Governing Informality: "Jugaad Governance in Mumbai"

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A wide-ranging project to remake Mumbai into a "World-Class" city is underway, spearheaded by a partnership between state and business elites. Yet, a decade in, this project of transformation remains largely unrealized. If the new governing partnership, and the re-orientation of urban policy towards growth, rather than distribution, can be read as an example of neoliberal urban restructuring, why has its transformative scope, in Mumbai, remained limited? I argue that the answer lies in the nature and workings of the state.

The concept of "actually-existing" neoliberalism (Brenner and Theodore, 2002) widely-used to analyze urban political economies globally, is inadequate to explain the political economy of Mumbai and other developing cities, where much of the economy is informal, outside "institutional landscapes of capitalist regulation." It is grounded in the experience of industrialized nations, and begins with the premise of restructuring from a "Fordist-Keynesian" base. I address this gap by drawing on15-months of field research between 2009-2015 to develop a conceptual account of urban governance in Mumbai. Applying the state-in-society approach (Migdal, Kohli and Shue, 1994), Mumbai's urban governance is best understood not just by analyzing state policies and elite-level alliances, but also state practices and the relationship between the state and the informal city.

The informal economy in Mumbai is not a separate "needs economy", but the "real economy" (Harris-white, 2003), where the large majority lives and works. It extends well beyond slum settlements, and at ground-level, formal and informal are interlaced. Informal activities, which involve encroachment on public land and the breaching of environmental, municipal, industrial and labor regulations, are expected to be actively curbed by state authorities. In practice, the "theoretically conflictive relation …devolves into various forms of accommodation" (Fernandez-Kelly and Shefner, 2006). In Mumbai, given the size and scope of the informal economy, I argue that the state's "accommodation" in informal economic activities is not a marginal process that occurs at the edges, but a core task of governance.

The state adapts to manage an informal city that is in large part obscure from its high reaches, but neither economically or politically marginal nor easily separable in practice from what is formal and regulated. State actors are systematically, tacitly or explicitly, involved in activities that violate exist or outside formal institutional processes, laws and regulations, such as the production and servicing of slums, the regulation of street vending, the support of "unregulated" manufacturing enterprises, and the gradual "regularization" of informal development. The relationship between the state and the inhabitants of Mumbai's informal city is mediated by a range of state and non-state brokers, fixers and intermediaries, often through civil society organizations such as housing cooperatives, welfare societies, informal business associations and neighborhood committees. Lower-level state actors are embedded in localized power structures that connect the informal economy to the state, and have political obligations to city councilors, fixers and neighborhood brokers. Often acting in violation of formal duties and responsibilities, they help provide essential state services – housing, water, governance and "regularization"- in the informal city. These

practices enable the state to informally regulate and manage the city's informal spaces, which are dependent on state complicity.

The "transgression of the lines of legal and illegal," (Chatterjee, 2004) is part of the daily functioning of the state itself. I term such practices "jugaad" governance. "Jugaad", a popular term in contemporary India, means "cobbled together" of discrepant parts and implies making do, crudely improvising or even innovating under constraints. In the emerging "jugaad" literature in the social sciences, the state is an enemy or generator of creative "jugaad" strategies by businesses and citizens to get around onerous regulations and state failures. I propose that the notion can be used to characterize the state itself. "Jugaad" connotes a structure as well as a set of strategies, and in both senses describes the state in Mumbai. It is characterized by a contradiction between its legal and regulatory framework, that of a centralized, insulated high-modernist bureaucracy, and its practices of governance at the ground level, which are negotiated, flexible, improvised and often extra-legal. Unlike the nascent and as-yet tenuous partnership between Mumbai's state and business elite, long-standing processes of interaction and negotiation link the lower-levels of the state to power structures within the informal city.

In Mumbai, the state governs through "jugaad" practices of bargaining, obfuscation, adjustment and exemption, rather than the organizational tools of a modern bureaucratic state. "Jugaad" governance is not a dual strategy deployed in informal spaces, but permeates the state, ingrained in the socio-political and spatial configuration of a city where informality is normalized but never the norm. The state periodically "cracks-down", not to permanently dislodge informal activities, which soon re-emerge, but to demonstrate control of its territory and capacity to enforce law. More typically, the state's higher reaches ignore or overlook infractions as they satisfy demands that might be expressed in more disruptive ways. Senior officials may directly participate in corruption, but more fundamental to the concept is that they are not unaware of these practices, but apply discretionary rules, identify loopholes and delay taking actions that impose heavy financial, social or political costs or disrupt economic activities. Over time, "jugaad" governance leads to the "regularization" or partial incorporation of parts of the informal city into formal state institutions, through the accumulation of documentary evidence that indicate state sanction, and in some cases, revision of laws and policies.