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Concepts of Governance in the Changing
Political Economy of a Region**

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Public - Private Partnerships in Kolkata: Concepts of Governance in the Changing Political Economy of a Region

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Introduction

Regional polities, including those in South Asia, are facing unprecedented challenges today in the face of the steady penetration of global capital into local societies. From the point of view of history, as much as of contemporary politics, these challenges deserve to be analysed and theorized on, so that we can comprehend the magnitude of opportunities and problems thereby created. In order to conceptualize the transforming political and economic orders of today's South Asia, I will take the perspective of 'contemporary history'. I will focus on one particular modus operandi – namely Public-Private Partnership – which is being increasingly marketed as a supposedly viable replacement of the state in the control of key economic sectors. What I argue, however, is that this modus operandi actually often entails alliances between the state and big business, that too in select attractive sectors, finally leading to increasing marginalization of civic groups and local communities who cannot command adequate financial muscle. The so-called Public-Private Partnership system hence colludes in the historic transformation of the South Asian political system into a big-business dominated order. The decline of the old social-welfarist left-liberal state, and its substitution by an aggressively 'economistic' political order, poses grave risks, particularly in terms of the decline of democratic participation of citizens in social power distribution, and in the consequent exacerbation of intra-societal conflicts.

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In spite of this, residues of earlier notions of the social-welfare state do survive, particularly in the state of West Bengal, which is the focus of my study. In this paper, I highlight the contestations between older and newer ideas of power-allocation, and the challenges faced by global capital in the face of resistance by local societies. From the vantage point of the contemporary social history of South Asia, these dialectics are worth studying, since such interrogation might lead to the creation of alternative ways of partnering the state and capital, without necessarily peripheralizing the presence of the wider civic society.

Public-Private Partnerships: Definitions and Genealogies

Public-Private Partnerships (PPPs) are conventionally defined as arrangements between Government and private sector entities for the purpose of providing public infrastructure, community facilities and related services. Such partnerships are believed to be characterized by the sharing of investment, risk, responsibility and reward between the partners. The underlying logic for establishing partnerships is that both the public and the private sectors have unique characteristics that provide them with advantages in specific aspects of service or project delivery. The PPP strategy is evolving as a major plank for development efforts in many parts of the world today.

In the 1980s, the term in vogue was privatisation. The word *privatise* first appeared in a dictionary in 1983 and was defined narrowly as "to make private, especially, to change from public to private control or ownership."¹ But the word gradually acquired a broader meaning, and by 1987, Savas defined privatisation as the act of reducing the role of government, or increasing the role of the private sector, in an activity or in the ownership of assets.² Savas dealt with the contemporary American and European thrusts toward privatisation, but carefully admitted that, in a basic sense, public-private bonds were ancient and classical.³

Milton Friedman, Gordon Tullock, Anthony Downs, William Niskanen and Peter Drucker have been some of the more well-known scholars who popularised the concept of privatisation.

But gradually, and certainly by 2000, public-private partnerships became a more fashionable term.⁴

It has been occasionally suggested that the word “privatisation” is now being consciously avoided, as it has been thoroughly discredited. Nice-sounding phrases like PPPs are being used for covertly ensuring riskless profits by the private sector. It has been specifically alleged that the World Bank has been promoting the PPP model so that investment becomes the responsibility of the government, while management becomes the prerogative of the private companies.⁵ In some cases, it has been indicated that privatisation and PPPs often actually throw open the debate about the rights of communities versus the rising demand from industry.⁶

In case of the urban local governments in Indian cities, the debate has been particularly poignant. Indian cities are facing mounting pressure to meet the needs of the growing urban corporate sector and of the new middle classes. PPPs offer a ready model for private sector participation in infrastructure-building and urban governance at this juncture. But scholars and participants have questioned whether the existing PPP strategies take into account the needs and voices of the majority of the population.⁷ However, the national Planning Commission, even in its latest approach paper, upholds PPPs as a good plank for urban development. It envisages a steady “shift to PPP” model in different sectors, and suggests: “The strategy for the Twelfth Plan encourages private sector participation directly as well as through various forms of PPPs, wherever desirable and feasible.” Taking the example of a number of infrastructure-related projects, especially in urban contexts, the document argues: “It must be noted that a large part of private corporate investment is now in the field of infrastructure—power generation, roads, ports, airports and telecommunications—and a lot of it is in the Public–Private Partnership (PPP) mode. The robust growth in private corporate investment is in part a reflection of the strategy of increasing the share of investment devoted to infrastructure and the recognition that private investment has to play a large part in this. Higher investment in infrastructure is critical for

the revival of the investment climate as it would lead to enhanced investment in manufacturing.”⁸

The experiences of Kolkata become worth studying in this background. Are the avowed objectives being met? Equally importantly, do the PPP strategies make political culture more participatory? Or, are the PPP initiatives confined to contracting out the public services delivery system? Which sectors are prioritised, and which methodologies are emphasised? How are the issues of transparency handled? A case study of Kolkata may throw interesting light on the strengths and weaknesses of the PPP strategies in urban development of India.

PPP initiatives in Kolkata in 1990s

The first BOT (Build-Operate-Transfer) project to be announced in West Bengal was for Kolkata, but not exactly at Kolkata. Government of West Bengal decided in 1993 to develop a leather complex, off the city, where the tanneries of Kolkata would be relocated. The project implementation was initiated in 1995 by the private partner, albeit with considerable support from the State Government. The subsequent developments were often chequered and finally the complex was inaugurated in July, 2005.

The experiences derived from this early initiative have been varied and mixed. The official claim was that the complex would catalyse development of leather industry in the State, while the removal of tanneries would generate urban renewal in the city proper.⁹ However, the tanners’ association and other stakeholders had different views to offer. The Indian Leather Technologists Association (ILTA) observed in their bulletin that, much after the inauguration, the tanneries were still facing several acute problems. The problems related to quality and quantity of process water, road conditions, security and solid waste management etc.¹⁰

More importantly, this early initiative had to undergo a basic change in the relationship architecture over the years. What was originally a BOT agreement with one private entity, finally became multi-dimensional agreements with several private

entities towards several directions.¹¹ The Tanners' Association and the Indian Leather Products Association entered into agreements with Government of West Bengal and the original BOT partner, thereby reducing much of the initial omnibus mandate of the BOT entity. The future of the project today remains uncertain and the shifting of the tanneries from the city is yet incomplete. Significantly, part of the land originally constituting the leather complex is now devoted to IT real estate efforts!

The main stream of the PPPs in Kolkata in the 1990s consisted of what is loosely described as 'joint venture' housing projects. Most of these initiatives were triggered by the state housing department in mid 1990s, though the Kolkata Metropolitan Development Authority (KMDA) also followed suit.

The housing department of the state government and the West Bengal Housing Board launched several joint sector companies, one after another, in the mid-1990s. Typically, the state government or the state board held 49 percent equity, while the private entity had 51 percent equity share. The state nominated the chairman in the company board and the private side nominated the managing director. The state took care of the land acquisition, while the private managers took the leading role in project execution and marketing.

These initiatives had some direct, and almost immediate, impact on the market. First, the enhanced supply of housing stock addressed the shelter needs of the middle classes in the city. Secondly, the corporate interventions upgraded the quality of the stock also. Thirdly, prices also stabilised to some extent. Finally, since most of the housing projects involved a cross-subsidy model, the lower income groups also benefited to a degree.¹²

On the negative side, it was alleged from the very outset that the joint venture housing projects were, *ab initio*, designed in favour of the private sector. The state took care of the troubling issue of land acquisition and made land available to the private players at a pre-defined (and, low) rate. Negotiating the market was much easier for the chosen private players then. In the

process, the chosen players got decisive advantages over others in the market.

KMDA followed the Housing Department model in some of its joint sector housing projects, though the cross-subsidy model was not directly applied there. The methodology of competitive bidding and the issue of transparency were issues of concern from the beginning. The state Urban Development Minister and chairman of KMDA admitted in one of his articles that the selection of private partners should be transparent and well-regulated.¹³

Apart from the housing sector, the markets of the city were also subjected to public-private partnerships. Here, the Kolkata Municipal Corporation (KMC) took the lead role, though KMDA had also a greenfield market project to offer in sub-urban Salt Lake. In the city proper, KMC desisted (presumably because of scarcity of land) from greenfield ventures and concentrated on renewal of old markets. Quite a few dilapidated municipal markets, scattered in different parts of the city, were handed over to private partners. Typically, the developer was expected to demolish the old structure and erect a new, larger market. The old tenants of the Municipal Corporation were to be rehabilitated, while the right to settle new tenants with new market terms in the additionally created space lay with the developer. A few projects have been completed, but the execution has been tardy. The municipal experiment with PPPs has been much discussed in two cases of car parking infrastructure projects also.

An interesting example of private partnership with the state taken up in the late 1990s was the restoration of the Town Hall of Kolkata. The Town Hall had been an important meeting-place for British and Indian elites in the nineteenth century, but had eventually fallen into a state of grave disrepair. The private involvement did not take the form of a classical PPP model narrowly conceived, but nevertheless approximates to it. Through this project, the building was restored to some of its previous glory, and a museum on civic history was also set up inside. The restoration was part of the emerging heritage

movement in West Bengal, and showed a degree of productive intersection between civil society activism about heritage consciousness, and a public-private initiative to restore and re-deploy this historic monument.¹⁴

Summarily, the PPP initiatives in the city in 1990s demonstrated the state's willingness and ability to work with the private sector, but the experiments remained largely confined to real estate and retail segments. These were never the central concerns (or core competencies) of the state and it was probably easier for the state, therefore, to invite private players to these fields. In 'hardcore' infrastructure, the entry of the private sector was either insignificant or troubled, for reasons that I shall dwell upon later.

PPP initiatives in Kolkata in the New Century

By the turn of the new century, the thrust towards PPPs further intensified. Indeed, throughout the 1990s, the privatising forces consolidated their position in the country. Globally, the fall of the Soviet Union and the birth of the American unipolar supremacy strengthened the right-wing ideologies. In national politics, the right-of-the-centre views and neo-liberalization dominated the discourses. There was also the additional and important factor of slowing down of infrastructural investments in the 1990s, arising because of the limited capacity of the state to invest. The growth rates of infrastructural development in sectors like power, water and roads fell well below the rates achieved in the 1980s. It was this slow growth of infrastructure and, more particularly, the declining public investments in infrastructure that directly led to exploration of alternative avenues.¹⁵ By the late '90s, it was becoming clear that the private sector must be invited to build infrastructure in a systematic manner. If privatisation of the 1980s classically and typically meant governmental disinvestments and withdrawals from the commanding heights of public economy, PPPs since the late 1990s increasingly denoted the creation of new avenues by the government for the private sector in the manner of green-field projects. Simply put, erstwhile privatisation meant the retreat of the government; PPPs started meaning that governments would join hands with the private sector.

A critical development during the turn of the century was the passage of laws by several state governments to enable the private sector in building infrastructure through BOT methods etc. Gujarat became the pioneer state with the passage of the Gujarat Infrastructure Development Act in 1999.¹⁶ The Act manifested a clear paradigm shift, whereby the government became an enabler, rather than a provider, of infrastructure.

Andhra Pradesh soon followed the Gujarat model by passing the Andhra Pradesh Infrastructure Development Enabling Act, 2001. While some other states also gradually adopted similar initiatives, West Bengal too drafted a similar bill, called the West Bengal Infrastructure Development Bill. The Bill was circulated amongst the different departments of the state government, but finally the enactment was kept pending. What came out instead was a *Policy On Public Private Partnership in Infrastructure Development* (September, 2003).¹⁷

The state policy, passed by the West Bengal Cabinet, mentioned that the experience of the state government in working with the private sector for infrastructure development, had been limited. The policy document argued that, for a wider practice of private sector participation in infrastructure development, it was necessary to instil confidence in the minds of prospective private sector investors and also to streamline the process of selection of private partners. The policy identified the following infrastructure sector for PPP initiatives: Power; Tele-communication; Transport-Waterways, Ports, Airports and Surface facilities such as Roads / Bridges / ROBs/ Flyovers etc.; Water supply; Drainage and Sanitation; Township; Area Development; Housing and Commercial Development etc.

The state policy mentioned that there could be various ways by which the involvement of private investors could be secured. One of the means was the BOT method, though there could be variants like BOO, BOOT, BOLT etc. Private sector participation could be attracted through leasing and annuity payments. The policy conceded that private sector participation could be achieved through joint sector projects also. If required, specific concessions and subsidies could also be provided to the private investors in infrastructure development projects.

The policy insisted that a private partner must be selected through a transparent process. It envisaged invitation of bids - technical and financial / commercial - from among the pre-qualified firms for each project proposal. A committee of secretaries headed by the Chief Secretary would review the PPP proposals, while the final approval to a PPP project is to be accorded by the Chief Minister / the Cabinet.

In the field, what was immediately apparent in the PPP initiatives of the early years of the new century was their larger size. KMDA significantly entered into agreements with a private partner for one township at West Howrah. The West Howrah project (since described as the Kolkata West International City) was the first township in the state to be entirely handed over to a private entity on leasehold basis. Recent newspaper reports indicate that the progress of the project has been chequered.

The second interesting feature was the qualitative upgradation of some old practices and concepts. An example could be indicative. KMDA had a truck terminal on the Kona Expressway, which was suffering from several operational inadequacies. The project was now re-packaged as a logistic hub and subjected to a PPP exercise. A private consortium was selected for operating the logistic hub. This was seen as an interesting PPP intervention in the infrastructure sector. Recently, however, there have been increasing concerns that exercises like these are not showing demonstrable impact on the field.

The Housing Department and the Housing Board of the state stuck for a long time to their old and tested formula of joint venture enterprises with reputed private sector companies on small parcels of land (the average land size for such projects being 5 acres). By 2010, the Housing Department and the Housing Board had about 20 such joint venture companies. Many of the new enterprises got land in the New Town at Rajarhat, though the over-all responsibility for developing the New Town rests with the state company called WBHIDCO. In other words, the satellite township is being developed by public sector efforts, and the joint venture enterprises are responsible

for only a few enclaves in the town. Clearly, the WBHIDCO model was different from the model pursued by KMDA in West Howrah.

In 2005-06 the Housing Department evolved another variant of the joint sector companies. The new variant consisted of the "assisted sector" companies and the distinguishing feature here was that the private entity was allowed to hold 88% equity share. The state government or its agencies could hold 11% equity, while the rest one percent was issued to the members of the public. Unlike the joint sector companies, these assisted sector companies have few government representatives in the Boards of Directors, and the private partner is allowed virtually a free hand in the management of the company. In February 2006, West Bengal Housing Board initiated processes for launching five such assisted sector companies.

The entry of PPPs into the domain of building housing complexes and shopping centres was part of a broader cultural shift in the way that Kolkata as a cultural space was being re-imagined in a globalized era. These built spaces generally target the upper and middle classes. They project an aesthetic of Western-global luxury, allowing city elites to re-invent their identities through consumption of a globalized concept of prestigious lived space. Some of these PPP projects also specifically target Indian diasporic groups. The shift away from state-led housing projects to an era of PPPs thus has a clear class dimension in that it represents a move away from giving priority to accommodation for poorer people to giving greater visibility to accommodation for the upper and middle classes. In the processes, PPPs act as a catalyst for the re-invention of Kolkata as an elite fantasy realm of consumption, with the related self-image of being a 'world city'. As one scholar summarizes it, "Kolkata's position and success as an entrepreneurial city is in this sense dependent on its ability to materialize its connections to the networked global economy through the presence of transnational capital and transnational subjects – both where they live and where/how they work."¹⁸ PPPs act as creative agents for producing precisely these kinds of elite subjectivities.

In contrast, little seems to be happening in core infrastructure sectors where (unlike in the real estate and retail sectors) investments have to be significant, gestation periods are protracted, returns are not quick or phenomenal, and dividends can be not only gradual but also comparatively uncertain. Indeed, the litmus test of PPPs lies in the infrastructure and service sectors, where viability is often intrinsically unsure. The Government of India in the Ministry of Finance and the Department of Economic Affairs announced a scheme for support to PPPs in infrastructure in 2005.¹⁹ The objective of the scheme is to provide financial support to bridge the viability gap of infrastructure projects undertaken through the PPP mode. The viability gap funding is available for roads and bridges, railways, seaports and airports, urban transport projects as well as civic service projects in water supply, sewerage and solid waste management projects etc. Until now, there is no news of any project proposal sent from Kolkata or West Bengal to Delhi for this viability grant to build infrastructure in PPP modes.

One singular example of building urban infrastructure in the PPP route in Kolkata may be found in the enterprise of the National Highways Authority of India (NHAI), which is a Government of India enterprise. The NHAI has been upgrading the NH2 and the NH6 in the Golden Quadrilateral Project through a concessionaire approach. In an extension of this endeavour, they have encouraged the construction of the Second Vivekananda (now called Nivedita) Setu on the river Hugli in a PPP mode. A consultant agency has engineered a private consortium to build the bridge in concessionaire route. When the massive bridge was opened in 2007 for public, it became the most spectacular success of the PPP approach to infrastructure building in the state. But such efforts are yet awaited in the realm of inner-city civic infrastructure and services. We shall discuss this and related issues below, but it should be mentioned here that the relative absence of private sector investment in the PPP route in key infrastructure sectors owes a lot to contestations between the kind of capital-friendly environment that corporate firms want and the ground realities

of politics in the state. For many decades now, politics in West Bengal has been characterized by the significant role of local political pressures, often exerted by lower-middle class or even lower class communities, social groups and individuals, who provide support bases for various political parties, and in return enjoy various political-economic concessions. On the one hand, such importance of local political actors helps in democratizing, or at least popularizing, the political-economic power structures in the state. On the other hand, these actors also generate political tensions that are sometimes inimical to the kind of depoliticized economic environment that neoliberal capital demands in a globalized world. The resilience of these 'populist' pressures in West Bengal's political economy is often viewed negatively by private sector players who demand a stronger state which would guarantee legal-social security for the functioning of private capital. In the absence of such guarantees, private sector players have typically been eager to invest in sectors such as upper and middle class housing, where the consumers are not particularly politicized, and where returns on investments are quicker and more efficient. Contrastively, private sector players have been reluctant to invest in infrastructure domains, where the target audience comprises a broader (lower-middle and lower class) social domain as well, and where, given the state-oriented nature of the investment field, economic operations are also more vulnerable to political pressures and 'from below' popular demands that limit the ability of private capital to earn high profits for services rendered through user-charges etc. over protracted periods. The check posed by these subaltern interests to the profit-making abilities of large businesses functions as a disincentive for private sector interests with regard to investing in the infrastructure domains.²⁰

PPP initiatives in Kolkata: An Evaluation²¹

As indicated above, the PPP initiatives in Kolkata appear to be overwhelmingly concentrated in real estate and retail sectors. Multi-storied housing condominiums, commercial plazas or marketing centres are being developed in public-private partnership modes, but the hard-core infrastructure concerns appear to be less susceptible to PPP initiatives.

Secondly, the civic services in Kolkata could also be subjected to more creative PPP initiatives. For instance, in solid waste management, there is considerable scope for involving private enterprises. The PPP initiatives in this sector in Chennai have been much discussed.²² A large part of the municipal area in Chennai has been handed over to a private entity for conservancy activities (starting from house-to-house collection and ending at the disposal site), limiting, in the process, the overhead costs of the city corporation. While the benefits of such contracting out of services may be arguable, the spread of the PPP palate gets wider through such attempts. The Kolkata Municipal Corporation has resorted to significant amount of private contracting in the domain of waste management, but these do not as yet constitute a real model of public-private partnership in the classical sense of being based on a sharing of administrative responsibilities.²³ In water supply and drainage, PPPs appear to be unthinkable. (In the neighbouring sub-urban Nabadiganta township within Kolkata Metropolitan area, one water supply project in PPP mode is facing serious problems.)

A third related point is that most of the PPPs in Kolkata until now have been in the joint venture mode. Excepting the Kolkata Leather Complex, there has virtually been no other experiment with the BOT mode, or its other variants. The Delhi-Noida Direct Flyway and the Vadodara-Halol toll road in Gujarat have been seen as interesting examples of experiments with the BOOT strategy. Kolkata does not yet have many such examples to offer, though the Nivedita Setu project could prove to be a trendsetter in the eastern region. A concessionaire approach to PPP experiments in the citizen-centric civic services sector is also yet to be witnessed in Kolkata.

In sum, the joint ventures constitute, as yet, the mainstay of the PPPs in Kolkata. But this situation is likely to be complicated in eventuality of the government being both an equity partner and the regulator of the sector. Incidentally, we now find an increasing effort in the public domain to indeed distinguish between these two roles of a partner and a regulator. In the power sector, West Bengal has set up a strong regulatory commission that presides over the market competitions. PPPs

do need firm regulatory mechanisms, but the regulator will have to desist from being a partner, too. This precise segregation could well be the point of departure for tomorrow.

A fourth point emerges in the context of this need for regulations. It is widely acknowledged that an enabling, conducive and well-defined legal framework facilitates PPP initiatives in infrastructure. In India, Gujarat (1999) and Andhra Pradesh (2001) enacted such laws with the following underlying themes: (a) clear demarcation of roles and responsibilities of all stakeholders; (b) introduction of transparency, stability and predictability in the PPP process; and (c) outlining the various principles for infrastructure service delivery. In West Bengal, the state government has published a policy, though it is yet to firm up a comprehensive legal framework for PPPs.

Experiences of recent months

A new government has recently come to power in West Bengal. It has come with an overwhelming popular mandate, which in turn was produced by a series of movements that included some sustained and intensive campaigns against forcible land acquisition for private industries. Coming, as it does, with a declared pro-farmer stand, the new government encourages industrialization with caution, and infrastructural investments are also not indiscriminately wooed. As far as rhetoric goes, the PPPs remain the buzzwords and invitations to the private sector players for infrastructure-building continue. However, in substance, the following points are clearly noticeable.

First, the new government will not easily acquire land for private entrepreneurs. While the national government is struggling with a comprehensive land acquisition-cum-rehabilitation and resettlement bill for a fresh national enactment, the newly elected government has made it clear that the state government will not acquire any land for private industries or housing projects. Allotment of government land for joint sector projects is also being frowned upon. The new land policy of the state government will have definite ramifications for PPPs in West Bengal. Real estate developments will have to abide by some new paradigms, it seems.

Secondly, user charges are also not the most favourite concepts for the new government. With its electoral commitment to the people regarding levy of no user charge for drinking water etc. the new government is not expected to encourage any PPP project (in civic services or infrastructure sector) that might have its economics grounded in user fees. In fact, the only small PPP project in water supply sector in the industrial township of Nabadiganta is also not taking off partly because of this unresolved issue. Incidentally, many serious students of PPP practices have increasingly started pointing out that user fees and market-orientation may have dysfunctional effects in critical sectors. A recent study of PPPs and user fees in healthcare system of West Bengal has concluded that the quiet privatization of diagnostic services in government healthcare institutions in the state has been having exclusionary effects and the poor are suffering.²⁴

So, as the situation stands today, the private sector participation efforts in infrastructure-building will have to chart out new territories. The instrumentalities of land-sharing and estate management will no longer be much encouraged and if PPPs are to survive, the issues of viability gap funding, concessions and annuities etc. will require deeper probing. For a state haunted by deep fiscal crisis, there appears to be no softer option. It is possible that, in the given set of circumstances, there will be demand for more and more public investments in the State as the scope for private sector participation will gradually appear more and more elusive.²⁵

Road Ahead

I believe that if PPPs are to be nurtured and evolved in West Bengal despite the constraints mentioned above, we must accept the term 'public-private partnerships' in the greatest, and the original, sense of the term, beyond the narrow confines of the usual ambit of the conventional sense in which PPPs are viewed in this globalised era.

The discourses on PPPs have been dominated, for too a long time now, by market, corporate sectors, international financial institutions and privatising enthusiasts (including parts of

'mainstream' corporate media). The word "private" has become interchangeable with "corporate", and in the process, the organized corporate firms have swallowed the entire private world. The private citizens, and especially the weaker marginal ones, have become invisible. The NGOs, the civil society organizations, the co-operative groups of citizens and the sundry other similar "privates" have been pushed to the margins. West Bengal can, and should, restore these neglected "privates" to dignity.

For several years now, NGOs and CSOs have been playing splendid roles in many states and cities in critical social sectors, such as in preparing and servicing mid-day meals for school children, in neighbourhood efforts for community servicing, in undertaking citizens' surveillance over public actions, and in promoting public participation in governance. It is these NGOs and CSOs that are driving some of the most piercing actions against corruption (e.g. those led by Anna Hazare) or for right to information (e.g. those led by Aruna Roy), or for citizens' audit of public actions (e.g. those led by Samuel Paul). In the process, new realms of public-private joint action have sprung up and governance has been enriched. West Bengal is yet to evolve any shining example in these frontier areas of public-private partnerships and there is scope for vigorous efforts in this dimension.

In the introductory section of this essay, we had referred to the civil society. In the last few years, West Bengal has seen increasingly prominent role of the civil society in opinion-formation and political change. If this pro-activity of the agents of change is extended to the realm of governance reforms also, then we shall see the unfolding of new chapters of PPPs in West Bengal.

Conclusion

To summarize our discussion, regional power configurations and related notions of 'public-ness' in West Bengal have indeed been remapped by the emergence of public-private partnerships.²⁶ Some creative steps have been taken to go beyond the state/market dichotomy, to evolve strategies through

which the advantages of the public sector can be combined with those of private capital. The advantages of these solutions can hardly be denied, especially in a region like West Bengal, which gained some notoriety in the postcolonial decades for its dismal record of economic growth and its failure to prevent industrial decline. PPP-aided economic stimulations therefore certainly need to be welcomed, to a degree.

At the same time, however, it is also important to note the deficiencies and downsides of these developments. PPPs have not yet been adequately utilized to promote infrastructural development in West Bengal, nor have they taken into account the participation of local communities and lower-economic groups. PPPs have thus been fostered mainly through the state's alliances with large real estate companies, and they have generally catered to the concerns of higher income groups. This might seem unexpected in a state which has long been celebrated for its socialist political culture. But even such policies which were once motivated by democratic-socialist concerns have now started taking the backseat in an age of market-driven globalization. In the changing political economy of today, it is quite necessary for the regional state to negotiate with the demands and needs of local society. PPP initiatives till now have often failed to respond to this need, and have sometimes rather tended to degenerate into language-games²⁷ that only serve to mask the reality of the decline of the welfarist state in face of the ascendancy of global capital. One can only hope that the situation will change in the future, for otherwise the political risks involved²⁸ might be damaging for the region.

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