Policy transmission: the emerging policy dynamic of water supply infrastructure development in India

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Abstract

The focus of this paper will be to investigate the nature of policy reform in the water supply infrastructure sector in India. In the formal division of powers, much of the authority to implement policies in this sector rests with state governments and the role of the national government is largely restricted to recommending broad policy directions. Since the late 1990s, with the diffusion of the reform agenda into this sector, the national government has taken a number of measures that try to intervene more confidently in setting policy agendas in the states. However, this intervention has not proceeded along expected lines and more assertive policy articulations have been made by different states. A host of factors, such as the proliferation of regional parties and the diverse political logics behind reform implementation in each state are behind this. Using the states of Karnataka, Kerala and Tamil Nadu in India as examples, this paper will develop a model of how water supply policy reforms are being transmitted.

Keywords: India; Policy reform; Politics; Water supply

1. Introduction

India has long occupied a paradoxical position for students of political economy and development. India seems, to many scholars, to be a nation-state that appears both strong and weak, simultaneously: strong enough to preserve its democratic traditions and engage in a successful macroeconomic reform program but, at the same time, weak and incompetent in its ability to promote water supply infrastructure development. Puzzled by this inconsistency, a rash of popular articles write glowingly about India’s

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1 In this paper, I will use water supply infrastructure to refer to the technical and institutional aspects of the distribution of piped drinking water.

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success in the global economy, whilst at the same breath speaking of the coexistence of the impoverished millions lacking access to even a minimal level of services. All these articles have found it difficult to explain the apparent weakness of this strong developing nation-state. The likely explanation that most of these articles provide is that the lack of infrastructure is a result of fundamental weaknesses in the country’s political economy, such as poor governance, lack of accountability and the prevalence of corruption. Some scholars have also pointed out the challenges that the water infrastructure sector face in the country (Narain, 2000; Chaturvedi, 2001).

This paper approaches the absence of a consistent focus on infrastructure development, especially water supply infrastructure development, a bit differently. Without denying some of the important conclusions that have been presented in popular or scholarly articles, this paper focuses on the process by which policies to reform water infrastructure formulated at the national level are transmitted and received within different states in the country. It will argue that the absence of consistency (or weakness as it has been interpreted) can be explained to some extent by the diversity not only of India’s society but also of its politics. The diversity in its cast of political actors and the different dynamics of the social contract in the states all make it more challenging to have a unified and consistent approach to infrastructure development.

In order to examine the process of transmitting policy reform impulses to different states, this paper begins with a discussion on some recent theoretical developments that have tried to build upon the gaps in conventional theories about India as a developmental state. Recent approaches have tried to advance a regionally differentiated understanding of India as a developmental state. Building on this, this paper makes the case that it is necessary to pay attention to how water infrastructure policies are received and implemented in the different states in order to understand how water policy reform is conducted in a large polity like India. Examples from three states in India (Karnataka, Tamil Nadu and Kerala) will be used to develop a model of policy transmission.

2. Development in a federal state

The character of the Indian developmental state has mystified students of political economy. For example, Rudolph & Rudolph (1987) attracted attention to the Indian case through their pithy observation of its political economy as a “weak-strong state trapped in a poor-rich nation”. Myron Weiner, the respected scholar of Indian politics, famously characterized India as a paradox (Weiner, 1989).

More recently, Evans directly encountered the complications of attempting to understand the nature of the hydra-like, multi-faceted character of the Indian developmental state. Evans sought to understand the propensity of developmental states to catalyze industrial transformation through a “comparative institutional approach” (Evans, 1995). Evans ranked South Korea as an outstanding success as a developmental state while Zaire, on the other end, could be characterized as a classic predatory state suffused with a high order of rent seeking. More difficult to characterize, for Evans, were Brazil and India – large, diverse, federalized nation-states with multi-faceted qualities. Comprehending the

2 Water supply infrastructure is particularly significant for understanding how infrastructure reform takes place in a country like India, for two reasons: first, because of the widespread absence of water supply infrastructure in India, there is considerable development policy framed to redress this issue; secondly, the widespread absence of this essential infrastructure has also resulted in water supply being highly politicized.
actions of large, diverse, federal nation states is a critical analytical problem that has also occupied the attention of others. Sinha proposed that the solution to surmounting this analytical obstacle lies in transcending the inherited disciplinary barriers and mental containers that have prevented the disaggregation of the state in scholarly analysis:

[T]he three competing arguments about the consequences of state action – the neoclassical approach to the state, the public choice view of the state and the developmental view of the state – share one common feature… all three of these approaches view the state as a leviathan, either benevolent (developmental) or malevolent (predatory). (Sinha, 2005)

Sinha suggests that apprehending state actions can be problematic if insufficient attention is paid to the internal operation of the state in the analysis. In order to do so, she proposed a methodology for opening the black box of the developmental state, suggesting that, in order to be analytically rigorous, close attention needs to be paid to the internal operation of the state at two dimensions: (i) the internal structural arrangements of the nation state; and (ii) the internal dynamic processes between sub-national units and the union.

Such a focus has directed our attention towards understanding the dynamic between the union and the sub-national level as a “two-level game” played by union-level and state-level actors. Fundamental to this insight is that, in a democratic nation-state with spatial separation in the formulation and implementation of policies, policy reform cannot be understood by focusing solely on the interventions of national policy elites but must also be seen in conjunction with the actions of sub-national elites active within their regional domains. While nation-level elites conceive policy reform measures, in a federal system, it is often the state-level elites who implement policy reform projects in their respective states. Within federal polities, policy reform measures are contingent processes because sub-national entities (with considerable policy autonomy) always re-interpret policy goals to reflect their own political compulsions or needs at the regional level. By characterizing contemporary interactions between national and sub-national units as a two-level game, one avoids characterizing nation-states as impotent “empty shells”, their powers increasingly oozing away to transnational and sub-national domains. Recent research on the politics of economic and social reforms has increasingly sought to highlight the implications of federalism for reform efforts.

Jenkins (1999) suggested that the remarkable sustainability of India’s economic reform measures in the context of a contentious democratic process was evidence that national-level elites have been strategic in

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3 Migdal, in his study of state-society relations suggests that Egypt, India and Mexico each display “remarkable instances of both high and low capabilities in different realms” (Migdal, 1988). USA was also characterized, paradoxically, as a weak-strong nation state by Pierre & Peters (2000).

4 This broadly corresponds to the institutionalist analysis of particular policy domains proposed by Saleth & Dinar (2000). Elsewhere, Saleth has proposed a framework called Institutional Decomposition and Analysis (IDA); institutional decomposition, Saleth argues, allows us to better understand the “essential features and innate nature” of institutions in a specific policy domain such as water (Saleth, 2004). He argues that institutions can be decomposed into two elements: institutional structure and institutional environment. These roughly correspond to Sinha’s characterizations but, where Sinha’s categorization is a major advance is in its sensitivity to dynamic attributes from the operation of the Indian state.

5 Kirk (2005b) has pointed out that “two-level games” sometimes become important strategies for national elites to accomplish their policy aims sub-nationally, in the absence of direct means to accomplish them. See also Putnam (1988) for background on two-level games.

6 Globalists of both anti- and hyper- persuasions arrive at similar conclusions with regards to the powers of nation-states. See Ohmae (1995) and Castells (1997) for perspectives on both hyper- and anti-globalists.
how reform measures are dispersed. He suggested that national-level elites in India willingly diffused controversial reform policies away from the national level and to the state level as a means of reducing the concentration of attention of media and opposition parties away from the national level (Jenkins, 1999). In 2005, Sinha proposed the “the theory of polyarchy”\(^7\) as a frame for comprehending the complex interaction between national and subnational entities:

*Polyarchy as a concept is especially suited to understand the territorial character and internal heterogeneity in large states. In a polyarchy, a project or policy is approved by the higher-level state agency in coordination with the lower-level state organization; decisions are joint, but the higher-level agency has veto power to accept (or reject) the project.* (Sinha, 2005)

In her research of economic development in Indian states, Sinha employs the theory of polyarchy to explain the variation in economic development trajectories of Indian states, through the differential interventions of different states in India into “choice points” available in the centrally-directed, porous industrial licensing process. Employing analogous frameworks, both Kirk and Jenkins have examined, at length, the trilateral game played between the Government of India, the World Bank and individual state governments in directing structural adjustment funding towards individual states (Jenkins, 2003; Kirk, 2005a).

3. Policy transmission: India’s emerging water policy dynamics

The foregoing discussion of the federal articulation of reform policies is critical to frame the emerging dynamic of India’s infrastructure policy. Despite its formal articulation at the national level, infrastructure policy is transmitted differently to different states in India. It would be too simple to characterize the differences in policy transmission in subnational states solely to programmatic variations at the state-level. These variations no doubt play a part but they are of limited interest here, partly due to their non-systematic variability. Here, we attempt to investigate more general underlying patterns of variation that differentiate how water supply policy is transmitted to different states in India in fundamental ways. Recalling Sinha’s direction that the opening of the black box of the developmental state entails a thorough examination of its internal architecture and internal dynamics, I make the point here that the transmission of water supply infrastructure policy in India should be understood as being subject to two distinct impulses: (i) the articulation of reform for water infrastructure in India; and (ii) the reception of reform in different states of the country (see Figure 1).

In India’s federal set up, the authority to formulate, legislate and implement policies in water supply lies at the state level (Narain, 2000). But, increasingly, the national government is now to be found playing an important role in articulating water policies. Driven by an imperative to reform water policies, the articulation of policy reform is conducted at the national level with all the states in mind. While infrastructure policies are uniformly articulated at the national level, these reform policies are received differently by provincial elites depending upon a host of local political and historical considerations, though primarily depending on the purpose infrastructure serves in the context of regional political calculations. State elites often have a fine sense of how policies need to be packaged at the state level in order that they are acceptable within the history of politics in these states, and also so that they are

\(^7\) Sinha’s theory of polyarchy, despite having the same name, has little resemblance to Dahl’s concept of polyarchy (Dahl, 1971).
acceptable to the population in these states. The varying policy reception to infrastructure reform policies creates a strong regional articulation for reform policies. In the next two sections we will examine the operational dynamics of transmitting water supply infrastructure reform processes in India, with special reference to the states of Karnataka, Tamil Nadu and Kerala. It will be argued that while it is national-level policy elites that overwhelmingly articulate reform policies, the reception of infrastructure policies is exclusively in the hands of the states.

4. Articulation of water supply policy reform

The articulation of policy reform of the water supply and sanitation infrastructure sector is governed by two aspects: (i) the constitutional mandate to states; and (ii) a scheme-centric approach. These two aspects are crucial to understanding the new strident role of the national level in articulation of water supply policy reform. The Constitution envisages a division in the roles ascribed to the union and the states in governance. With the exception of interstate waters, which are governed by Parliament, state legislative assemblies have exclusive authority over “water, that is to say, water supplies, irrigation and canals, drainage and embankments, water storage and water power” (Item 17, List II, 7th Schedule, Constitution of India).

By placing water in the state list, it is at the state level that the water needs of the population are addressed. Water policy formulation, administration and implementation in a variety of sector-specific areas have mainly advanced at the state level. Development and maintenance of urban water supplies have, as a consequence, been the prerogative of state-level agencies and departments, with each state promoting

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8 The 7th schedule of the Constitution enumerates the domains within which the union Parliament and state legislative assemblies have exclusive and concurrent legislative authority. The schedule prescribes three lists: the union list, with 97 items over which Parliament has exclusive legislative authority; the state list, with 53 items where the states have exclusive legislative authority; and a concurrent list where both Parliament and state legislative assemblies possess authority to legislate.
forms of institutionalization arising from a unique basket of compulsions. The role of the national government under this schema of division of roles has been quite muted, confined to formulating broad, national-level policy statements that possess little teeth to align states. The union Ministry of Urban Development along with the recently created Ministry for Urban Employment and Poverty Alleviation are the main agencies responsible for formulating the broad policy modalities in this area but their efforts have largely been advisory rather than regulatory.

Since independence, as part of the overall strategy of a socialist state, developmental fund transfers from the union level to the states have been routed through the Planning Commission which guided transfers according to national developmental priorities. Until the mid-1990s, in keeping with this vision, the Planning Commission uniformly allocated funds to states for developmental priorities, within pre-declared timeframes called five year plans. The national government proposed the focus for each five year plan and, accordingly, formulated sector-specific schemes that would best accomplish the stated development aim. Since independence, the Planning Commission has acquired considerable capacity to direct and redirect government investments towards specific developmental objectives through review mechanisms such as sector-specific working groups, mid-term appraisals, and annual and plan-end evaluations. These objectives are concretely reflected in each plan through sponsored (or plan) schemes that come with budgeted outlays to support the scheme. Since the 1970s, several schemes have been launched in urban areas for the development and upgrading of basic water supply and sanitation services. For example, in the 10th Five Year Plan (2002–2007), several schemes were implemented: Integrated Development of Small and Medium Towns; Low Cost Sanitation Programme; Shelter and Sanitation for Pavement Dwellers; Mega-city Project; and Accelerated Urban Water Supply Programme, etc. (Kundu, 2006). Given the constitutional barriers that prevent a more robust intervention in water policy reform, since the early 2000s, national schemes have emerged as the primary vehicle for articulating and carrying reform measures to the states. This is a noteworthy transformation because development schemes, prior to this point, were understood through the language of socialist state intervention in society.

The muted role of national actors in water policy is clearly visible through an evaluation of plan documents prior to 2000. In these documents, the role of the national government is largely restricted to indicating systemic gaps and statistical target setting in the implementation of water supply infrastructure. A review of earlier plan documents from periods such as the 6th (1980–85), the 7th (1985–90), and the 8th (1992–97) Five Year Plans, reveals some commonalities in the approach to targeting schemes and in the review of the deficiencies of existing schemes. Schemes were targeted at improving coverage and access to enhanced water supply and sanitation services in cities and towns. Notably, each plan period prescribed (often unrealistic) statistical targets for coverage of water supply and sanitation at the national level. For example, the 7th plan proposed enhancing coverage of urban water supply to 100% by the end of the plan period, but actual coverage stood at about 84% at the end of the plan period (Planning Commission, 2007c). The 8th plan proposed enhancing coverage to a

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9 The Planning Commission, a non-statutory body chaired by the Prime Minister, is composed mostly of development economists and prominent public figures. Until 1991 the union Planning Commission, along with state-level planning boards, was the lynchpin of a strategy of a state-directed development. Since 1991, with the endorsement of the economic liberalization program, the position of the Planning Commission (seen as a throwback to a Soviet-styled planned economy) was tenuous. As we shall see, since the early 2000s it has re-invented itself as an entity for guiding the states towards reform.
more conservative estimate of 94% but this was also not achieved (Planning Commission, 2007a). Despite an array of schemes to improve the development of the urban water sector, issues of inadequate coverage and sustainability have consistently plagued the sector. Analyses of the deficiencies of schemes and their implementation by the states have been expressed in plan documents in bland, general terms that rarely apportion responsibility to specific states or their institutional entities. The 8th Five Year Plan is symptomatic of how issues of concern, emerging from a review of the experience of the 7th plan, are presented:

a) Operations and maintenance of water supply and sanitation installations in the country is badly neglected. A huge backlog of maintenance is building up at a time when resources are scarce; b) Due to inadequate sewerage and lack of waste treatment facilities, pollutants which enter ground water, rivers and other water sources contribute to increased incidence of water-borne diseases. It is necessary to take timely steps to prevent further pollution and at the same time provide for progressive cleaning of existing rivers and water resources; c) Water supply and sanitation needs of small towns, particularly in the range of population up to 20,000, received inadequate attention. (Planning Commission, 2007a)

In the absence of a clear diagnosis of deficiencies directed at institutional or political conditions, levels of fund transfers were maintained irrespective of the performance of the states. Water being a state subject, the Planning Commission has in past plans contented itself merely with prescribing broad statistical targets that states should aspire to for water supply infrastructure development. Performance-based criteria that differentiate between the recipients of funds, and which reward better-performing states while also creating incentives for other states, have never been employed in fund transfers. For example, the Planning Commission suggested that beneficiaries were to be selected on the basis of scientific criteria such as:

1. Those who do not have a source of drinking water within a reasonable distance; 2. Those where diseases like cholera… are endemic; 3. Those where the available water has an excess of salinity, fluorides … (Planning Commission, 2007d)

By limiting their direction to scientific criteria and statistical targets, the Planning Commission restricted itself to providing a broad direction for the implementation of water infrastructure in the states with very few specifics on how policies for infrastructure development should be formulated and implemented. Such an approach arose in large part from an acknowledgement that water infrastructures were within the legislative prerogative of the states, and that directing states to formulate policies and institutions would infringe on their constitutional powers.

The 9th (1997–2002), 10th (2002–2007) and the 11th (2007–2012) Five Year Plans show some radical differences in the language of the plan documents and in the strategies employed for fund transfers in the water infrastructure sector. A major change since the late 1990s has been greater attention on the role of urban local bodies (ULBs) in the development of water supply infrastructures, achieved at the expense of power which the states previously possessed. The focus on cities and ULBs, has given the national government a clear basis for questioning the developmental efforts of states. The result is the emergence of an increasingly strident tone assumed by the plan documents in placing responsibility for the deficiencies of development schemes on the laxity of state governments.

At the core of this shift in the development efforts at the national level is the legitimacy ULBs have acquired as constitutional entities, rather than as creations of their respective state governments. In 1992, the 74th Constitutional Amendment Act (also referred to as the Nagarpalika Act) gave a constitutional
basis to the formation and functioning of local self-governing units in urban areas across the country. The Act prescribed that, as befits constitutional bodies, ULBs should be governed through legislated acts rather than through executive fiats. The Act further prescribed comprehensive guidelines that govern the conduct of municipal elections, the nature of financial devolution that should support their functioning, and the constitution of ward committees as arenas for citizen participation. In addition, the 18 items in the 12th schedule of the Constitution prescribe the functional domains which, by law, the state governments may transfer to municipalities. These include such domains as urban planning, water supply and sanitation infrastructure, public health, etc.

For all plan documents starting from the 9th plan, the *Nagarpalika* Act provides a common point of departure in the diagnosis of the urban services scenario in India. The Act provides a handy lever through which the policy reform priorities of national elites (reflected in the Planning Commission) can target the implementation deficits of state governments. The 9th plan optimistically notes:

*The performance review of the Plan programmes has brought out some of the operational problems… that resulted in inadequate coverage of the population and encouraged a top-down approach, with the plans being formulated at the national level on the basis of feedback from the States, with marginal inputs from the functionaries directly working at the grass-roots level… The policy framework under the Constitution (73rd and 74th Amendment) Act provides an opportunity to shift the approach in the 9th Plan. (Planning Commission, 2007b)*

Adopting a more realistic tone, the 10th Plan affirms the need for an unambiguous decentralization of functions to ULBs:

*The 74th Constitutional Amendment has substantially broadened the range of functions to be performed by the elected urban local bodies (ULBs)… Provision of basic amenities will continue to be among the core activities of the ULBs. The efficient performance of these responsibilities requires proper institutional structure, unambiguous decentralisation of powers, adequacy of resources, support of the State Governments and their entities, and a concerted effort to build up capabilities in the various sections of the ULB machinery. (Planning Commission, 2007e)*

The Report of the Working Group on Urban Development, Urban Water Supply and Sanitation and Urban Environment for the current 11th Five Year Plan notes ominously that:

*A critical aspect of the 74th Amendment related to the functions and fiscal powers of the ULBs. According to studies conducted in this aspect, most states have amended the municipal legislations to incorporate in either full or in part the Schedule 12 functions, but their de facto transfer to most states is lagging behind. In almost all cases, the institutional arrangements in respect of … provision of services*

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10 Prior to the passage of the 74th Constitutional Amendment Act (and its rural counterpart, the 73rd Constitutional Amendment Act), institutions of local self-government functioned or were superseded at the whim of state governments. Local body elections were held intermittently and, in the absence of any sustained functional devolution, retained a ceremonial presence. A research study conducted by the National Institute of Urban Affairs (NIUA) observed that, prior to the amendment, ULBs were conceived on the basis of the *ultra vires* principle and so could have their functional spheres controlled by state-level executive decisions (NIUA, 2005).

11 The extent to which states have devolved these functions to municipalities is determined by the respective conforming legislations in the states.
such as water supply that existed in the pre-1992 period have continued. This is one area where a dialogue with states seem imminent to bring clarity to this issue. (Ministry of Urban Development, 2006)

In the quote above, the 9th Plan, for the first time, recognizes as a problem the mode of operation that was the norm in previous plans. At the heart of the diagnosis is a realization on the part of the Planning Commission of their total dependence on states to generate coverage statistics that formed the analytical core of India’s earlier development strategy. The Nagarpalika Act provides, as noted in the quote above from the 9th Plan, an opportunity to re-orient India’s social development strategy. The 10th Plan is forthright in its appraisal of the coverage orientation that marked previous plan strategies12:

State level data show that on an average 88 per cent of the urban population were provided with water supply through a public water supply facility, with many States reporting 90 per cent and more coverage. However, official [State] reports tend to give greater weight to physical and financial progress rather than the quality, reliability and sustainability of services. The picture will be incomplete and misleading if the many and significant lacunae in the existing scenario are not highlighted. (Planning Commission, 2007e)

The shift from a statistics-based coverage orientation is prominent in the 10th Plan document. The document notes that the unfinished tasks in water supply in urban areas exceeds merely enhancing coverage with the need for:

Higher degree of reliability, assurance of water quality, a high standard of operation and management, accountability to customers and in particular special arrangements to meet the needs of the urban poor, and levy and recovery of user charges to finance the maintenance functions as well as facilitate further investment in the sector. (Planning Commission 2007e)

This shift is predominantly outlined for the steps that can be taken by ULBs to enhance service efficiency. All cities/towns that seek to augment the capacity of existing water supply would be required to follow these measures. The 10th Plan gives them concrete shape by launching three innovative city-level schemes: the Urban Reform Incentive Fund (URIF); the City Challenge Fund (CCF); and the Pooled Finance Development Scheme (PFDS). These measures seek to provide financial means and create an incentive for states and cities to embark on a mission to reform their infrastructures13.

The 11th Plan envisages a more thorough impregnation of the reform effort in the water supply and sanitation arena through the recent launch of a massive urban renewal mission, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM)14. Many existing schemes and programs such as Urban Reform Incentive Fund, City Challenge Fund and the Mega-cities program have been subsumed into the

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12 The 10th Plan document on Civic Amenities in Urban Areas has a box entitled “What the ‘Coverage’ Statistics Do Not Reveal”.
13 In an address to the Water Forum in 2002, the then Minister of Rural Development, Government of India, highlighted that: “Till recently, there was no fiscal instrument available with the central government which could be used to influence states and cities to reform their urban water and services. The reforms in Urban Water Supply Services are in their infancy... Government of India in this year’s budget has announced the creation of a City Challenge Fund for assisting the State Governments and the Urban Local Bodies in the economic reform, with the water and sanitation reforms forming a core of the approach” (Government of India, 2002).
14 JNNURM was launched by the Prime Minister on 3 December 2005 to incorporate the reform agenda within 63 large cities in India. The corresponding mission for small and medium towns is the UIDSSMT (Urban Infrastructure Development Scheme for Small and Medium Towns). Existing schemes such as the AUWSSP and the PFDS targeting small and medium towns will be subsumed into this mission.
JNNURM. With the inauguration of the JNNURM and the UIDSSMT, the reform of water supply infrastructure (specifically) but also of urban infrastructure (more generally) has acquired a comprehensive urban focus that was entirely missing in plan documents prior to 2000. The JNNURM proposes a broad process of renewing the physical infrastructure and governance aspects of cities, and enhancing the development of water supply infrastructures will be a primary focus area for it.

The major outcomes of the mission will be: (i) to create modern financial management systems adopted to urban service and governance; (ii) basic access to urban services to all residents; (iii) increased transparency in urban services; and (iv) the operationalization of a city-wide framework of effective governance (Government of India, 2005).

The depth and scope of the policy intervention of the national government in water supply development is quite evident. Using this urban focus, national policy elites have very effectively articulated an architecture of policy reform that has a shaky constitutional standing, given that water supply lies within the legislative domain of state governments.

5. The reception of water supply policy reform

A study of the articulation of policy reform alone is insufficient to understand the emerging dynamic of local urban water development in the Indian state. It is also necessary to examine their dynamic reception within the state. The reception of reform efforts by different states is directly tied to the diverse interpretations of development, reform and infrastructure that prevail in individual states at specific junctures. These different interpretations are closely aligned to the political calculations and historical exigencies of governance in states across the country. As a result, it comes as no surprise that the reception of and motivation for reforms has been quite varied at the provincial level in India. Reforms of various developmental sectors initiated gradually by the national government since 1991 have been perceived as opportunities for state-level political elites to consolidate their presence in the provincial political arena.

However, what makes the varied reception of reform policies all the more significant is its association with a notable development in the Indian political landscape: the regionalization of Indian politics. Political analysts have remarked that the mid-1990s was witness to the rising profile of regional parties, not just in state politics around the country but also in national politics. The 1990s were witness to a proliferation of political parties on the national scene. Before the mid-1990s state parties accounted for a mere 15% of parliamentary seats, but they now regularly occupy up to 35% of the seats in parliament. But it is not just in numbers alone that the party scenario in India is undergoing change. Qualitatively, the proliferation of regional and state political parties in India has introduced a prominent regional dimension to parliamentary representation (Sarangi, 2005). A significant proportion of parliamentary parties are now mobilized around political identities specific to a particular region or state.

The increasing regionalization of the political spectrum is occurring through yet another process. Having to contest resurgent regional parties in various states, national political parties like the Congress party and the BJP (Bharatiya Janata Party, or the Indian People’s Party) have tried to acquire a regional flavor. With national-level parties such as the Congress and the BJP locked in bipolar contests in several states with regional contenders, the state units of these national parties have acquired a strong regional flavor (Yadav & Palshikar, 2005). Thus, the Congress party in Kerala that has been battling the Communist Party of India (Marxist) (CPM) alliance on issues particular to the social and economic realities of the state is quite
different in organization, ideology and strategies to the Congress party in the state of Himachal Pradesh where its main rival is the BJP party. These two aspects (the importance of regional parties at the national level and the thorough regionalization of state politics) have heightened the prominence of regional calculations and strategies in policy projects.

So paradoxically, even as national governments are now more stridently articulating a policy reform agenda, the nature of politics and policy making in the states has acquired a regional character that is increasingly autonomous of influence from the national sphere. The different motivations that drive states to receive reform policies will become evident when we examine selected vignettes of infrastructure policy implementation in the three states of Karnataka, Tamil Nadu, and Kerala. From these examples, we can infer that the motivations for reform in the states are usually the products of the local political compulsions and historical exigencies of state-level political elites. I have chosen these three states because, despite being adjacent to each other, they have radically different histories of politics and trajectories of infrastructure implementation. In order to compare the reception of reforms in these three states, I will use two dimensions to gauge the capacity of state elites to receive and interpret reform. The first is the policy autonomy that state elites have in formulating reform strategies in accordance with their regional political goals. A second aspect is the amount of resistance decision-makers face from their populations in pushing water infrastructure reform strategies within their states.

5.1. Karnataka

Karnataka has had a long history of devolving power to local government bodies especially in rural areas. Given the preoccupation of the state elite with gauging and balancing caste equations in rural areas (where caste politics is especially active), devolution in the state has acquired a predominant rural slant. In this state, the devolution legislation of 1983 (a decade before the 74th constitutional amendment) was a product of a history of gradual political moves that sought to create space for political representation for traditionally marginalized castes, and simultaneously create broader support bases for state elites. This was a formative moment in Karnataka politics because it enhanced opportunities for political power for different caste communities in the state. This has created a countryside that is politically alive and which clamors for its share of the state pie. Under these conditions, state political elites have had to, without fail, package development efforts as government handouts, in order to mollify significant caste factions.

5.1.1. Policy autonomy. Until the 1990s, Bangalore (capital of Karnataka state) did not occupy a very significant position in state political calculations. By the late 1990s, state political elites, and most notably the Chief Minister S. M. Krishna, had begun using the growth of Bangalore as an “icon” for launching their agenda of a “modern” Karnataka (Pani, 2006). Pani noted that, while Krishna was widely

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15 The three southern states of Karnataka, Tamil Nadu and Kerala are by no means exceptions in India’s atlas of linguistic states. They represent a collection of adjoining states where the differences in politics have brought about very different opportunities for reform. The fact that these three states are adjacent makes the differences all the more pronounced.

16 My discussion of Karnataka politics is particularly focused on the Krishna government in the state, for the reason that it roughly coincided with the period between the late 1990s and mid 2000s that marked the spread of water reform policies to the states in India.
perceived in India as an “icon of reform” and Karnataka was viewed as a reform-friendly state, within the state, Krishna was noted for his modernizing impulses. “Modernizing” Karnataka, according to Krishna, was more about using state resources to create a modern infrastructure rather than enhancing the operational efficiency of the government.

The focus on modernization rather than reforms is a critical distinction in Karnataka’s political climate. Whereas an overtly reformist stance and any withdrawal of government could economically hurt caste segments crucial to its survival, an overtly modernist stance with respect to infrastructure could be packaged to conform to the tradition of Karnataka’s erstwhile modernizers, such as M. Vishveshwarayya. At a substantive level too, Krishna’s reformist stance could be viewed as modernization:

The Krishna government’s record, particularly during its first two years in office, fits the pattern of modernization rather than reform. Its approach to reducing the revenue deficit was, at best, ineffective. Removing any of the existing welfare schemes would necessarily have involved a huge political risk. (Pani, 2006)

As a result of the delicate caste balances in the state, modernization was a selective process of implementing reforms, which indicates some degree of policy autonomy.

5.1.2. Resistance. The rising global prominence of Bangalore city and its agenda of urban infrastructure reform faced considerable resistance in the state, primarily as a result of the predominant rural base of Karnataka politics. The history of language politics of Bangalore city has also created strong political bonds between the state and the city (Nair, 1999). In this context, state political leaders who cultivate a modern urban image run the risk of an electoral reversal. Chief Minister Krishna’s preoccupation with the reform of Bangalore’s infrastructure and his urban, techno-savvy campaign were seen as responsible for his electoral defeat in 2004 (Assadi, 2004). A focus on the reform of urban infrastructures attracts some resistance in Karnataka.

In Karnataka, the introduction of reform efforts in infrastructure and especially in the water supply arena was marked by instances of public–private partnerships in Bangalore. One such notable experiment of this period was the Bangalore Agenda Task Force (BATF); the BATF, in partnership with para-state bodies in Bangalore, tried to introduce technical and managerial excellence into the development of infrastructure. Another example was the prominent collaborative arrangement launched by the Bangalore Water Supply and Sewerage Board (BWSSB) in partnership with the Social Development Unit and several non-profit groups in the city. The aim of the partnership was to develop household level water supply connections in slums in the city (Connors, 2005).

5.2. Tamil Nadu

Policy autonomy. Tamil Nadu occupies a unique, even enviable, position within sub-national states in India. It is a state that has actively sought its policy autonomy and then jealously guarded it from intrusion by the union government. A significant process that has consolidated Tamil Nadu state’s autonomy has been the vital role that parties in the state have come to play in national coalition governments. Tamil Nadu

17 It remains the only state to have appointed a committee (the Justice Rajamannar Committee) to examine centre-state relations.
is notable for the absence of parties of non-Dravidian origin in the electoral fray. National parties like the Congress Party and the BJP are virtually absent in the state. Two regional parties, the DMK and the ADMK, both arising from a common ancestry in the Dravidian movement, currently dominate electoral politics in Tamil Nadu. At a time when national governments have had to depend on regional partners to form coalitional governments in New Delhi, the ability of the Tamil Nadu political class to marginalize national political parties in the state has been a vital asset. This has granted Tamil Nadu large clout in the national executive, which it has used to insulate Tamil Nadu from interventions by the national executive.

This sensitivity towards autonomy has also motivated Tamil Nadu to be very selective in its acceptance of reform initiatives from the national government. Tamil Nadu has been very willing to experiment with technocratic initiatives that spur infrastructure development, using funds raised from capital markets, but it has been unwilling to reform its governance arrangements (Kennedy, 2004).

5.2.1. Resistance. The sustained history of cultural mobilization in Dravidian politics has created an environment that is quite hostile to alternative mobilizations and oppositional energy in society. This has been achieved primarily through two tactics: first, by creating populist systems of patronage that have tried to include socially marginalized groups (Subramanian, 1999) thereby blunting any potential resentment; secondly, state elites have managed the process of decentralization in the state with the explicit intention of reducing the possibility of cities and local governments acquiring the power to resist state efforts (Natraj et al., 2006). Through these efforts, resistance to reform has been relatively muted in the state.

Given the qualities of low resistance to reform and high policy autonomy, Tamil Nadu has been a leader in the country in nurturing unique institutions, such as the Tamil Nadu Urban Infrastructure Services Limited (TNUIFSL) and Tamil Nadu Urban Finance Infrastructure Development Corporation (TUFIDCO). These institutions seek to reform urban infrastructures by channeling private and public funds to local governments (Venkatachalam, 2005). This has been a motivation for the development of municipal infrastructures, such as water supply and sanitation. Two successful examples of these institutional innovations were the Alandur Sewerage Project of 2004, and the Tirupur Water Supply and Sewerage Project completed in 2005.

5.3. Kerala

5.3.1. Policy autonomy. Kerala has been trapped in a stable bipolar contest between two political formations led by the Congress Party and the Communist Party of India (Marxist) (the CPM). Since 1977, neither political fronts in the state has been able to retain an electoral majority for two consecutive terms. As a result, the state government in Kerala has alternated between the Congress Party and the CPM. Unlike the Congress Party, which enjoys the support of large religious minorities and major caste groups, the CPM has been unable to develop a robust social base in Kerala, given its ideological aversion to patronage politics. As a result, it has become very susceptible to the strong anti-incumbency feeling in the Kerala electorate. This vulnerability has driven the party to use policy initiatives as campaigns to periodically reignite support. The CPM has, as a result, a history in the state of launching social reform campaigns that, in addition to its social goals, have tried to deepen the party’s influence with voters. The reliance on

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18 The Dravidian parties draw their ideology from the Dravidian movement that arise in the nineteenth century in response to the perceived domination of brahmins in politics and administration and the corresponding exclusion of non-brahmin castes under colonial rule.
campaigns driven by short-term political expediencies has made the state increasingly porous to reform efforts thrust from the national level. Decentralization (called the People’s Plan Campaign) in Kerala is widely recognized as a one such recent social campaign (Tharakan, 2004). Although local government institutions created during the People’s Plan Campaign (such as women’s self help groups, and beneficiary groups) were created with the intention of mobilizing support for the CPM, they have conveniently provided the basic architecture upon which reform measures for water supply have taken root. This, along with the regular change in government in power in the state, has reduced the policy autonomy of the state to independently craft a policy reform agenda in water supply.

5.3.2. Resistance. Paradoxically, despite the state government’s low policy autonomy, Kerala’s civil society has considerable resources to systematically mobilize and resist efforts to reform essential infrastructures, such as water supply, that threaten marginalized social groups. This is a facet of the deep politicization of civil society organizations in the state. As Tharakan (2004) notes, from the mid-1960s, the numerous civic organizations in the state were no longer autonomous organizations but had transformed into the mouthpieces of political parties to which they were affiliated. The roughly alternating electoral fortunes in the state has made clientelist politics profitable enough for civil society organizations to adopt inflexible postures and fixed rhetoric that conformed to their parent parties’ commitments (Tharakan, 2004). As a result, any reform development by the government in power in the state can, and has, attracted sustained and organized resistance from society. This organized form of resistance to reform is a notable facet of Kerala state.

In Kerala, high resistance to policy reform combined with low policy autonomy has reduced the scope for independent infrastructure reform initiatives at the state level. As a result, since 2000, national reform schemes such as the Swajaladhara and Varsha rain-water harvesting schemes, have been the predominant initiatives that conveyed reform efforts. The existing architecture of self-help groups and beneficiary groups that was created as part of the People’s Plan Campaign has become a vehicle for the spread of reform efforts.

6. Discussion

The water policy reforms in Karnataka, Tamil Nadu and Kerala states present very different pictures. Given Tamil Nadu’s high degree of policy autonomy and low political resistance, the government in the state has been able to pioneer reform of water policies through some novel institutional innovations that support the development of water infrastructure development. Through these institutions, Tamil Nadu has acquired the ability to systematically conduct the reform of water policies in a way that the other two states are unable to do. Karnataka’s elites enjoy some policy autonomy even though they face some resistance to reform. As a result, reform policy administration has been quite low-key, if not hesitant. Some public–private partnership experiments, such as BATF, exist but these are by no means systematically institutionalized like in Tamil Nadu. Reform initiatives in Karnataka are made on an ad hoc basis arising from the reduced autonomy that elites face in the state. In the case of Kerala, the high degree of political resistance combined with low policy autonomy has prevented elites from taking any reform initiatives.

In fact, the World Bank (2003) praises Kerala’s efforts at creating robust local government institutions that can promote accountable and effective provision of social and infrastructural services.
As a result, the only major reform initiatives are nationally sponsored schemes that have trickled through to the state.

On this basis, we can locate Kerala, Karnataka and Tamil Nadu on the scatter plot in Figure 2. These three states are compared with an ideal unitary state and a perfect federal state for the purpose of contrast. Provinces in an ideal unitary nation-state have no policy autonomy to decide which policies are appropriate for their particular context. Conversely, in a perfect federal nation-state, federal domains of policy authority are separated from provincial domains with no overlap.

High levels of politicization of civil society in Kerala have enhanced resistance to the reform process but the autonomy from policy thrusts has been meagre in the state as a result of the political log-jam prevalent in the state’s politics. Tamil Nadu, on the other hand, possesses a high level of policy autonomy with a low level of political resistance that has allowed the state to be very selective about the process of incorporating reforms. Tamil Nadu’s high degree of policy autonomy is a direct result of the clear desire of the Tamil Nadu elites to use their claims with the national government to insulate themselves from union interference. At the same time, the peculiar nature of Dravidian mobilization and the presence of a strong state have muted any resistance Tamil Nadu might face to its policy choices from its society. Karnataka falls between Kerala and Tamil Nadu by possessing a degree of policy autonomy combined with a medium degree of political resistance. Karnataka’s political elites have been able to selectively incorporate neo-liberal reforms under the rubric of modernization, well aware that a blatant incorporation of neo-liberal reform policies would generate substantial resistance from their social base.

7. Conclusion

Prior to 2000, formulation and implementation of water supply infrastructure policies in India’s federal polity were conducted exclusively at the state level. National-level policymaking on infrastructure issues was quite minimal, limited to recommending broad frameworks for policy change. The inauguration of reforms in India’s macroeconomic policy in 1991 was followed by its gradual diffusion to other policy sectors, such as social welfare and infrastructure by the late 1990s. The diffusion of the reform agenda to
sectors such as water supply infrastructure has created a peculiar dilemma for national-level policy makers. National elites are required to intervene more robustly in state-level policy processes in order to initiate reforms in states of the union; however, constitutional provisions have disallowed deliberate attempts to interfere in state-level policy processes. Development schemes, used earlier as a means of promoting the capacity of state government to undertake development, have now emerged as a means for the national level to stridently articulate policy reforms. However, the increasing regionalization of the political party system, both at the national and regional levels, have also introduced the dynamic of the reception of policy reform at the state level in India. The convergence of these two dynamics of policy articulation and policy reception has created a unique process of policy transmission for the reform of water supply infrastructure in India.

This analysis of water policy reforms has a significance that is not limited to India. The global relevance of this study arises from two aspects: first, from the focus on the spatial transmission of policies; and, secondly, from the role political attributes play in modulating policies. The spatial transmission of policies, especially reform policies, has received inadequate attention in scholarly literature. The notion of how policies transmit through multi-level polities from the national level to the provincial level, and from the provincial level to the urban level have all achieved limited attention. By focusing on a large, exceptionally diverse, federal polity such as India, the transmission of policy measures to sub-national entities are brought into bold relief. Another aspect of this paper that might be of interest to a global audience is the role different political attributes have on modulating policies. The notion that policies are packaged and administered so that they are more in keeping with different socio-political contexts is a compelling one. The comparison between these three states in India reveals that, despite being adjacent, their very different political inheritances have altered how water policy reform is undertaken in each of them.

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