Connor

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11 I call this bourgeois environmentalism as these environmental concerns are devoid of any understanding of the political economy of environmental degradation. The poor and the incidence of poverty are seen as causes of pollution and efforts towards reduction or elimination of such pollution encompasses the idea of managing this section of the population in confined spaces, preferably outside the city.
1998; Heynen et al. 2006), sometimes NIMBYism (Lake 1996), and even environmental classism (Foster 1993). Upper-class concerns around aesthetics, leisure, safety, and health have come significantly to shape the disposition of Delhi’s spaces (Baviskar 2003; Visvanathan and Parmer [n.d.]; see also Mawdsley 2004). While the killing of the youth, which was discussed earlier, was an unorganized manifestation of bourgeois ‘quality of life’, public interest litigations for environmental concerns are examples of organized ones.

**New Economy, New City Plan and New Space for the Poor**

According to the above-mentioned interviewee Jaipal Reddy, “urban infrastructure is cracking up in the face of growing population pressure. Thus, we are encouraging foreign direct investments in urban infrastructure with the possibility of 100 percent equity holdings remaining in the hands of foreign company.” According to Kundu (2004), major changes in the context of legislation and management of urban land to accommodate the interest of global capital can also be observed in Delhi. Finding space for multinational companies, housing for people engaged therein, commercial/recreational activities, construction of flyovers, road widening, etc. have often led to pushing out other productive activities, the slum areas and informal activities being the first casualty in this process.

The Government of India (2006: 8 and 9) in its urban renewal policy mission makes it clear that investment support of the government, as part of the mission, will depend on the strategy of individual city to implement reforms and investment plans. In addition, the mission highlights sustainability of the city as vital. Exactly how cities will be made sustainable is left to the imaginations of city governments, but it is widely understood as being linked to slowing down or even halting immigration from villages and removing slums from the core areas of the city. In light of the sheer volume of squatters, slums and unauthorized settlements (see table 1), the most important decision of the Delhi government concerning land tenure for the poor has been to grant plots away from the city center to 1991-98 immigrants (Kundu 2004). In May 2000, the government formalized the slum relocation policy. Given the zeal with which Delhi is being transformed as a neoliberal global city, it is not surprising that the total number of forcibly relocated squatter households in 1990-1 and 2001-2 was as high as 40,000. Around 60 percent of these have relocated during the later two years alone.

Further, evictions were carried out primarily in response to the vociferous demands of upper and middle-income people (Kundu 2002), concerned over sanitation problems responsible for the occasional outbreaks of epidemics (Banerjee 1996). This again is a typical example of bourgeois environmentalism, in which pollution and epidemics are tackled by pinning the blame on the poor instead of trying to improve living conditions. Responding to a number of ‘public interest litigations’ on the deteriorating urban environment, the Supreme Court ‘took Delhi government to task’ for being lax in the matter. The court asked the Delhi
government to come up with strategies to improve the situation and directed it to sanitize the city by strengthening resettlement schemes, largely enforced by bulldozing residences. Those living in the slums do not want to be relocated as it disrupts their livelihood (they want the slums to be legalized and basic amenities to be made available by the government). The same court, which had granted a stay on evictions during the 1970s and 1980s, now urged the government to clear the parks and other public places from encroachers. This is because the judiciary simply interprets the constitution and applies government policies and legislation. Increasingly, government policies and legislations have become neoliberal and far removed from its socialist goals, so even the judiciary adjudicates to the detriment of the poor, something that it would not have done in the 1970s and 80s.

Table 1: Distribution of population by settlement type in Delhi

<table>
<thead>
<tr>
<th>Settlement Category</th>
<th>Population in the Year 2000 (in Millions)</th>
<th>Percentage of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Squatter clusters</td>
<td>2.07</td>
<td>14.82</td>
</tr>
<tr>
<td>Designated slum areas</td>
<td>2.66</td>
<td>19.05</td>
</tr>
<tr>
<td>Unauthorized settlements</td>
<td>0.74</td>
<td>5.30</td>
</tr>
<tr>
<td>Regularized-unauthorized settlements</td>
<td>1.78</td>
<td>12.75</td>
</tr>
<tr>
<td>Resettlement sites</td>
<td>1.78</td>
<td>12.75</td>
</tr>
<tr>
<td>Rural villages</td>
<td>0.74</td>
<td>5.30</td>
</tr>
<tr>
<td>Urban villages</td>
<td>0.89</td>
<td>6.37</td>
</tr>
<tr>
<td>Planned Settlements</td>
<td>3.31</td>
<td>23.71</td>
</tr>
<tr>
<td>All</td>
<td>13.96</td>
<td>100.00</td>
</tr>
</tbody>
</table>


At a time when the state has been strict about relocating the poor to the outskirts of the city, the Delhi government has regularized a number of unauthorized settlements, built illegally by private builders and members of middle-class households (mostly on private land). These have been built in and around the city during the past couple of decades and they are likely to expand further. In July 2000, the Union Cabinet approved the regularization of 1,071 such unauthorized settlements that had come up before March 1993. Even as the transgressions made by the private builders and the middle-class population is being overlooked and the illegally built landscape under the control of the rich is being legalized, the poor continue to be displaced. In the context of the relocation of the poor, the Habitat International Coalition (2001), functioning under the United Nations umbrella in Delhi, has highlighted how relocation leads to the poor losing their sources of livelihood and social support system and to the deterioration in the poor’s physical living conditions (Habitat International Coalition 2001).
The partisan attitude of the state couples with the increased privatization of resources, utilities, and services to lay the foundation for increased economic disparity and the exclusion of the poor from economic growth. A large number of rich people and private investors have made investment in land and housing in unauthorized settlements and are in a position to obtain the approval of policymakers (Kundu 2004). This has to be taken into consideration in the context of the Delhi Master Plan 2021, which would open up the possibility of private sector participation in upper- and middle-class housing, until now largely the province of the state-held Delhi Development Authority. According to Kundu (2004), such privatization will result in the dramatic reduction of poor residents in the city in near future, largely by slowing down their migration. First, privatized space would be unaffordable for the rural to urban immigrants. Second, once unauthorized settlements are privatized, the investor will be free to forcibly remove the poor and sell or rent housing out to the burgeoning middle and upper class. Delhi would thus grow as a city of the rich, attracting global capital in a clean and disciplined environment through the exclusion of the poor.

**Old Industries in Delhi’s New Economy**

As they are relocated to the outskirts of the city, the poor see their employment opportunities dwindling as well. The matter is exacerbated by the closure of industries, which harms working-class interests as it facilitates the ‘cleaning-up’ of the city. In the year 2000, thousands of industrial workers, workshop owners and their supporters took to the streets of New Delhi to protest against moves to close down thousands of small factories in accordance with a Supreme Court anti-pollution order (BBC 2000).

This issue was not new. More than 15 years ago, a private case was brought to the Supreme Court over high levels of industrial pollution in the capital. The novelty was in the changed circumstances, where neoliberal planning, policies and governance envisaged a city free from overt expression of poverty. Judicial intervention in the process of governance, which superseded the legislative process on this issue, and the stand that was taken at this juncture, was an outcome of what came to be identified as normal or progressive within the economically upper tier of society. But the measures were being carried out with callous indifference to the impact on the lives of workers, many of whom, without a job or any access to welfare, were poised to be reduced to destitution (Cook 2000).

As argued above, the judiciary has been directly involved in actualizing bourgeois urban utopia. However, when judicial intervention was sought to contest the neoliberal policies that affected, disempowered and harmed the interest of the poor, the judiciary chose to stay away from the process of governance as this was seen as the ‘responsibility’ of the bureaucracy and the legislature. After the implementation of the structural adjustment program, the jurisdiction of the Superior Courts has been invoked to challenge the constitutional validity of some elements of the neoliberal programs. This includes the Enron Case, which
challenged the manner in which a privatized contract was awarded; the Telecom case, which challenged the manner in which privatized telecom contracts were awarded; the Balco industry case, which challenged the manner in which the government company was disinvested; and the Panna Mukta oilfields case, which challenged the manner of selling and privatizing oilfields owned by the public sector. However, in none of these cases did the court interfere in the government’s decision.

The court, on the other hand, has been pronouncing one verdict after another in the context of transforming urban space to facilitate the neoliberal economy and the materialization of an exclusionary utopia. According to Ravindran (2000) “four decades of urban planning in Delhi, which progressively marginalized both the urban environment and the poor was now faking an encounter between the two”. The elitist mindset that was benumbed by the visions of the ‘city beautiful’ is somehow longing to relive the idealized image of suburbia as conceived in the Master Plan of Delhi (Ravindran 2000), which is a reflection of the changing ideas about development in this city. The traditional urban centers of India have thrived in the richness of mixed use of space for commercial, manufacturing and residential purposes. However, mimicking the United States in urban planning as in economic strategies, in order to attract more foreign investments, the Master Plan assumes that a healthy environment can be achieved only through the strict zoning of functions. Through strict mono-functional zoning and the absence of follow-up urban design of building typology, the Master Plan of Delhi fails to protect the residential quality as well as criminalizes the small entrepreneurs who are priced out of the market and are left with no option but to operate from their already overcrowded homes (Ravindran 2000).

These factories, which are being closed down in accordance with court orders, were owned by the petty bourgeoisie, who previously exerted a very strong influence over the state. In fact, they had been party to the coalitional basis of transformation leading to the neoliberal economy (Ahmed, Kundu and Peet 2010). The rise in the stature of the multi-national corporations and its high-level employees, powerful land-brokers, and investors, has led to these petty bourgeois being relegated to secondary position of power and importance. But this did not mean that they had lost all their influence over the government. In this moment of crisis, they were able to pull their weight to attain concessions from the government in the form of allowances in the Master Plan for “non-polluting” industries in residential areas. In symphony with neo-liberal utopia, the Government of the National Capital Territory of Delhi (2004), according to its website, is now “encouraging non-polluting type, less labor oriented and hi-tech industries” within its jurisdiction. Here, the less labor-oriented industrialization in a city like Delhi with surplus labor is of particular significance in the context of the neoliberal economy. This, on the one hand, has the potential of facilitating Delhi’s position in the global economy as a specialized center producing high-end capital-intensive products and services. On the other hand, it is a city space with very little
to offer to the poor —especially in terms of employment opportunities— who emigrate from rural areas on account of becoming victims of neoliberal policies (Davis 2004).

The Union Minister for Urban Development, during my interview, remarked that land prices have shot up by more than 100 percent in the last two years and real estate investors are showing tremendous interest in developing office space and infrastructure for the Information Technology sector. But this form of globalization and development has given rise to “jobless growth”, bringing “no benefit to the poor”, as Raghuvansh Prasad Singh—the Union Minister in the Government of India in charge of the Ministry of Rural Development—, expressed in the interview. Thus, the creative destruction of the city of Delhi, through privatization, foreign direct investments, speculative buying and selling of property, the creation of infrastructure for the information technology industry, and the removal of the poor and the kinds of industries that employ them, has become the main features of neoliberal spatial transformation.

Commuting in the Changing City

A substantial section of the low and middle-income people use public buses as a main mode of transportation (Tiwari 2002). It would be fair to say that buses form the backbone of the transport system in this city. In the past, factory workers and menial and service laborers preferred residences near their workplaces. This saved them money on commuting. But as the poor are being pushed out, their need for public transport is increasing. In accordance with neoliberal policies, public transport is increasingly being privatized in Delhi as well, leading to a substantial rise in bus fares. In fact, during my stay in Delhi between 1998 and 2003, bus fares doubled.

Table 2: Estimated shares of transport modes in Delhi in 1999

<table>
<thead>
<tr>
<th>Mode</th>
<th>Share (%)</th>
<th>Low-income population</th>
<th>High-income population</th>
<th>Total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cycle</td>
<td>39</td>
<td>3</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Bus</td>
<td>31</td>
<td>36</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Car</td>
<td>0</td>
<td>28</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>Scooter/motorcycles</td>
<td>3</td>
<td>29</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>3-wheeled scooter taxi</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Taxi</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Rail</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other vehicles</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Walking</td>
<td>22</td>
<td>2</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

Source: Operations Research Group; Tiwari 2002
Buses tend to be the most economically and environmentally efficient means of transport for most people. Even though bicycles are environmentally friendlier, it is difficult for laborers to travel long distance in this manually powered vehicle. At times, the poor cannot even accumulate enough savings to be able to purchase a bicycle. In Delhi, buses consume less than one percent of the vehicle fleet, but serve about half of all travel demand (Tiwari 2003). Table 2 illustrates the sheer magnitude of the proportion of people traveling by buses, even if the data are problematic. The proportion of the population that can actually be classified as rich seldom travels in buses. Even though they carry one half of all passenger travel, buses receive no preferential treatment in terms of dedicated lanes or traffic management (Tiwari 2002). This is because primarily the poor that patronize this service.

The emergence of neoliberal planning coupled with utopian and exclusionary bourgeois environmentalism in Delhi—detached from socio-spatial reality—has been putting severe stress on the public transport system and in turn on poor commuters. Responding to the public interest litigation filed by environmental groups in the city, India’s Supreme Court, in February 2001, ruled that Delhi must replace its entire fleet of buses with ‘pollution-free’ vehicles within one and a half months (BBC News 2001a). The decision confirmed a ruling made more than two years ago that the fleet of 10,000 diesel and gas-powered buses must be off the road by April 1, 2001. Of these 10,000 buses, 8,000 were being run by private contractors (BBC News 2001a). Despite a lot of protests from commuters and bus operators, the court stood by its decision of keeping April 1 as the deadline. Extension was granted for six months only to those operators who had already placed the orders for vehicles running on compressed natural gas (henceforth CNG) (BBC News 2001b). On account a very large number of buses taken off the roads of Delhi, there was chaos in the city. Commuter frustration had been brewing over the last few years regarding rising transportation costs, buses being taken off the road, the forced relocation of the poor, and several other issues. It all climaxed in the chaotic morning rush hour on April 2, 2001, when, according to a BBC news report (2001c), an angry mob torched six buses.

Over a period of more than a year, Delhi’s public transport was in chaos as the public contractors organized strikes and demanded extensions. Commuters could not afford to travel on a regular basis by any other means except buses. To top this, Delhi had too few CNG-filling stations and often not enough of the new

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12 Households are classified as high-income if receiving a monthly income of 7,000 rupees (approximately US $ 144 [as in August 2009]), but this is far from the truth. This amount is less than the monthly fellowship a graduate student receives in India from the University Grants Commission, so to expect such earnings to suffice for an entire household is unreasonable.

13 I was not present at the sight where the busses were torched, so I am unaware of the immediate provocation (and news papers were not very clear on this). But I have personally witnessed similar incidents in the past in Delhi and I have seen that peaceful demonstrations turn violent when the police start beating up protestors and firing tear-gas shells.
fuel in the city to meet demand (BBC 2002). Further, it was the bus commuters who, in the long run, had to pay the cost of this conversion (and not the rich and middle class who are at the forefront of demanding a ‘clean’ Delhi) as the private bus contractors/operators were able to use this opportunity to force the local government to raise bus fares. The irony of this entire situation is that while Delhi’s public transport now runs on ‘environment-friendly’ CNG, private cars have the liberty to run on gas or diesel. A change in bus fuel, on environmentally friendly grounds, provided the destructive and creative moment (Peck 2002) that is necessary for and inherent to neoliberalism. The introduction of CNG buses benefited their sellers and financers. It also provided the opportunity for setting up CNG stations in Delhi, boosting the CNG industry. For the poor, it meant a rising bus fare even as they were being relocated far away from their workplaces. The change in public transport policy combined with other events and processes in the context of and initiated by neoliberal policies to foster the further marginalization of the poor in the capital city of one of the poorest countries in the world.

Conclusion

Belief in neoliberalism as a cure comes out of a valorized and epitomized Anglo-American development experience (Peet 2002), even though such valorization and epitomization is often sugar-coated with propaganda. The picture-perfect images of New York, Chicago, Miami, London and the like, showing neon lights, high-rises, malls and so on, are bought and sold as ideals by the global economic powers, the global governance institutions, elites and local/national governments who benefit from the production and reproduction of such ideals. These are the very same ideals that are unfolding in the form of economic and urban development policies in places like Delhi, transforming urban social relations and urban space.

Like any other country, India always had a bourgeois class. But in the past, social fracturing along caste affiliations and an absence of shared imaginary and spaces of interaction (for example media space) had inhibited their ability to articulate a coherent form of elite class power. During the last couple of decades, however, despite caste and regional fractures, the elite in India have started sharing a common media space, and articulating a set of common interest which allude to my analysis of neoliberal utopia in this paper. This unity is being reflected in their imagination of city development, which is being transformed into practice, leading to the creative destruction of the cityscape and social relations of production. Efforts towards creating secure, clean, and poverty/slum free Delhi within poverty-ridden India are leading to the intensification of class-based contestation. The cases related to the use of public parks, the removal of slums and industries and the pressure on public transport systems used by the poor are pointers to how neoliberal planning and governance is giving primacy to capital over labor. Even as the poor in Delhi struggle to secure a livelihood, the bourgeoisie have burdened them with the cost of their environmental concerns or environmental classism. Though a cleaner environment and greater consumer protection are desirable, the
poor are being made to pay for these in the form of forced relocation, exclusion from amenities, increased bus fare, and removal of industries that provided them employment.

In view of neoliberal urban governance and change in Delhi, one might want to further investigate the dialectical nature of the ongoing process. In other words, additional fieldwork is required to examine the nature of ‘feedback’ between the created space and governance and its continued recreation and usage of discursive space, particularly at the scale of the city. Evidently, the contested nature of neoliberal transformation has forced the Government of India to devise several ‘safety-valve’ strategies in order to retain legitimacy and power, and in turn survive.

For example, in the year 2004, the ruling coalition (National Democratic Alliance) headed by the Bharatiya Janata Party contested the parliamentary election on the platform of “India shining.” The “India shining” campaign celebrated India’s economic ‘success’ focusing primarily on neoliberal transformation, high economic growth in large cities, high investments, domestic as well as foreign, made in the finance and other service sectors. The ruling coalition, however, lost the election. Most newspaper and television analysts were of the opinion that the poor voted against the ruling coalition. According to Soutik Biswas (2004), reporting for the BBC, the Bharatiya Janata Party’s spin doctors had coined the phrase ‘India Shining’… It seemed to be a cruel joke in a nation where a third of the people still live on less than $1 a day and human development indices are largely appalling. As it turns out, most of the voters were not amused and decided to put the lights out on the BJP and its allies... The conclusion is inescapable. The less economically privileged sections of India and the minorities have spoken loudly, clearly and unambiguously, and the privileged have in all probability not even stepped out to vote.

Upon the defeat of the National Democratic Alliance, the United Progressive Alliance, headed by the Congress Party, came to power with the outside support of the Communist parties. Neoliberalism, however, was not rolled back. Instead, the new government enacted a few pro-poor policies, even as neoliberal transformation continued. The best example of the pro-poor ‘safety-valve’ strategy is the National Rural Employment Guarantee Act of 2005, which provides a legal guarantee for one hundred days of employment in every financial year to adult members of any rural household willing to perform public work related unskilled labor at a statutory minimum wage. The National Rural Employment Guarantee Act has had limited success, but it is an example of the contested nature of neoliberal transformation, and in turn the power that the poor have been able to exercise on the state. Future research, similarly, could focus on how the poor have been exercising power in the context of urban reorganization.
Finally, we have to understand that a balance has to be maintained in resolving conflicts between economic development, environmentalism and social justice (Campbell 2003) or else cities would be pushed into chaos. The state, in a developing and poverty-ridden country like India, cannot exercise legitimacy without the support of the general population that it claims to govern. Thus, policies have to incorporate the ideals of social justice, given that a quarter of India’s population live below the poverty line and many more struggle just to meet the necessary needs of food, shelter and clothing. It is not enough to believe, as the Union Minister for Urban Development does, that “when rapid economic growth takes place, it will be a tide that will lift all posts”. The state will have to develop strategies to integrate rapid economic growth with inclusionary developmental practices, rather than with an exclusionary utopia.

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