The Smart City Obsession
A Critique

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Pune does not need a skewed smart city plan. The government needs to come up with a comprehensive white paper on the city's problems, and an integrated plan to tackle these problems, keeping the interests of the ordinary citizens, especially the poor, at the centre.

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Pune will also become a Smart City.

After a marathon 11-hour debate on December 14, 2015, the General Body of the Pune Municipal Corporation (PMC) gave its approval to the Smart City Plan prepared by the civic administration of Pune city.

The earlier plan proposed by the PMC had pegged the total cost of implementation of the Plan at around Rs 3,500 crore. The final Plan approved by the city corporators has cut the Plan size to Rs 2,932 crore. Only around 23 per cent of this is going to be spent on the development of the entire city; within that, the focus is going to be on development of a smart public transport system and a 24x7 water supply system. The major chunk, 75 per cent, of the expenditure is going to be for the development of the Aundh–Baner–Balewadi area as a Smart City (Rs 2,196 crore)—including spending on smart grid and solar energy projects, smart metering, rainwater harvesting projects, solid waste management, e-governance, establishing network of roads–footpaths–cycle tracks, parking, e-rickshaw, electric bus facility, and so on.

Of the Rs 2,932 crore, only Rs 500 crore is expected to come from the Centre, while the state government and the PMC are to give Rs 250 crore. The major chunk of the expenditure, nearly Rs 2,000 crore, is expected to come from user charges, like increased water and electricity charges, increased taxes, and other such means. The Plan would be implemented by a Special Purpose Vehicle (SPV) which will be headed by a CEO. The SPV will have complete control over the planning, implementation, operation and even evaluation of the Plan.

The Socialist Party (India), and Lokayat oppose outright the 'Smart City Plan' of the PMC administration headed by Commissioner Kunal Kumar and approved by the General Body of the PMC. In fact, we are of the opinion that the entire plan to build a 100 'Smart Cities' across the country as proposed by the BJP Government of Narendra Modi is a continuation of the skewed development model being pursued by the present Central government. Under this model, development has become a sinister word for the people. The government is reducing its welfare expenditures aimed at providing essential services like food, education, healthcare, electricity, transport and even drinking water to the poor at affordable rates; not only that, these essential services are being privatised and handed over to big business houses for their naked profiteering. The economy is being run solely for the profit-making of giant foreign and Indian big business houses. Governance now only means providing investment opportunities for big corporations to make huge profits. The BJP government is unashamedly giving thousands of crores of rupees of public funds as subsidies to corporate houses! But let us leave such generalities aside, and discuss the specific reasons for our opposition to the Smart City Plan.

The first reason for opposing the Smart City Plan is that it is a complete negation of democracy. The PMC will no longer have any control over the projects to be executed by the SPV; their control would now be with a private body, the Special Purpose Vehicle (SPV). As per the final plan approved by the General Body of the PMC, SPV would be headed by a Chief Executive Officer (CEO) to be appointed by the Governing Board of the SPV. The CEO would be appointed by the Board from the ‘open market’, in other words, s/he would be a private person, not an elected representative. The Municipal Commissioner would be the Chairperson of the Governing Board of the SPV, and the leader of the House and the leader of the Opposition would also be the members of its Board. Nevertheless, it still means that the elected representatives will have no control over the SPV. It is, in fact, a violation of the Constitution. It is something like saying that the country's Finance Ministry is to be handed over to some financial corporation like Tata Finance, with Modi, Jaitley and a few other Parliamentarians appointing some corporate executive as its CEO.

The second reason for our opposition to the Pune Smart City Plan is that it is actually not a 'development plan' for Pune city (if at all it can be called that)! The Smart City Plan for Pune shows that even on paper, the major part of the investment is going to be on Aundh–Baner–Balewadi (ABB) area, which constitutes only a very small part of the city and is actually on the outskirts of the city. It has a population of just around 40,000, basically being an area where software professionals reside. This means that an area with a population of just 1.3 per cent of Pune city (Pune's population as per 2011 Census is 31 lakh) is going to corner 75 per cent of the investment. Only 23 per cent of the total fund allocation is for the area where the remaining 98.7 per cent of the population resides. This basically means that the plan is not to make Pune a 'Smart City', but make a small enclave, the ABB area, 'smart'. And yet the ruling BJP and its henchmen and toadies are claiming that those opposing the Smart City Plan are opposed to Pune's development, when the entire Plan is not oriented to 'developing' Pune!

The ABB area is inhabited mainly by the city's elites, the software professionals. The entire orientation of the development plan for the ABB area is to transform it into a hi-tech city, and give these upper classes a quality of life similar to a European city. But the costs of this are going to be borne by the entire population of Pune city, since on paper, the Smart City Plan is a plan for the development of the entire city! That is, the ordinary Punekar is going to subsidise the luxury living of the elites in the ABB area!

The third reason for our opposition to the Plan is that it is against sustainable and holistic development of the entire city. Even the limited investment that is going to be made for so-called development of Pune city is not going to solve any of the major problems of the city, such as the worsening waste crisis, the traffic congestion, the worsening pollution, the poor quality of life of the city's poor who constitute the majority for the city's population and live in shanties, and so on. There will be no investment in providing affordable healthcare for the poor by measures such as opening new government hospitals; there will be no investment in providing affordable education for the city's children and youth by opening more good quality government schools and colleges. The Smart City Plan has nothing to do with all this, as we shall explain below. All that is going to happen is that in the name of making the city 'Smart', the private sector will get an opportunity to invest in exotic projects like setting up ultra-modern bus stops and sensors to monitor traffic congestion on roads, and thus make huge profits.

The fourth reason for our opposition to the Plan is that it is going to result in privatisation of essential public utilities such as water supply. The smart metering proposal is only a guise to privatise the city's water supply and hand it over to the private sector for profiteering. The private sector will get an opportunity to invest in huge projects, like building enclaves for the rich, where they will have all the facilities, of course at high costs; but then, they can afford that. The government investment will actually be for subsidising these projects.

All these arguments given above become further substantiated from the following summary of the Smart City Plan of the new BJP Government.

A Brief History

Finance Minister Arun Jaitley of the new BJP government in his first budget speech in July 2014 announced an allocation of Rs 7,000 crore for building 100 new 'smart' cities. Subsequently, in April 2015, the Union Cabinet approved the spending of Rs 48,000 crore for this 'Smart Cities Mission', under which each selected city would get a total of Rs 500 crore over a four year period (Rs 200 crore in the first year, and Rs 100 crore per year for next three years).

And why does the country need new cities? A UN report projects that India would add another 404 million urban dwellers by 2050, the largest addition in the world; the population of Delhi alone is expected to go up to 3.6 crores by 2030. And so the country would need dozens of new cities to accommodate these burgeoning numbers. According to McKinsey and Company, the country will need anywhere from 20–30 new cities in the next 10 years, while IBM predicts that India would need to add 500 new cities over the next 20 years.

And so the finance minister in his budget speech too stated that the country would need to build new 'smart' cities, to accommodate the rising number of people migrating from rural areas.

[It is another matter that the neither the Census nor the National Sample Survey support these claims of massive migration from rural to urban areas. Of the 90 million new urban people between 2001 and 2011, only about 20 million were migrants from rural areas. Of the rest, about 40 million were born in existing urban areas, while the remaining 30 million became urban because their settlements were reclassified from villages to census towns.]

What is a 'Smart' City?

Government documents say very little about it, apart from saying that these are going to be hi-tech cities—that is what makes them 'smart'. These cities would be built from scratch, and their infrastructure would be connected through the latest technology (CCTVs, chips, and broadband) and controlled at an integrated centre. Hence, the ‘smartness’ is in technology being used to collect, study / organise / arrange it, and then use it for control purposes. Smart’ sensors capture real-time data on roads, water and electricity, gas, air quality, homes, lighting, hospitals, schools, even revenue and crimes, and so on, which can then be used to regulate each of those systems through ‘smart’ applications. Thus, for example, technology will be used to map and analyse traffic conditions on the roads, and then this would be used to reduce average traffic density on roads by communicating with people through smart phones and other such devices; not only will traffic congestion be a thing of the past, travel on roads would be faster as traffic would be less. Different control centres in the city can similarly manage its other infrastructure, and thereby, for example, reduce energy use by 20–30 per cent. The city would also be a zero-waste city, and garbage problem would be solved. And so on .

Thus, you have a dream city that is efficient, liveable and sustainable. Most importantly, the city has become so valued that investors are happy to pour in money because investments bring in handsome returns, and so there are jobs aplenty.

The whole proposal of building 'smart cities is being pushed by giant multinational corporations like McKinsey and IBM, who have published reports and are pushing the government to plan and invest in building 'smart' cities. How come firms such as McKinsey, IBM, Oracle and Microsoft have become experts in urban growth planning? Well, that is precisely the point. They first create the demand for smart cities, and then team up with builders and the state to build these, reaping huge profits. The conclusion is obvious—the idea of 'smart' cities is being promoted, to provide a multi-billion investment opportunity for the private sector, with the government pouring in huge subsidies in the name of Viability Gap Funding.

Obviously, these new cities are going to be only for the elites. This has, in fact, been admitted by the finance minister too. In his budget speech of July 2014 where he mentioned the building of 100 new 'smart cities', he frankly admitted that these would be for the neo-middle class—a new term, he is actually meaning the neo-rich—so as to meet their aspirations for 'better living standards'. This is eerily similar to the high-end townships being built already, that promise luxury living in self-contained hi-tech cities away from the chaos, traffic snarls, pollution, noise and filth of our 'regular' cities. Now you are going to have government subsidised high-end townships.

But What About Existing Cities?

Initially, after coming to power, the new government had proposed the Smart City idea as one that meant building of new cities, on the outskirts of existing ones, that would function as special investment regions that would attract global capital. But what about the existing cities? Will they continue to remain the same, with their decaying infrastructure, waste crisis, traffic congestion, bloated slums, potholed roads, severe lack of affordable educational and health facilities.

After much criticism, the government relented and in December 2014 published a draft concept note that called for not just building satellite towns but also modernisation of existing cities, including both their physical and social infrastructure. This new concept note, titled *Draft Concept Note on Smart City Scheme*, is actually very vague. All it states is that the 'smart' city would be comparable to any European city, and should have clean air / adequate water supply / entertainment / sports / internet connectivity / fast transport / etc. It actually gives no practical solution to any of the known problems of cities, such as worsening garbage crisis or growing traffic congestion or lack of affordable health and education facilities.

The analyses of problems and solutions it proposes are laughable. Thus, it says that the present waste management problems are due to “lack of technical expertise and appropriate institutional arrangement” – but these clichés are not explained. For solving the problem of traffic congestion, it simply mixes everything together from cycle tracks to elevated roads, and every known form of mass transit, without any sense of consistency or priority. It says that ‘smart metering’ of water will reduce losses, without explaining what it means, and how is it different from present normal metering? It even makes the outrageous claim that housing is not affordable in cities because high rise development is not permitted!

From a study of the government's draft concept note, it becomes obvious that the Smart City project is not an integrated urban planning project that would transform India’s ageing civic infrastructure, mobilise technology to improve environmental performance and enhance the quality of city life. Instead, it is a recipe for skewed development. This becomes obvious from various sections of the report. Thus, while talking of social infrastructure, it talks of development of a Medi-city in every city with a minimum land of 50–100 acres through the private sector. Clearly, this is only going to be for the very rich, the poor will continue to go to the deteriorating government hospitals. In the name of providing good sports facilities, it talks of building golf courses!

The entire focus is on promoting capital intensive, high-tech projects, to be built by the private sector with government subsidies. The Urban Development ministry says that 60 per cent of the allocated funds have to be spent on infrastructure, but there is no study on what are priorities, and then seeking funds; there is also no plan as to how to economise on investments. Thus, in Pune, there would be no investment on building much needed sewage treatment plants and reclaiming the Mula–Mutha River that has become a sewage drain. Investment in such projects is not going to be profitable for the private sector. Instead of first investing in improving the existing PMPML, increasing the number of buses, reducing traffic congestion by imposing restrictions on the growth of private vehicles, and making the city's roads safe for pedestrians and cyclists, another grandiose investment opportunity for the private sector is being proposed, a many hundred crore rupees project wherein traffic snarls will be monitored through sensors and an attempt will be made to divert traffic by communicating with drivers through smart communication systems. Thus, there will be a plethora of high cost projects, and money being spent on wrong priorities, simply because money needs to be spent. This has even been criticised by the Parliamentary Standing Committee on Urban Development; it has stated that the Smart City project may lead to ad hocism in urban planning. Nevertheless, the Ministry of Urban Development (MUD) has set aside funds for the next five years for this project.

Secondly, it becomes obvious from the criteria laid out for selecting cities to make them 'smart' that all the public utility services in these cities are going to be privatised. This means that essential services like water are going to be privatised, increasing their cost—smart metering is only a euphemism for this. The draft note makes it clear that all new projects will first be offered to the private sector. Thus, this means that the much needed government investments in building new hospitals, schools and colleges, improving slums, affordable housing for the poor and public toilets (especially for women) are now not going to take place. The private sector will invest in these facilities, and obviously, they are not going to be for the poor.

Thirdly, the Modi Government's obsession with creating urban real estate enclaves for a small elite section is seen even in the Smart City project for existing cities. The MUD says that cities that receive Smart City funds must spend 60 per cent on infrastructure, 10 per cent on e-governance and the remaining 30 per cent on two integrated townships to be developed in partnership with private developers. These townships can only be gated communities, serving a very small number of people. And so, nearly 75 per cent of the investment in the Pune Smart City Plan is going to go in developing Aundh–Baner–Balewadi region as a Smart City.

Finally, the Centre, the state government and the PMC are only going to contribute Rs 1,000 crore for this plan; the remaining Rs 2,000 crore is going to be extracted from the pockets of the ordinary Punekars. While the corporators have imposed restrictions that the SPV will have no powers to increase taxes, they have not addressed the question as to where is this Rs 2,000 crore going to come from? It is definitely going to mean sharp cuts in the already meagre spending by the city corporation on public services, huge increase in the cost of delivery of all public services, and ultimately a huge increase in taxes. If the Centre is not going to give this money, and the state government also is not going to give this money, there is no other way by which this money can be raised. This means that while the entire development is going to be for the elites, the ordinary people are going to pay the costs.

Our Demand
Socialist Party (India) and Lokayat call upon the Pune city corporators to review and withdraw the approval given to the Smart City Plan of the BJP Government, and instead demand that the government come up with a comprehensive white paper on the city's problems, and an integrated plan to tackle these problems, keeping the interests of the ordinary citizens, especially the poor, at the centre.