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# Neoliberalism, Urbanism and the Education Economy: Producing Hyderabad as a 'Global City'

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<b>AQ3</b>	Brenner 2003: please supply initial for Yeung

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## Neoliberalism, urbanism and the education economy: producing Hyderabad as a ‘global city’

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This paper examines the emergence of Hyderabad as a hub of the global information technology economy, and in particular, the role of higher education in Hyderabad’s transformation as the labor market for the new economy. The extensive network of professional education institutions that service the global economy illustrates the ways in which neoliberal globalization is produced through educational restructuring and new modes of urban development. Neoliberal globalization, however, is a variegated process wherein local social hierarchies articulate with state policies and global capital. This study shows how caste and class relations in the education sector in Andhra Pradesh are instrumental to forming Hyderabad’s connection to the global economy. The contradictions of these regional realignments of education, geography and economy are manifest in the uneven development of the region and the rise of new socio-political struggles for the right to the city.

**Keywords:** neoliberalism; education; urbanism; caste; Hyderabad; India

Hyderabad is not just a city for hi-tech, it is a hi-tech city.  
(Mr. Chandrababu Naidu, Chief Minister of Andhra Pradesh in 2004)

Only the state can take on the task of managing space on a grand scale.  
(Lefebvre [1978] quoted in Brenner, 2001, p. 793)

Hyderabad appears surreptitiously on the global map in the late 1990s. From among the major cities of India, Hyderabad was least expected to be the city with the potential to capitalize on the information technology (IT) boom and ascend to the status of a hi-tech city at the turn of the twenty-first century. Hyderabad’s reputation until then was of an indolent ramshackle city that attracted mainly Indian tourists to the ‘old city’ (*purana shaher*) to view monuments such as the mosque with the four minarets (Charminar) and the Golconda fort built in the fifteenth century by Hyderabad’s Muslim rulers. Dubbed the ‘Silicon Valley of the East’ by Bill Clinton during his visit to the country in 2000,<sup>1</sup> Hyderabad’s new identity has been attributed to the visionary leadership of the state’s then chief minister Chandrababu Naidu. Referred to as CEO Naidu or ‘laptop CM’, Chandrababu Naidu’s Vision 2020 was the first official document that laid out an ambitious new plan to transform Hyderabad from a relatively obscure metropolis into a city that would be regarded as one of the nerve centers of the global economy within the decade.

Chief Minister Naidu’s proposal was to create HITEC city (Hyderabad Information Technology Engineering Consultancy City) that would be a self-contained city

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within a city and provide IT businesses with built-in facilities for operations on a par with the best in the world. The state would provide high-speed connectivity, have its own power plant, a diesel-generating station for times of power outages, an earth station, satellite channels, its own water and sewage treatment plants, glare-free lighting, concealed copper wiring for piped music and paging systems in the common areas, and a four-lane super highway that would connect the city to a proposed new international airport. The plan was to create the most profitable and attractive conditions to lure companies that were leaders in technology and software development. Construction on 158 acres of land in the northwest suburbs of the city was initiated in 1997 and in less than four years many of the most prominent technology firms, foreign and domestic, had established their India offices in Hi-Tech city. Some of the big names include Satyam, Wipro, Infosys (Indian companies that are listed on the NASDAQ), followed by Oracle, Microsoft and Google, the last two especially, were considered a historic coup of sorts for the state.<sup>2</sup> Hyderabad's reputation as Cyberabad has only become more firmly established since then, with the plan to make Hyderabad India's financial center and the technology hub of the country.

This narrative of Hyderabad's transformation is widely referenced but one that presents the transformation of the city at the level of real politik. History is represented through the lens of a charismatic leader as the protagonist who through his single-minded vision is able to fashion a wholly new economy and society, a kind of Weberian view of social change. The populist representation suppresses a more complex history that positions Hyderabad as a regional hub in the global economy. Available scholarship on the state of Andhra Pradesh (of which Hyderabad is the capital) illustrates the role of state development policies from the 1950s to the 1980s and their interplay with caste and class politics that established the conditions for the emergence of Hyderabad as a hi-tech city in the making. These studies show that the information technology revolution, economic globalization and the political leadership of Naidu were catalysts in a process that mobilized existing patterns of growth in the region for a major economic transition (Upadhyay, 1988a, 1988b, 1997; Kamat, Hussain, & Mathew, 2004; Srinivasulu, 2002). In addition, recent anthropological and sociological research on the IT industry in Andhra Pradesh traverses the complex routes of migration of skilled labor from the region, the uneven manner in which the Andhra Pradesh IT industry is integrated into the global economy and the changing culture and identities of the new white-collar IT worker class (Biao, 2007; **AQ1** Upadhyay and Vasavi, 2008 ). Recently, Hyderabad has been the subject of research by scholars of urban planning and governance who conclude that regional and city planning has been redirected to accommodate new globally mobile populations while neglecting the needs of established communities of Hyderabad (Kennedy, 2007; Ramachandraiah and Bawa, 2001).

My research is located in the intersections of these three strands of scholarship that trace the role of the state and the growth of the IT industry that produces a new geography and sociality of the city. Each of these studies is compelling in its own regard, but brought into conversation with one another and juxtaposed together these studies outline the peculiar shape and form of neoliberal globalization in India. As such, these three strands of scholarship taken together provide insights into a particularly Indian version of neoliberal globalization which my research seeks to build upon. Through a focus on the education sector in Andhra Pradesh, my research explains the trajectory of educational development and policy that has

enabled the growth of the IT sector in Andhra Pradesh. After all, the plan to establish HITEC city in Hyderabad may well have remained a pipe dream if it were not for the ready availability of skilled labor for the technology services sector. In other words, our understanding of neoliberal globalization in Andhra Pradesh (or India for that matter) remains partial and incomplete without an analysis of the education sector and its particular evolution in the region. Conversely, we cannot explain the specific nature of the education sector in Andhra Pradesh without locating it within the broader socio-economic transformations of the region and its ascendancy in the global economy.<sup>3</sup>

Accordingly, this paper is organized in two main parts. The first part traces the history of higher education in Andhra Pradesh in the decades preceding the take off of the IT industry in the region. This history illustrates the centrality of state policy and regional caste politics that results in a highly profitable and narrowly specialized professional education market in the region. These developments in the education sector eventually form the basis for the regional capture of global trends in the IT software industry. This historical backdrop to how Hyderabad appeared on the global map in the late 1990s identifies the continuities with state policy and regional politics rather than the banal representation of globalization as a break with the past, a representation that is typical among policy experts on Third World development. The second half of the paper provides an account of state planning in the post-1990s that builds on the existing politico-institutional relations and accelerates the process of global economic integration. Changes in education policy are once again a key ingredient in the restructuring of the region's economy singularly directed at attracting global capital and spurring economic growth. My research calls attention to two main issues that deserve further attention from education and globalization scholars. The first is that education policy and politics are imbricated in the new socio-spatial inequalities unleashed by neoliberalism and these relations need to be studied dialectically, and second, the transformation of the postcolonial state under conditions of neoliberal globalization is prompting new struggles for democracy and citizenship in the Third World that we need to engage with.

### **'Actually existing neoliberalism': a conceptual framework**

My study of education and new urbanisms takes from the extensive literature on neoliberalism as a distinctive policy regime that drives the present phase of capitalist globalization (Brenner and Theodore, 2002; Harvey, 2005; Nef and Robles, 2000; Ong, 2006). Rooted in neoclassical economics, neoliberalism is an economic doctrine that provides both a policy roadmap and the intellectual justification for the expansion of the capitalist classes within the nation and globally. The fundamental premise of neoliberalism is that all societies, economies, institutions down to the level of the individual have to adapt, compete and abide by the objective laws of the market. Nef and Robles (2000) summarize the six-point program of neoliberalism: (1) re-establishing the rule of the market; (2) reducing public expenditure through cuts in subsidies, reduction in public services and dismantling welfare programs; (3) reorganizing the tax base by reducing direct taxes such as income and wealth tax and increasing indirect taxes on goods and services that benefit the investor class and reduce public revenue; (4) deregulating the private sector; (5) privatizing the public sector; and (6) doing away with the concept

of the commons and the public good. The scholarship on globalization generally marks the 1970s as the period when neoliberalism made significant inroads into state policy in the advanced capitalist countries endorsed by influential political leaders such as Reagan and Thatcher (Harvey, 2005). In India, the definitive break from a welfare developmentalist regime to a neoliberal regime occurred in 1991 when the state undertook macro-economic reform that over a period of a decade would liberalize trade barriers, privatize public industries and deregulate markets to promote foreign investment.<sup>4</sup> The new orientation of the state indicates the historical movement of the Indian economy from an economy that is organized to meet national development goals and build internal capacity to an economy that is closely integrated with the world market.

While the policy prescriptions cited above form the fundamental core of the neoliberal policy regime, neoliberalism does not manifest itself in a uniform and identical manner the world over. The policy reforms interact with national, regional (subnational) and local contexts and histories to give a variegated character to neoliberalism in different places. Brenner and Theodore (2002) propose the analytical framework of 'actually existing neoliberalism' to account for the 'historically specific, ongoing and internally contradictory process of market driven socio-spatial transformation, rather than as a fully actualized policy regime, ideological form or regulatory framework' (p. 353). The concept of 'actually existing neoliberalism' therefore leads one to examine the *processes of neoliberalization* on the ground in specific places in their embedded form rather than refer to neoliberalism in its idealized universal form. This conceptual turn helps to shift the discourse on neoliberalism from abstract and decontextualized debates about state versus market or private versus public toward an analysis that reflects how neoliberal policy agendas evolve through 'their conflictual interaction with contextually specific political-economic conditions, regulatory arrangements and power geometrics' (p. 357).

'Actually existing neoliberalism' has proven to be a very productive framework to study the particular evolution of neoliberalism at the subnational and national level in India, and the contradictions generated therein for the postcolonial state. The analytical shift to neoliberalism as process helps to make sense of why and how certain neoliberal policies and programs are chosen over others, how these intersect with existing socio-political configurations at the provincial level, and the particular strategies that the postcolonial state deploys to mediate contradictions and conflicts. Quite simply put, for a country that claims to be the world's largest democracy the incorporation of a neoliberal market-based model in education and other social sectors is much more fraught, uneven and contradictory given its historical commitment to a welfare and developmentalist agenda. Certainly, the unfolding project of neoliberalism in Andhra Pradesh, with Hyderabad as the capital city at its epicenter, is well served by the analytics of 'actually existing neoliberalism' and helps to prise apart the multi-layered and socially dense character of neoliberalism in the region. As I detail in the following sections, the specific conjuncture of caste histories, class relations and postcolonial geographies that constitute Andhra Pradesh and its capital city offers a unique narrative of neoliberal globalization and resistances to it, at the same time that it represents an exemplary case of the neoliberal project.

### Uneven geographies of development

Located in the southwestern part of India, Andhra Pradesh (hereafter abbreviated as AP) has a population of 76 million, with an estimated 7.6 million people residing in the metropolitan region of Hyderabad (the city and its suburbs). In the post-independence period, AP was the first state to be reorganized along linguistic lines, a policy that was subsequently adopted for other regions of the country. Though the language of the majority of the residents of the new state is Telugu, the three regions that were integrated were and remain remarkably distinct in their linguistic styles and cultures, social demographics and economic development, differences that remain a source of tension and conflict.

The three regions that were cobbled together to form the state of AP are: coastal Andhra in the eastern part of the state bordering the Bay of Bengal and was part of the British Madras Presidency, Telangana to the northwest houses the state capital of Hyderabad and was part of the princely state of the Nizam, a Muslim ruler, and Rayalseema to the south was divided between the princely state of Mysore and Madras Presidency. In addition to distinct colonial legacies, the regions differ in their social composition of caste, tribal and religious groups. Coastal Andhra has a higher proportion of middle caste groups (also known as intermediate castes) who traditionally are peasant landowners, while the Telangana region has a significant representation of tribal groups (many of which are nomadic) and Other Backward Castes (OBCs) who are marginal farmers and landless laborers. Moreover, Hyderabad has 41% Muslim population but their representation in the economy and the state apparatus remains marginal.

Telangana is also a more drought-prone region with poorly developed irrigation systems and water shortage while coastal Andhra is lush and green with well-developed irrigation channels. The resource disparities are not an act of nature considering that Telangana has two major rivers, the Krishna and the Godavari, that flow from the west to the east towards coastal Andhra (in addition to several smaller rivers). While more than 70% of the catchment areas of these rivers are in Telangana, the construction of dams and canals has resulted in diversion of waters to coastal Andhra. This is one indicator of the political influence that peasant landowning middle castes of coastal Andhra<sup>5</sup> have historically been able to exercise vis-à-vis the state in terms of securing development investment and infrastructure for their region.<sup>6</sup> Coastal Andhra ranks significantly higher than Telangana and Rayalseema on socio-economic indicators. Nine out of 10 districts of Telangana are identified as 'Backward' by the Indian government. The exception is Hyderabad district in which the capital city of Hyderabad is located (see Figure 1 for a map of the three distinct regions of AP).

The Commission set up by the Indian government in 1955 to examine the formation of AP recognized the potential for deepening inequalities between Telangana and coastal Andhra and foresaw a disastrous future for Telangana. To quote from their report:

One of the principal causes of opposition to Vishalandhra also seems to be the apprehension felt by the educationally-backward people of Telangana that they may be swamped and exploited by the more advanced people of the coastal area. In the Telangana district outside the city of Hyderabad education is woefully backward ... the real fear of the people of Telangana is that if they join Andhra they will be unequally





Figure 1. Map of Andhra Pradesh illustrating the three regions: Telangana, coastal Andhra, and Rayalseema.

placed in relation to the people of Andhra and in this partnership the major partner will derive all the advantages immediately while Telangana itself may be converted into a colony by the enterprising coastal Andhra. (State Reorganisation Commission cited in the Sri Krishna Committee Report, Government of India, 2010, p. 6)

The narrative of AP as the poster child for globalization needs to be understood in relation to this historical backdrop of uneven geographies of development that have exacerbated in the ensuing decades. More significantly, socio-economic inequalities between native residents of Telangana and those of coastal Andhra have deepened in the period that coincides with the state's IT boom and economic growth of the past two and half decades. The education gap highlighted in the above quote as a crucial factor in structuring inequalities between the two regions have persisted and intensified in the subsequent decades, owing in no small part to state policy that benefited powerful social groups from coastal Andhra. In the following section, I elaborate on developments in the education sector that reflect precisely the fears expressed in the Commission's report and that generate the context for a more systematic unfolding of the neoliberal project.

### Caste politics, the postcolonial state and education policy

The Indian state's development approach in the post-independence period has been formative in accentuating these regional disparities. One of the priorities of the newly independent state was to become self-sufficient in food production and the Green

Revolution that was expected to increase grain production was adopted as a national program. With the help of scientific expertise and aid from the USA and the former Soviet Union, high-yielding seeds and mechanization of farming were introduced, farmers were trained and the Green Revolution was hailed a resounding success when India was able to declare food self-sufficiency in the 1960s (Chibber, 2003).<sup>7</sup> Coastal Andhra farmers were in an optimal situation to benefit from the Green Revolution given their sizable land ownership, access to irrigation and ease of securing credit to purchase pesticides and fertilizers. Carol Upadhyay's insightful research of the Kamma and Reddy caste groups in coastal Andhra explains how their caste affiliations and networks were important sources of social and symbolic capital that enable their political and economic dominance in the state from the early post-independence years through the Green Revolution period and after. Her richly detailed research of the intermediate peasant castes of coastal Andhra illustrates how in this particular case caste identity and networks were mobilized toward class mobility that transformed an agrarian class into an urbanized professional and bureaucratically powerful class primarily through accessing higher education (Upadhyay, 1988a, 1988b, 1997).<sup>8</sup>

Following the success of the Green Revolution, the peasant caste groups from coastal Andhra use their agricultural surplus to establish engineering and medical colleges with considerable support from the Indian state. Private engineering colleges were first established in coastal Andhra districts of East Godavari, Guntur and Krishna in the late 1960s and early 1970s (Kamat et al., 2004; Upadhyay, 1997). Affluent rural caste groups that were disadvantaged in a public education sector that was both small in scale and highly selective founded their own degree-granting institutions that were subsidized by the state. Over a period of a decade, an extensive network of 'aided' colleges that were financed with agricultural surplus by wealthy peasant caste groups offered science, engineering degrees and medical degrees.<sup>9</sup> Demand for professional degrees only grew and by the 1980s this sector of aided private higher education in engineering and the sciences rapidly expanded. Caste-based investment in higher education was thus a primary mode through which economic mobility occurred and set the stage for the development of an extensive private higher education sector funded by coastal Andhra capital.<sup>10</sup>

Coastal Andhra caste groups organized themselves into charitable education trusts, charged high fees, but provided special scholarships to students from their particular social groups. The state aided the formation of these colleges generally through heavily subsidized land grants and other infrastructural support. The state also instituted an accreditation mechanism (AITCE) and a standardized state-wide exam that standardized the curriculum and also gave credibility to these institutions.<sup>11</sup> The state was responsive to the political aspirations of powerful coastal Andhra caste groups that were further enriched by an expanding private sector, while the public sector was allowed to stagnate. The casualties of this dual system, a private sector on the rise and a public sector in decline, were students from economically disadvantaged backgrounds, lower castes, Dalits<sup>12</sup> and tribal youth whereas students from affluent rural middle caste and from English-speaking urban middle-class families were able to access education and employment that prepared them for jobs in the emerging technology economy. In other words, a social compact was in place for nearly three decades between the state and the affluent middle castes that

allowed the state to contain class and caste conflict, albeit at the expense of a significant majority who remained excluded from higher education.

### **Education and socio-spatial reform in the making of a 'global city'**

The emergence of a strong professional education sector in AP represents the articulation of the postcolonial state's modernization project that privileged science and technology with caste aspirations for political and economic dominance in the urban economy. The remarkable growth of this sector, however, was during the period of neoliberal reform and the information technology boom. From 37 engineering colleges in 1996, the number grew to 540 colleges in 2009 (Government of India, 2010, p. 146). With the unexpected growth of the IT-related economy in the developed world and the trend toward outsourcing, these private institutions were able to step in as the supply chain for technical labor for the global service industry. The improbable conjuncture of regional politics and global economic shifts explains why AP is today one of the main suppliers of Indian software engineers to the global economy (Biao, 2007). Relevant to my argument here is that the investment in private education is overwhelmingly from coastal Andhra and so is the skilled labor in the new economy.

In addition to the social (i.e. caste) character of the class divide, a second most significant manifestation of the class divide is the uneven spatial development of the region. While the bulk of the investment in education has originated from coastal Andhra, a majority of the private colleges, universities and allied education services are concentrated in the metropolitan region of Hyderabad. On the other hand, if one takes Hyderabad out of the equation in terms of educational infrastructure and access, the Telangana region does extremely poorly. The education infrastructure in Hyderabad is closely integrated with the IT and Information Technology Education Services (ITES) economy that has constituted nearly 99% of the exports of the state for the past five years (Government of India, 2010). While there are regional investors in the IT and ITES industry (here too the important local players hail from coastal Andhra), the majority are foreign firms.

Education and economic growth in AP is therefore geographically constituted resulting in stark differences between the capital city of Hyderabad and the rest of Telangana. Hyderabad has become well integrated into the global economy while districts surrounding Hyderabad remain severely underdeveloped and disconnected from the triumphal narrative of AP as a global economic hub.<sup>13</sup> The disproportionately high number of suicides by artisans and farmers in Telangana is just one of the tragic indicators of the systematic deprivation and loss of hope faced by those who have no place in Hyderabad's new economy.<sup>14</sup>

The synergy between education–economy that have configured Hyderabad as an island of growth amidst a region of immiseration and underdevelopment exemplifies the relations between capital and the state in a period of neoliberal economic reform. The AP state is a crucial agent in regulating, facilitating and augmenting the conditions for capital investment and growth in the education and IT manufacturing and services economy. Most importantly, the state through special directives, parastatal agencies, rezoning strategies, and infrastructural investment is involved in creating the 'built environment' to promote the productive capacities of specific

localized places. In his study of state reorganization in western Europe Brenner summarizes the changes in state functions in the neoliberal context:

In contrast to the Keynesian welfare national states of the post-war era, which attempted to equalize the distribution of population, industry and infrastructure across the national territory, the hallmark of glocalizing states is the project of *reconcentrating* the capacities for economic development within strategic subnational sites such as cities, city-regions and industrial districts, which are in turn to be positioned strategically within global and European economic flows. (2003, p. 198, emphasis in the original)

The AP state has engaged in a similar reorganization of space to consolidate and expand the IT and ITES economy and the labor market that this economy depends upon. Special economic zones (SEZs), 'software parks' (HITEC city being one of them) ringed by superfast highways, posh high rises, international schools, private hospitals, and shopping malls has created a city with a globally connected population proximate to the old city but socially and economically far removed from it. Urban restructuring related to housing, transportation and entertainment interlock with education and business activities to constitute a zone of production that is hitched to global economic trends and bypasses the local economy. The state has encouraged real-estate speculation in the peri-urban and rural areas surrounding the software parks through land auctions that attract national and foreign investors. Vast tracts of agricultural land have been sold to private developers at discounted rates near HITEC city that are free of zoning regulations related to the commercial, residential or industrial use of land. In addition to exemptions from labor laws, environmental clearances, and other special incentives, companies setting up their offices in these locations are also given additional land at reduced rates based on the number of employees they hire. To avail of the rebate, a minimum number of 100 employees must be hired. Many of these clearances, special rebates and incentives are automatically granted in an effort to minimize bureaucratic procedures. To meet specific skill demands in the ITES market, the AP state also set up a subsidized training facility in the area (Kennedy, 2007). Quite clearly, the state does not simply depend upon 'market forces' to unleash the productive capacities of the region, but is actively propelling and commanding the development of the economy in particular directions (Kennedy, 2007).

Further, in its efforts to attract global investment and business into the 'global city-region', the state leverages existing socio-political alliances to agglomerate capital and labor for the global city region, the prime source for which is coastal Andhra. For example, three of the most prominent real-estate and construction firms that are involved in building extensive office and residential complexes, and highways and transportation infrastructure are associated with members of parliament from coastal Andhra. This has also resulted in increased migration from coastal Andhra into Hyderabad and its peri-urban districts (Government of India, 2010). In 2008, the state redrew the boundaries of Hyderabad city to encompass peri-urban districts of Telangana into the city to form Greater Hyderabad governed by a new parastatal body, the Hyderabad Metropolitan Development Authority (see Figure 2).<sup>15</sup>

Responsible for 'planning, co-ordination, supervising, promoting and securing the planned development of the metropolitan region', the authority of the new agency supersedes institutions of democratic governance such as municipal

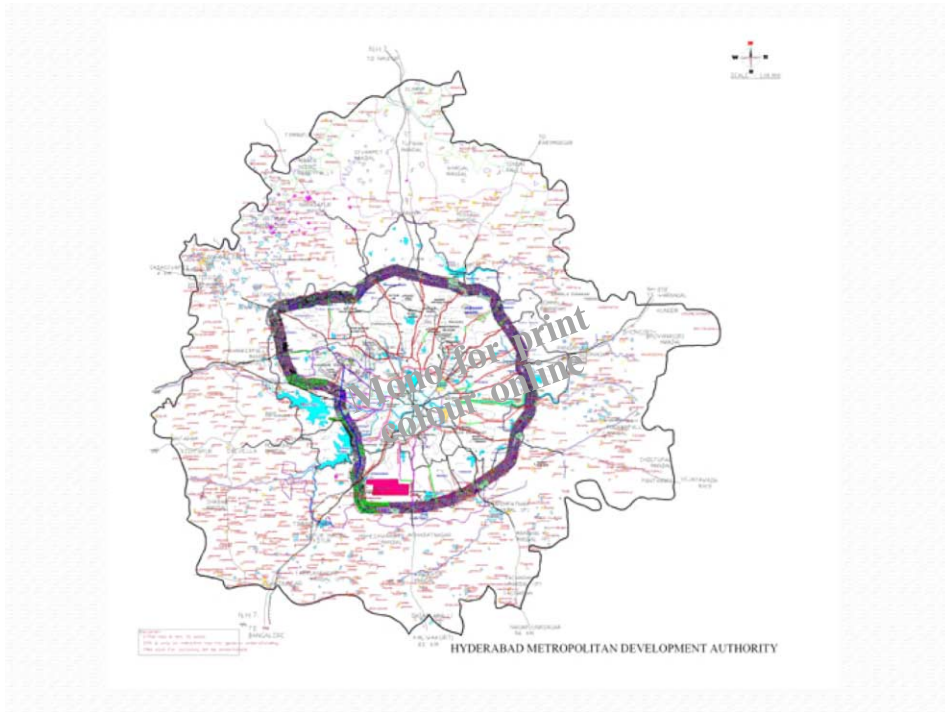


Figure 2. The map of Greater Hyderabad that includes districts outside Hyderabad city, reorganized as Greater Hyderabad governed by the Hyderabad Metropolitan Development Authority.

corporations, district-level state bodies and elected village councils ([www.hmda.gov.in](http://www.hmda.gov.in)).<sup>16</sup> Important here is that older administrative bodies are not dissolved but are repositioned within new institutional arrangements governed by conditionalities and incentives. Through state rescaling and reterritorialization of space the state is not simply adapting to a changing economy but is a strategic actor in determining the economic geography of the region (Brenner, 2003, 2004; Kennedy, 2007; Scott, Agnew, Soja, & Storper, 2001).

In the education sector, the shift toward a competition state is evident in the policy changes and new governance frameworks adopted by the state. For one, the state has pursued policies that blur the boundaries and differences between public and private institutions by cutting public expenditure, eliminating caps on tuition fees and requiring state institutions to augment their income through fee increases, 'flexible' hiring policies, and leasing university land to private companies.<sup>17</sup> The objective here is to foster entrepreneurship among public institutions and integrate public education with market demands. Consultative processes with faculty are circumvented and administrators have appropriated greater authority. The changes, some *de jure* and others *de facto*, undermine the broader educational mission of these institutions by introducing a corporate culture in the public sector and a closer alignment with market demands.<sup>18</sup> Thus without officially privatizing public universities, the state nevertheless is. The profitability of the extensive network of private engineering colleges and

training institutes are offered as justification for the state's initiatives in the public sector.

Hyderabad illustrates the socio-political and historical context that transitions the developmental state into a 'competition state' in which the state subordinates the welfare and developmental needs of its citizens in favor of the profitability of the corporate sector and political elites (Cerny, 1997). Ultimately, as the sovereign legal authority, the state is the most privileged institution to regulate, channel and coordinate capital and organize the economic geography of the region. Consequently, the neoliberal state becomes an agent for the commodification of social relations situated in a wider market-dominated field.

### **Neoliberal urbanism and struggle for the city**

The inauguration of a 'global city region' has visibly created two vastly different socio-economic regions and deepened class and other social contradictions in Telangana. Educational and other social infrastructure, economic investment and employment opportunities in areas outside of the global city region have deteriorated and have fomented tensions and unrest in the region. These contradictions and antagonisms have coalesced into a battle for Telangana that has gained significant momentum in the past one year. Important to note here is that students from the two state universities in Telangana, Osmania University and Kakatiya University, were the first to mobilize and reclaim the struggle for separate statehood for Telangana (Hyderabad Forum for Telangana, 2009; Janyala, 2009; 'Student JAC', 2010). The demand for a separate Telangana is a historic one and was first launched in 1969, a little over a decade after regional boundaries were redrawn to form the state of Andhra Pradesh. However, it is the state's project of neoliberal urbanism that has refocused discontent and opened old wounds about coastal Andhra's 'colonization' of Telangana.

The militant student protests shut down colleges and universities in the region for several months at a stretch, periodically shut down the city and has even led to student suicides. According to media reports, between November 2009 and February 2010, there were 60 suicides by young people in Telangana, many of them self-immolations (Government of India, 2010, p. 387).<sup>19</sup> The student deaths and continuing student protests have galvanized diverse cross-sections of society including farmers, unorganized workers, unions, school teachers and university faculty, and political parties to join the movement and bring the issue to the national stage. While the fundamental issues of the movement are access to quality and affordable education, jobs, livelihood security and basic amenities, the diverse constituencies of the movement have united on a common resolution of autonomy for Telangana as the only way to address the historical and ongoing educational and economic marginalization of the people of Telangana (Hyderabad Forum for Telangana, 2010; Kannabiran, Ramdas, Madhusudhan, Ashalatha, & Pavan Kumar, 2010; Venugopal, 2009). The struggle for a separate Telangana has been framed as usurpation of the region and its resources by 'outsiders' that has effectively excluded established residents of the region from participating in the economy or gaining access to the benefits of Hyderabad's economic growth. The movement redefines citizenship and entitlements on the basis of '*mulki*' (native or resident in Hyderabad Deccani language) that is not based on an identitarian politics of ethnicity, religion,

caste or language but is a broad category that refers to the distinctive socio-cultural identity and economic history of Telangana that existed prior to the formation of AP (Kannabiran et al., 2010; Rajamani, 2009).

The struggle for a separate Telangana is a clear and provocative challenge to the dynamics of socio-spatial restructuring that characterizes neoliberal reform in many urban regions of the world. As yet the movement has not explicitly framed their opposition as a resistance to neoliberalism; the term neoliberalism as such remains absent from the English-language publications of the movement and media presentations of the leadership. However, some segments of the student and political leadership explain that issues highlighted by the struggle are inextricably linked to the neoliberal model of development that the Indian state and regional elites have embraced, and the movement is a people's rejection of this model of development. Articulating the marginalization of Telangana not only in terms of social relations at the regional level (i.e. coastal Andhra elites) but understanding their systematic relation to global economic forces and neoliberal ideology is the task at hand, at least for some segments of the movement.<sup>20</sup>

The focus on inequities in education and the sustained participation of students in the Telangana struggle reflects the far-reaching impact of neoliberal restructuring in the education sector. The case of AP also shows that the decline of traditional economies and the rise of post-industrial information-based economies are having a significant impact on erstwhile developing regions of the world where agriculture has been the primary sector of the economy. Higher education, one that is narrowly specialized in the professional sciences and technology fields becomes the only foreseeable route to jobs and economic security. Educational institutions being largely controlled by coastal Andhra entrepreneurs, the struggle for independence from coastal Andhra resonates with the students from Telangana. However, the movement has yet to develop a critique that goes beyond caste politics to understand the interconnections between the education sector in AP and neoliberal globalization (Maringanti, 2010). The rudiments of such a critical analysis are present in the discourse of the student movement. The caste critique is deeply inflected with a class critique as students object to the commodification and corporatization of education that has not only enriched coastal Andhra and its investor class but promotes an education system that is disengaged from the interests and realities of most communities and classes in the region.

The contest at the moment has centered on Hyderabad as the hub of the 'knowledge economy' and has become the focal point for a regional/provincial struggle for resources, rights and entitlements that at its heart raises questions about democracy, development and equity in a globalized world.<sup>21</sup> While the movement is a prospective challenge to dominant neoliberal logic, it also portends contradictions of its own. In 1969, the identity of 'mulki' or resident was perhaps less problematic and easier to negotiate than it is today. A cultural politics of 'nativism' poses challenges for an interconnected world that is premised on the circulation, however unevenly, of people and resources across local, regional, national and international borders. A nativist movement also has reactionary tendencies as seen in the recent upsurge in anti-immigrant politics in western Europe and the USA and poses a challenge for progressive democratic movements. The struggle is ongoing and the outcomes are uncertain. That said, as an exemplar of 'actually existing neoliberalism', scholars and

activists have much to gain from paying close attention to the evolving conflict around education and the global city of Hyderabad.

## Notes

1. 'March 24<sup>th</sup>, 2000 will forever remain a red letter day in the 400 years history of Hyderabad as it is for the first time that an American President is on a visit to South India and Hyderabad has got the rare honor to have been considered in the itinerary of the American President' (<http://www.reachouthyderabad.com/clinton4.htm>). In 2002, Bill Gates' decision to visit Hyderabad and bypass Bangalore city, the other hub of the software industry, was also noted as Hyderabad's ascendant position in the global economy.
2. As a commentator on a technology web blog phrased it, 'The decision of Microsoft Corp to set up a software development centre, the first out of the USA has put the industry in euphoria' (see <http://www.microsoft.com/india/msidc/life/hyderabad.aspx>).
3. In this paper I limit my focus to developments in the higher education sector that have been most vital to the region's capture of the IT sector, though state and elite discourse on schools have also been significant to constituting neoliberal globalization as the new policy regime in Andhra Pradesh.
4. The structural adjustment program (SAP) of the World Bank and the International Monetary Fund imposed neoliberal policies on borrower nations as conditionalities in exchange for loans. Countries in Africa and Latin America were subject to structural adjustment in the 1980s, much earlier than India. Highly indebted countries had much less negotiating power than for instance India and the deleterious effects of neoliberal policies or SAP were apparent much earlier in these countries.
5. Kamma, Reddy and Raju are the three main middle caste (non-Brahmin) peasant groups dominant in coastal Andhra.
6. Rayalseema that lies to the south of the state is also disadvantaged and impoverished similar to Telangana and lags behind coastal Andhra in economic and educational infrastructure. For purposes of this paper, I shall focus on the conflict between coastal Andhra and Telangana that are more relevant to this research.
7. One of the earliest critiques of the Green Revolution and the harm it has done to the environment and to small farmers and cultivators can be found in Shiva (1989).
8. There are several studies of intermediate peasant caste groups in other parts of India that illustrate the articulation of caste and class. Well-known cases of class mobility using caste as a specific resource are the Patidars of Gujarat and the Jats of Punjab (see Breman, 1994; Jeffrey, Jeffery, & Jeffery, 2008). What distinguishes the coastal Andhra intermediate caste group is their purposeful shift into an urban professional and bureaucratic class rather than a business and trading class or investing in more land to become powerful feudal landlords. Instead securing professional education for their children and their community, largely a preserve of the Brahmins (upper caste), was an early strategy of the coastal Andhra peasant caste groups.
9. State policy allowed for three types of educational institutions at all levels: wholly public institutions that were state owned, aided institutions that received subsidies from the state and were established as non-profits, and wholly self-financed privately owned institutions that were also required to be non-profit. In the past three decades, the private sector has grown exponentially in comparison to aided institutions while the number of state institutions has been stagnant; 10% of professional colleges in AP are government or government-aided colleges. In the last two years, the national government has been trying to rapidly expand the public sector to be globally competitive.
10. Upadhyay (1988a) notes that well-off rural families from coastal Andhra would invariably invest in at least one family member's professional education in a nearby town or in the capital city. As a result, coastal Andhra families typically had more exposure to urban culture and the modern economy that also gave them cultural and political capital in the villages. Their social networks were also much more diverse and influential as a result of



the rural–urban connection. See Upadhyay (1988a) for a sociological history of coastal Andhra groups using Bourdieu's framework.

11. Accreditation also allowed these institutions to charge higher fees.
12. Dalit is a term for downtrodden, in the Hindu caste hierarchy the group that is designated as the lowest order of the caste hierarchy and therefore were regarded as 'untouchable'. Untouchability is illegal under the Indian constitution but atrocities and discrimination against dalits even within modern urban sectors of India remains a serious issue. An analogous comparison would be the persistence of institutional and other forms of racism against African Americans in the USA.
13. The neoliberal thesis that educational investment follows the job market and that Hyderabad is merely a case in point is untrue if one examines the education sector in coastal Andhra. Although primarily a rural economy with traditional industries of fishing, manufacturing and trade, coastal Andhra has very favorable indices on educational infrastructure, quality and achievement, on a par with and in certain instances even better than the capital region of Hyderabad. The state aid budget for education is significantly higher for coastal Andhra than for Telangana and government schools are far more desirable compared to those in the capital region of Hyderabad (Government of India, 2010; Save the Children, 2007).
14. From 2004 to 2005, there were 663 suicides by farmers and weavers in Telangana, 231 in Rayalseema and 174 in coastal Andhra (Government of India, 2010, p. 366). From 1997 to 2007, the period of neoliberal economic reform, farmer suicides reached epidemic proportions in several states in India, the highest numbers have been in Maharashtra followed by AP, Karnataka, Punjab and Kerala (Patel, 2007; Sainath, 2010).
15. Hyderabad metropolitan region is 7,100 km<sup>2</sup>. For a sense of the size and scope of the expansion of the city, the new metropolitan region of Greater Hyderabad is now the size of Goa, a state famous for its beaches and foreign tourists. Greater Hyderabad now is larger than Mumbai, Bangalore and Chennai put together (Government of India, 2010).
16. See [www.hmda.gov.in](http://www.hmda.gov.in).
17. There were recent protests by faculty and students against the Vice Chancellor of Hyderabad Central University on the proposed lease of university land to multinationals ('Staff, Students Protest', 2010).
18. In the postcolonial context, the mission of state universities was explicitly to equalize educational opportunities, contribute to national development and strengthen participatory citizenship, all of which were considered fundamental elements for a robust democracy.
19. Estimates of total number of suicides for a separate Telangana are 313, of which 60 were between the ages of 18 and 25. See the Sri Krishna Report (Government of India, 2010, p. 387).
20. Author's interview with Professor Kodandram Rao, President of the Telangana Political Joint Action Committee, Hyderabad, 27 December 2010. Also author interview with two members of the Student Joint Action Committee, Osmania University, Hyderabad, 5 January 2011. The decentralized nature of the movement in its current phase where different groups are self-organizing as Joint Action Committees that are non-party political action groups across diverse ideological lines and that are autonomous from the political party for an independent Telangana suggests that there may be diverse tendencies in the movement. It is too soon therefore to say whether a unified challenge to neoliberalism will emerge as a focal point of the movement, though the possibility cannot be dismissed.
21. In response to the growing political movement for a separate Telangana, the national government instituted a special committee chaired by retired Justice Sri Krishna to examine the claims of uneven development, discrimination and distinct culture, and provide its recommendations. The special committee released a detailed and exhaustive report on 5 January 2011 but did not propose any definite resolution to the demand for state autonomy. While the movement continues, the government of Andhra Pradesh has yet to yield a considered response to the report or the issues raised by the movement.

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