



# INNOVATIONS FOR SUCCESSFUL SOCIETIES

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## KEEPING UP WITH A FAST-MOVING CITY: SERVICE DELIVERY IN BANGALORE, INDIA, 1999 - 2004

### SYNOPSIS

Although Bangalore had long been considered one of India's premier metropolitan areas, government agencies largely failed to respond to the city's rapid growth during the information technology boom of the 1990s. During that period, essential public services such as electricity, water and garbage collection fell into disarray, while property-tax revenue stagnated. Upset by collapsing public infrastructure, civil society groups began to demand broad reform of Bangalore's public agencies, many of which had a monopoly on the goods and services they provided. In 1999, the new head of Karnataka state, S.M. Krishna, introduced a high-profile campaign to revamp and revitalize Bangalore's underperforming service providers. By the end of Krishna's term in 2004, makeovers of several public agencies had produced significant improvements in the quantity and quality of services as well as in the agencies' public-approval ratings. However, Krishna's focus on urban reform in Bangalore carried a high political price in an overwhelmingly rural state. This case examines the operational details of Krishna's efforts to revamp service delivery in Bangalore and also highlights how political backlash can endanger reforms that are accomplished for one constituency at the perceived expense of another.

*Michael Woldemariam drafted this policy note on the basis of interviews conducted in Bangalore, India, in June 2010.*

### INTRODUCTION

Indians long considered Bangalore to be the country's most pleasant and hospitable urban locale. Nicknamed a "Pensioner's Paradise" and India's "Garden City," Bangalore benefited from a temperate climate, well planned infrastructure and a middle-class vibe that contrasted with the chaos and urban squalor that typified Indian cities like Delhi, Mumbai and Kolkata.

Paradoxically, Bangalore's luster began to fade in the 1990s as the city became a hub of

India's information-technology boom. Between the 1991 and 2001 censuses, the city's population grew by 61%, mostly reflecting an influx of people from outside its state, Karnataka. Bangalore was India's second fastest-growing metropolitan area during the decade, behind Delhi. By 2004, more than 1,300 software and outsourcing companies had set up operations in the city, employing over 170,000 workers and accounting for nearly 44% of India's total IT exports.

The city's rapid population growth and burgeoning business sector strained municipal services. Garbage went uncollected, roads became congested, and power and water shortages were commonplace. Instead of rising to meet the challenges, government institutions were largely stagnant, reflecting traditions of corruption, administrative negligence and bureaucratic bottlenecks. And because public agencies that provided core services like water and electricity were run as virtual monopolies, citizens and businesses had no credible alternatives.

In a 2002 book about his efforts to improve service delivery in Bangalore, Dr. Samuel Paul, founder of the Public Affairs Centre, a prominent non-governmental organization in the city, recalled that in the early 1990s "the city was marked by inadequate and low quality public services," that public agencies "were unable to get their act together and reorient themselves to serve the people better," and that "the City's planners and administrators had clearly failed to anticipate and cope with the expansion of Bangalore."<sup>1</sup> Bangalore's reputation as one of India's most dynamic and well-run cities was clearly endangered.

S.M. Krishna became chief minister of Karnataka state in 1999, the culmination of a long and varied political career. Krishna had earned a law degree and went to the U.S. as a Fulbright scholar. While there, he had worked on the presidential campaign of John F. Kennedy. Having served as a minister in the national governments of Indira and Rajiv Gandhi, and as speaker of the Karnataka Legislative Assembly, the 67-year-old Krishna brought a wealth of experience to his new job. A long-time aide, K. Jairaj, remembered Krishna as a "visionary" rather than "a conventional dyed-in-the-wool politician," and as "someone who genuinely believed in the public good and would like to see change in his own period in office." Krishna's intellectual depth and urbane

disposition contrasted with many of his predecessors, including Chief Minister (and later Indian prime minister) H.D. Deve Gowda, who largely spurned intellectualism and cultivated a mass appeal.

Krishna committed his administration to revamping Bangalore's public agencies and improving the quality of service delivery in the city. In a 2003 interview with the Indian magazine *Business Today*, Krishna recalled that when he took over as chief minister of Karnataka in 1999 he wanted "to send out a message that Bangalore would not remain the same; that it would regain its former glory."<sup>2</sup> Jairaj, a Princeton- and Harvard-educated civil servant who had served as the chairman of the state bureaucracy charged with public transportation, said that Krishna wanted to "upgrade" Bangalore "to make it world class." Jairaj said it was primarily the chief minister's vision that propelled the wave of reforms that followed.

Jairaj suggested that the administration should adopt Singapore as its model for urban development. Ashok Dalwai, who was BCC commissioner after Jairaj, noted with some irony, "When Singapore's prime minister visited Bangalore in 1967, he was so impressed with beautiful Bangalore that he said, 'I wish Singapore could be like Bangalore.' But in 1999, we were saying, 'I wish Bangalore could be like Singapore.'"

## THE CHALLENGE

Karnataka law granted Bangalore's own elected officials relatively little authority. The mayor served a one-year term and was elected by the City Council rather than by popular vote. Power within the council, which was an elected body, was diffuse because the council comprised 100 members. Executive power rested with a commissioner who, like all the heads of municipal departments, was appointed by the state chief minister. Bangalore's failure to

conduct municipal elections (in the early 1990s and as late as 2007) meant that the state government had periodically administered Bangalore without reference to any elected council or mayor.

Revenue was a stumbling block. State government transfers were the single most important source of funds to the city, and the chief minister had virtual veto power over large expenditures. Bangalore's property tax revenue had not measurably increased in a decade. The problem was not so much the refusal of citizens to pay property taxes as a system of collection that lent itself to corruption and the loss of revenue. Under existing law, tax assessors from the revenue department would visit households and, using criteria that were neither standardized nor transparent, decide what property owners owed. The result was that assessors had substantial opportunity to extract money from property owners, who would often acquiesce in return for lower tax bills.

Taxpayers generally detested this system, which often required protracted haggling with corrupt revenue officials. Those who declined to pay bribes were harassed and made to go through substantial difficulty in order to pay their taxes and maintain rights to their property. As a result, city coffers suffered, revenue officials privately prospered, and citizens grew disaffected.

For these reasons, any genuine reform effort in Bangalore hinged on Karnataka's chief minister. Krishna's ability to take a reformist line reflected three factors. First, unlike previous chief ministers, his longtime service and loyalty to the Congress Party had earned him the support of the Gandhi family and the party's upper echelons in Delhi. As a result, he was the unquestioned leader of the state party. Second, Krishna's party had clear majorities in the state legislature and in the Bangalore City Council, and could mobilize legislative support for his efforts. Third, while hailing from a rural

constituency, Krishna managed to cultivate a base of support in Bangalore and strike what he considered to be a delicate balance.

Yet despite his deep background and broad powers, Krishna in 1999 faced daunting challenges.

The public had been demanding an overhaul of the city's service providers for much of the past decade. The city's rapid growth was only one of the catalysts. In describing the source of this "climate of change," V. Ravichandar, chairman of the Indian firm Feedback Consulting and an urban activist, credited developments at the national level, arguing that India's economic liberalization in 1991 and the associated rise in income levels and foreign exposure led "to a situation where a rising middle class started getting into a more demand-oriented, rights-oriented kind of framework, and saying, 'We deserve better. We need to know more. There needs to be more transparency.'" Ravichandar said the elimination of the so-called License Raj (a term used to describe a broad array of Indian government regulations on private enterprise) and other "societal controls," particularly in the communications and media sector, empowered citizens to challenge the way government delivered services.

Civil society groups began to articulate these sentiments as early as 1993. NGOs like the Public Affairs Centre began to conduct surveys, popularly known as citizen report cards, on citizens' satisfaction with the municipal agencies that provided core services like water, electricity, infrastructure and garbage collection. The results were striking. Not only were the overwhelming majority of Bangalore's residents unhappy with these public agencies but they also identified a laundry list of problem areas ranging from corruption to poor customer service to service stoppages.

In response, most heads of city agencies were either openly defensive or they simply

ignored the survey findings. Others, like A. Ravindra, who later became the top civil servant in the state of Karnataka, were more receptive. As commissioner of the Bangalore Development Authority (BDA), the municipal agency that dealt with distribution of land, urban planning and infrastructure, Ravindra said he “felt bad” about the “negative image portrayed in the report card,” and he became the first senior civil servant to reach out to the Public Affairs Centre and other NGOs that were lining up behind reform efforts. In 1995, he had served as commissioner of the Bangalore City Corporation, the municipal body that included the City Council and the commissioner and was charged with running the day-to-day affairs of the city. While he was in that position, Ravindra established *Swabhimana*, a public forum that included 10 NGOs, the Bangalore City Corporation and the Bangalore Development Authority. The goal was to create a working relationship between civil society and government agencies and a mechanism by which civil society could monitor government workings.

However, Ravindra’s story at the Bangalore City Corporation demonstrates an important reason for the difficulties of overhauling Bangalore’s public agencies. Despite undertaking a number of reforms that would improve the way the BCC functioned, including a new way to handle grievances, Ravindra was removed from his post in 1996 before many of the reforms could be fully implemented. According to Paul of the Public Affairs Centre,<sup>3</sup> Ravindra ran afoul of powerful interests in his efforts to demolish illegal buildings, and political pressure forced the chief minister to transfer him to another position. Prior to his tenure at the BCC, Ravindra had served a year as commissioner of the BDA.

In describing these events, Paul in his 2002 book said, “We have here a classic case of the

instability of tenure adversely affecting the ability of administrators to improve the quality of the city’s governance. Ultimately, it is the people who pay the heavy price for such unwarranted political interference.” Clearly, Ravindra encountered an obstacle that confronted enterprising civil servants in Bangalore: Agency heads who tried to lead significant reforms risked losing their jobs if their actions disturbed powerful political interests. The system discouraged proactive reforms in the city.

At the state level, chief ministers faced similar disincentives to change. First, their positions were politically weak. They could be dismissed at any time because they were appointed by parties rather than elected by voters. This insecurity forced chief ministers to place a high premium on cultivating relations with local and central party elites and to reject any actions that did not toe the party line or that alienated a significant electoral interest. As a consequence, chief ministers often balked at supporting civil servants who tried to make significant changes in government policy and operations. Ravindra argued that governments in which the chief minister was the “unquestioned leader of the party” were better positioned to protect their civil servants from political interference. Historically, few Karnataka chief ministers had survived intra-party challenges to serve full five-year terms. Krishna would be the first to do so since the 1970s.

Compounding Bangalore’s difficulties, the state government had a clear and long-standing bias in favor of rural voters. Because nearly 80% of Karnataka’s population lived in the countryside, the state’s leaders historically had been unwilling to cater to cities, where electoral gains would be marginal. Citizens who lived in rural areas often were openly hostile toward governments that were perceived as doing too

much for large cities. Not surprisingly, for much of the 1990s chief ministers had been strongly affiliated with the rural sector.

Despite the resistance to potential reforms, agency heads like Ravindra did make progress. A second round of citizen surveys in 1999 revealed that several agencies had improved their ratings. Yet few agencies about which data were collected received ratings above 50%, and problem areas like corruption had actually become slightly more acute.

In 1999 Krishna knew that the government had to improve municipal services in order to retain the information-technology companies that drove Bangalore's economy and the tens of thousands of workers that the firms employed. Added pressure came from the neighboring state of Andhra Pradesh, where Chief Minister Chandrababu Naidu was transforming the city of Hyderabad into a tech hub.

Events had underlined fears that Hyderabad could replace Bangalore as "India's Silicon Valley." During a visit to India in 1998 U.S. President Bill Clinton visited Hyderabad rather than Bangalore. And the Indian School of Business, an institution promoted by the U.S.-based consulting firm McKinsey, decided to set its base in Hyderabad instead of Bangalore. Although, according to Ravichandar, Bangaloreans considered Hyderabad an "overgrown village," the city appeared to be on track to overtake Bangalore. As a result, time was critical: The government had to move quickly to repair and improve Bangalore's public agencies.

## FRAMING A RESPONSE

While the particular content of reforms differed across public-service providers, Krishna's broad reform strategy involved two core components. The first was to provide political cover to enterprising civil servants who Krishna said had the "bureaucratic guts" to shake

up their respective agencies. The second was to enlist the private sector in a partnership that could offer expertise and resources in designing reforms while providing the political clout to overcome opposition.

Krishna took a series of concrete steps early in his administration. In selecting agency heads, he chose civil servants who had strong family ties to Bangalore and had held key positions in the city's government. The goal was to elevate agency heads who understood the city and had a strong emotional commitment to its resurgence.

Importantly, Krishna publicly guaranteed the tenure of the senior officials who ran Bangalore's public agencies—a pledge that he largely kept, with some notable exceptions. Many agency heads said that Krishna's political support was a catalyst for action within their agencies, and that his effort to insulate bureaucrats from political pressure was crucial to their ability to implement reforms.

While empowering agency leaders and generally granting them broad discretion to establish agency-level priorities, Krishna also held them publicly accountable. In the early days of his administration, Krishna's office called Jairaj and asked him to design a public body that would help to monitor and reinforce the reform efforts of government agencies. Jairaj's response formed the basis of the Bangalore Agenda Task Force (BATF), a public-private partnership that held semiannual public meetings at which agency heads had to report on their performance in meeting targets. Jayakar Jerome, BDA commissioner in 2000-04 and a public servant whose family had been in Bangalore for over five generations, described the pressure of reporting at BATF forums: "We set very specific targets for ourselves. ... You went before 1,200 people and did a PowerPoint presentation and said what you will do in the next six months. ... I mean, you can't go after six months and start giving all kinds of lame excuses. ... As far as I

was concerned, it was question of my credibility and self-respect. I can't go and say, 'Sorry, we over-promised.'"

The BATF forums also helped ensure continuity of priorities and programs, because new agency heads were obliged to carry out the commitments made by their predecessors. Also, in a system of municipal governance known for overlapping agency responsibilities, the BATF forums imposed order on reform efforts and helped resolve differences. For instance, while the BDA had the responsibility and resources to rebuild Lal Bagh, the city's oldest and largest public park, the city department that administered the park wanted to control redesign efforts. The BATF forum brought this disagreement to the attention of Krishna, who settled the matter by siding with the BDA.

The BATF harnessed the technical expertise and substantial financial resources of the private IT sector in designing and implementing reforms. The strategy worked in many ways. The task force, which met as a group more frequently than in public forums, comprised 10 members in addition to the BCC commissioner, most of whom had made their careers in the IT sector. Jairaj said the selection of Nandan Nilekani as chairman of the BATF was partly due to his position as chief executive of Infosys Technologies Ltd., one of India's largest IT-services firms. Nilekani was responsible for bringing on board the remaining members who had an IT background. The government partnership with the IT industry had other motives. Former BCC Commissioner Dalwai said that "IT had become the engine of growth in Bangalore," and that according to some, the BATF served the goal of improving "the quality of life for IT workers." Others suggested that the BATF was an effort by government to associate with the largely positive reputations of Bangalore's IT icons in a bid to neutralize opposition to their reform efforts.

## GETTING DOWN TO WORK

At the BATF, Ravichandar and Jairaj recognized the need to expand and improve service provision in order to keep pace with population growth. Knowing that public surveys listed inadequate garbage collection as a key issue, Jairaj aimed to begin door-to-door garbage collection in municipal wards. That meant dealing with the Bangalore City Corporation, which was responsible for core services like garbage collection, infrastructure and the provision of basic documentation like birth certificates and drivers' licenses. The corporation was complex, and the 100-member City Council had, in the words of Jairaj, an "uneasy relationship" with the BCC commissioner and other civil servants. Most of the team's energy initially focused on creating a base for improving services.

### *The revenue problem*

BATF members realized that this type of service expansion would require an associated expansion in the BCC's resources. Aiming to boost property-tax collection, the BATF and Jairaj adopted a self-assessment program to replace the corrupt system under which tax assessors had free rein to determine individual tax amounts. Citizens would be given a precise set of criteria—location, building material and other factors—to determine how much property tax was owed. Citizens would then calculate the taxes themselves and pay the tax directly to the BCC.

Property-tax rates rose, with maximum increases being capped at 2½ times what had been paid previously. The logic of the cap was to make the new system politically palatable, as newspaper articles about middle-class or elderly residents paying massive sums would be politically damaging.

The proposal met predictable opposition. Revenue officials condemned it because they would be cut out of the process. Dalwai

remembered that opponents “were working overtime to make sure that the new system did not work” and that “all kinds of questions were thrown into our face to show that this was not a workable proposition.” Others, Dalwai said, argued that Bangalore’s residents “may find the new system difficult to comprehend and too complex to work properly.”

Sidestepping the City Council, Jairaj signed an executive order that introduced the new system but made it optional. Revenue officials, who as civil servants were not in a position to attack Krishna’s efforts directly, allied themselves with a few former mayors and administration opponents, who then challenged the legality of the executive order in court. Jairaj recalled that after a magistrate of the Karnataka high court delayed implementation of the new system, he visited the magistrate at his home and told him, “If you give a stay all our collections will come to an end, garbage will pile up, there is no way we can look after the civic services in the city.” The magistrate removed the stay and eventually ruled that the new tax system was legal because it was optional.

While Krishna’s political support was crucial to efforts by Jairaj and the BCC to implement the new tax procedure, the members of the BATF helped to make it sustainable. In the first month and a half after the new system was introduced, the BCC collected only a small fraction of expected property tax revenues. The system did not seem to be working, and Jairaj feared that the political fallout would be severe. Yet in early 2000, task force members quickly recognized that the problem was less the content of the new plan than how it was presented to citizens. Dalwai said the effort required a comprehensive “public relations module” to introduce the system and how it worked.

Because the government’s normal tendering process was slow, supporters worried that the

new tax system might be politically beyond repair by the time a contract for the advertising campaign was awarded. So BATF members offered to pay for the advertising campaign themselves, while actively participating in its design. To Dalwai, the intervention of the BATF showed how “the procedural bottlenecks of government can be overcome by an outside agency.”

The intervention worked. By the end of the year, property tax collection exceeded previous standards. As a consequence, the BCC was able to increase its budget by over 25% between 2000 and 2004.

#### *Fixing the accounting system*

Though property tax reform was the most significant involving the BCC, innovations took place across the institution throughout 1999–2000. One involved Bangalore’s opaque and often inaccurate accounting system. The core problem was that few people, including BCC employees themselves, understood the distribution of revenues and expenditures across the agency and its different programs. In fact, Dalwai noted, the system of accounting was so haphazard that the commissioner himself was unaware of several BCC bank accounts. The lack of transparency and precision in accounting procedures allowed corruption to fester and all but blocked efforts to identify priority areas and inefficiencies.

Ramesh Ramanathan, a BATF member who held a master’s degree in business administration from Yale University and was a former managing director of a large financial firm in Europe, worked to implement a new accounting system. Ramanathan borrowed from governmental accounting practices around the world as well as his own experience with a similar system in the southern Karnataka town of Tumkur. The new system would break down

revenues and expenditures to the smallest BCC program, and collate the data into a central database.

Dalwai noted concerns about the time and cost to install a new accounting system, sift through the BCC's existing accounts and assign codes "to every piece of development work being carried out by the corporation." Nilekani, the Infosys CEO and BATF chairman, stepped forward; he and his wife donated well over US\$1 million to the BATF effort. With these funds, Ramanathan hired 22 business graduates. Using an office provided by the BCC, he spent 14 months getting the system up and running.<sup>4</sup> When the work was finished, the BCC had a system of bookkeeping that deterred corruption and facilitated efficient decision making.

Anticipating opposition from elected councilors in the BCC who stood to gain from corruption, Krishna looked for other avenues of support. He encouraged the BCC to agree to a state government grant of \$82 million that carried certain conditions, one of which was implementing the new accounting system. According to Dalwai, who replaced Jairaj shortly before the agreement was signed, the deal allowed the commissioner to tell recalcitrant BCC members, "I have to deliver, otherwise I will not get the money."

#### *Public contracting*

A final difficult challenge at the BCC was corruption in the Engineering Department, most of which stemmed from the awarding of contracts. Existing procedures gave City Council members broad discretion to award contracts for public projects in their districts, a policy that opened the door for kick-backs and other forms of corruption. Contracts often went to underperforming contractors whose work was slow and of poor quality.

Jairaj largely put an end to this practice by administrative fiat, removing the discretion of City Council members and making the awarding

of engineering contracts subject to the normal competitive tendering processes of government. While some councilors resisted the change, Krishna's political clout in the City Council largely overrode opposition. However, another problem quickly arose. Jairaj realized that many engineering officials had been complicit in past abuses and would likely fight the new effort at transparency. Recognizing a personnel issue, Jairaj appealed to Krishna, who as chief minister had sole control over civil service appointments. With Krishna's approval, Jairaj brought in 33 of his former employees from the Karnataka Transport Corp., the state body that oversaw public transportation. The infusion of new workers broke the back of the entrenched opposition at the Engineering Department.

The reforms had a cumulative effect. Between 2000 and 2004, public satisfaction with the BCC and its services increased by 50 percentage points, to an overall approval rating of over 80%. Without the political support that Krishna provided to BCC commissioners Jairaj and Dalwai, as well as the financial and technical support from the BATF, the reforms and the improved public satisfaction would have been impossible.

#### *Establishing discipline*

Developments at another important public agency, the Bangalore Development Authority, were consistent with what was occurring at the BCC. When Jerome took over in 2000, he found an organization in crisis. Responsible for the buying and selling of land, urban planning and building infrastructure, the BDA could perform none of these obligations efficiently. The problems were so bad that a government commission headed by former BDA Commissioner Ravindra suggested that BDA operations should be rolled up and its functions absorbed into Bangalore's other public agencies.

Jerome largely rejected these recommendations and resolved to improve the

performance of the BDA. In developing and implementing reforms, Jerome relied less on the financial and technical expertise of the BATF than his counterparts at the BCC did, as the BDA's regulation of the real-estate sector provided ample room for revenue accumulation. When asked what strategy of reform he pursued, Jerome replied, "The only strategy was that you make the organization do what it is supposed to do. We were supposed to plan, to provide infrastructure to the city, and to allot sites, and that's all that we did."

### OVERCOMING OBSTACLES

Jerome recognized that the BDA's most significant problem was a lack of professionalism in conducting business. In Jerome's view, agency offices were "a free-for-all" where "everybody was coming and going as they wished." Jerome ordered that visitors could visit BDA offices only by appointment and only after 3:00 p.m. When a member of the State Legislative Assembly tried to visit BDA offices without an appointment, he was barred from entering. "This is what sent a message that I am serious about my work," Jerome said. When the incident threatened to turn into a political firestorm, Krishna told the irate legislator, "Had you come with an appointment, he [the commissioner] would have seen you," Jerome recalled. Council opposition dissipated in the face of Krishna's overt support for Jerome's initiative.

Jerome next turned his attention to the BDA Contractors Organization, an association of contractors that were the primary bidders on BDA-funded infrastructure projects. After discovering that the contractor's association had offices in the BDA complex, he ordered the offices closed. In Jerome's view, the close proximity between private contractors and BDA officials created a space for illicit dealings.

When the contractors association produced a court order from the early 1980s that cleared the association's presence at the BDA offices, Jerome took the matter to court and won.

Jerome also took on another problem: the BDA's consistent failure to sell individual plots of land in reasonable time frames, one of its core functions. Part of the problem was that individual BDA officials would often hold up the processing of land transactions in order to extract payments from buyers. Transactions were handled quickly for those who were willing to pay bribes.

Jerome created a computerized "first in, first out" system that required officials to process land transactions in the order they were received. The work pace increased rapidly. During 2000-04, the organization allotted 50,000 sites, compared with only 3,400 from 1990 to 1999.

The BDA also faced problems in acquiring land, a situation involving two issues. First, the BDA's cumbersome system often involved extensive litigation with landowners who wanted higher prices for their properties. With Krishna's support, Jerome ensured that sellers were always offered market-based prices. Importantly, Jerome and his staff met with potential sellers in their communities to hear their complaints and, in a break with past practice in which payments were offered in installments, he offered payment to sellers on the spot.

The other major problem with acquiring land was the existence of illegally obtained plots. Here, there were two primary culprits: poor squatters and wealthy land developers commonly referred to as the "land mafia." Jerome recognized that poor squatters had nowhere to else to go, and he decided that only illegal sites used for commercial purposes would be seized. He concentrated on the wealthy developers, seizing and razing their illegal properties. His

strategy worked. During Jerome's tenure from 2000 to 2004, the BDA acquired more than 5,000 acres that could be prepared for resale.

Not surprisingly, Jerome became the primary target of powerful land interests that had benefited from the BDA's prior inadequacies. In most instances, the attacks on Jerome were made in court, where, he said, "I was accused of everything except murder and rape." Jerome also said he received threats on his life.

Meanwhile, Krishna made no bones about his support for the enterprising commissioner of the BDA. When Krishna became aware of the threats on Jerome's life through local newspapers, Krishna placed a security detail at Jerome's home and office. Even after Krishna's departure as chief minister, the bond between the two men continued. When Krishna became governor of Maharashtra state, he appointed Jerome, a native Bangalorean, as his chief secretary, even though that position usually went to a native Maharashtran.

## ASSESSING RESULTS

By 2003, surveys indicated that the transformation of Bangalore's public service providers was nearly complete. Across agencies, overwhelming majorities of citizens were satisfied with service provision, and progress was apparent regarding problems of graft and corruption. Both the BDA and BCC had public ratings in excess of 80%. Public service providers worked more effectively, had improved balance sheets and produced higher quality public services at rates that could better accommodate a growing population. In 2003, *Business Today* delivered its verdict on the Krishna-era reforms, pronouncing, "The future of Indian cities is here. We have seen it. And it is Bangalore."<sup>5</sup>

The successes were a triumph of political will. Although they had the formal legal powers to reform Bangalore's city government,

Karnataka's chief ministers had traditionally lacked the political muscle and incentive to tackle problems of urban governance. Enjoying a more hospitable political climate than his predecessors and facing an urban crisis, Krishna approached the challenge with determination. On issues of urban governance, former BDA Commissioner Jerome noted, "We didn't have a very proactive government in the past. It just sort of lumbered along." He said that it was "only when Mr. Krishna was elected in 1999 that there was a pointed focus."

By providing crucial political support to civil servants who ran Bangalore's public agencies and building a formidable coalition with the IT sector through institutions like the BATF, the Krishna administration encouraged innovations that altered the way government delivered services.

However, the gains were short lived. In the 2004 state legislative elections, Krishna's governing coalition suffered significant losses, as opposition from rural parts of Karnataka outweighed strong support in Bangalore. As a result, Krishna was removed as chief minister. The new coalition government led by Dharam Singh was eager to placate a restive rural electorate and began to undermine many of the individuals and institutions that were closely associated with the Krishna-era reforms. The BATF lost its government mandate and eventually was disbanded, while a number of high-performing civil servants were removed or transferred to other posts.

Krishna's lack of support in rural Karnataka can be interpreted in different ways. Although Jairaj attributed Krishna's defeat to "the fickle behaviors of the electorate," it was clear that Krishna's high-profile focus on tackling problems of urban governance alienated rural interests—a political problem that many of Karnataka's politicians had worked hard to avoid. In addition, several ill-timed developments perpetuated the notion that

Krishna did not care about rural districts, including the government's responses to a severe drought in 2002, the associated suicide of over 1,000 farmers and a dispute with the neighboring Indian state of Tamil Nadu over rivers that were vital to agriculture in Karnataka.

Dissatisfaction arose from other quarters as well. Civil society organizations, or what detractors considered "extreme leftist elements," argued that Krishna's initiatives failed to target Bangalore's poorest, most vulnerable communities. That perspective gained credence from the close relationship between the Krishna administration and the private sector, a partnership that created the impression that reforms had less to do with service provision for ordinary citizens and the urban poor than cozying up with well-heeled business interests. Institutions like the BATF, the clearest expression of the alliance between the state government and the private sector, were labeled as elitist ventures in which corporate millionaires and their lackeys in government conspired to dupe the population and subvert the normal processes of a democratic society. To make matters worse, the precise mandate of the BATF was ambiguous and seemed to shift over time: Was it an advisory body, a monitoring body, a representative institution, or just a collection of like-minded over-achievers? The questions were never answered to the satisfaction of detractors.

While the Krishna-era reforms led to significant gains in service delivery in the short term, it was unclear in 2010 whether the moves led to a sustainable improvement in the overall quality of Bangalore's government. Although most structural reforms carried out at the agency level continued to produce dividends, rapid growth through the 2000s further strained service providers and increased the need for innovations. Traffic continued to be a significant problem, with an annual growth rate of 7%-10% percent, and power outages still required most credible businesses to rely on

generators for emergency electricity. In the absence of political will, governmental innovation lagged behind the city's changing needs. As a result, many of the Krishna-period reforms were overtaken by Bangalore's continued growth and the political dispositions of the following administrations.

## REFLECTIONS

While the stories of the Bangalore City Corporation and the Bangalore Development Authority shed light on the positive transformations that occurred across Bangalore's public-service providers during S.M. Krishna's tenure as head of Karnataka state, later events raise questions about the sustainability of the reform efforts. Yet what could have been done differently?

In some sense, the progress made during the administration might have lasted longer if Krishna had focused on decentralizing administration to city-level elected officials and Bangalore's mayor rather than directly reforming Bangalore's public agencies. Accountable to only an urban electorate, the mayor could initiate citywide reforms without worrying about blow-back from rural voters, which kept Krishna from winning a second term. In doing so, Krishna might have been able to break the cycle of rural bias that had choked off government initiatives in Bangalore and to ensure that the needs of Bangalore were built into the structure of Karnataka's politics. Instead, Krishna pursued a reform strategy that depended on his individual willingness to take a political gamble with urban reform.

Second, Krishna may have been too aggressive in playing up the role of the Bangalore Agenda Task Force, the alliance between Bangalore's government and private business, given the ambiguity about the group's mandate and the negative perceptions of the task force among voters outside of the city limits. While the BATF was crucial to the reform

efforts, its high public visibility carried significant costs. A low-key presentation of the partnership between IT and government, and a clear delineation of its scope, might have preempted opposition.

Businessman and activist V. Ravichandar lamented that because “political capital always depreciates over time,” Krishna, his lieutenants and the BATF should have tried to accomplish significantly more in the first two or three years of his five-year administration. Ravichandar said that by the later years of the Krishna administration, the political fallout from a variety of issues, including the drought in rural Karnataka, had diminished the chief minister’s ability to move ahead with further reforms in

Bangalore. A. Ravindra, the BDA commissioner who later became Krishna’s chief secretary (Karnataka’s top civil servant), largely agreed with Ravichandar’s characterization, noting that by 2003 the majority of his daily agenda was occupied by issues other than urban renewal in Bangalore.

Still, such observations are open to disagreement. In the early years of the Krishna administration the pace of reform was frantic, with all of the innovations at the BCC and BDA occurring in Krishna’s first two years as chief minister. Indeed, even if the pace of reforms had accelerated, the overall quality of the reforms themselves may have suffered, compounding later problems of sustainability.

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<sup>1</sup> Paul, S. (2002). *Holding the State to Account: Citizen Monitoring in Action*. Bangalore: Books for Change. Page 32

<sup>2</sup> R.Sukumar. (2003). “The Future of Indian Cities is Here.” *Business Today*, Page 53, 17 August 2003

<sup>3</sup> Ibid, Page 62

<sup>4</sup> Ibid, Page 54

<sup>5</sup> Ibid.

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