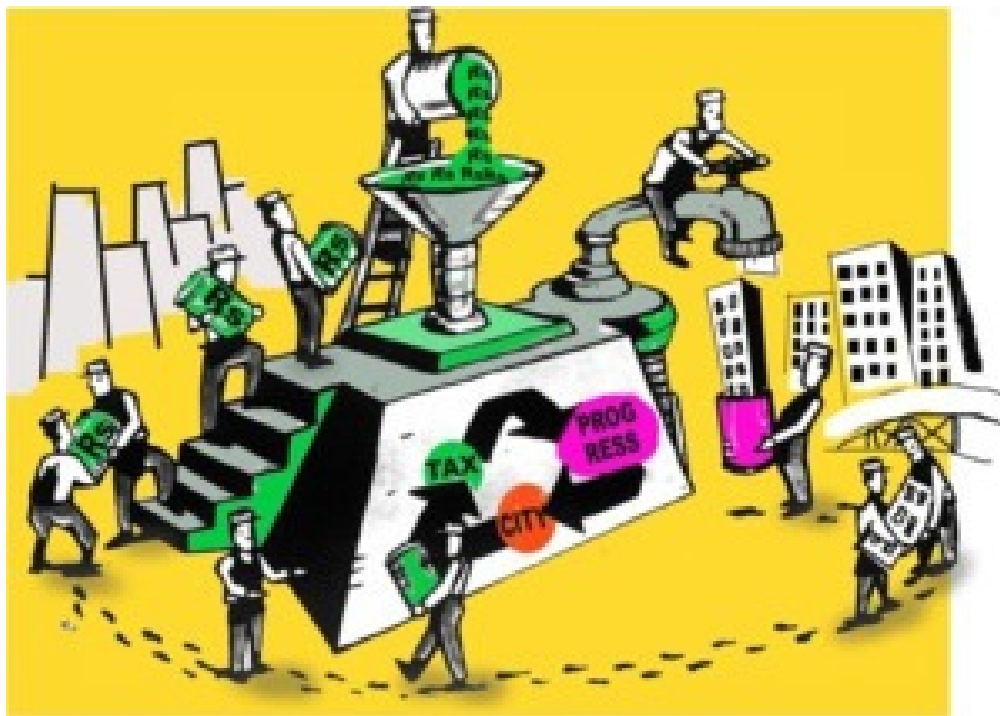


# A New, Urban India

*A National Strategy for Promoting and Managing Urbanisation*



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## Background

In 2011, the percentage of people living in cities around the world crossed the 50% mark, and that number is still rising. While India is farther back along this transformation than many other countries, the same trend is evident here too. The urban population of the country is growing by an estimated 15 million each year, and by 2040, India will be home to the world's largest urban population. *Already, nearly all of the net addition to the population of India annually is now occurring in cities.*

While this overall direction of this change is amply evident, there are important variations to be noted. The rising population in urban areas includes three distinct patterns – one, the addition of numbers to existing cities; two, the urbanisation of older, rural settlements; and three, large urban projects situated in panchayat areas, isolated from their immediate physical and administrative surroundings. Each of these presents a different set of challenges, but uniformly across these scenarios, it is true that the growth is unguided, and that the machinery of planning and administration is not keeping pace with the rapidity of the transformation.

It is vitally important now to anchor this changing landscape in a new framework for governance, economic growth and citizenship. This is especially critical because ad hoc responses to the rapid, ongoing urbanisation have tended to focus on preserving economic growth, at the cost of governance, ecology and equity. Success on the economic front has been accompanied by rising inequality, with chunks of the population priced out of access to housing, education, healthcare and much more. Even among better-off sections of urban populations, there is angst that city governments are not responding adequately to their social and economic needs. The great outpouring of higher expectations from political leadership in the last few years has been almost entirely an urban phenomenon. The strain on the urban environment too has been great, as evident from the rapid loss of green cover to the seemingly endless sprawl of urban areas.

Arresting, and even reversing these negative aspects of urbanisation without putting economic development in cities at risk is the key challenge before us. The future will be increasingly urban, and while that presents great new opportunities, it also places new demands upon us to improve the way we plan, create, govern, manage, and sustain this new urban India.

## **Governance and Law**

Although Indian history includes some of the earliest cities settled by humans, in our imagination of post-independence India, the city was an after-thought. India, we believed from Gandhiji's famous words, 'lives in its villages'. And while a new thrust on industrialization in the 1950s and 60s clearly paved a path away from rural areas, these remained the exception to our understanding of the nation as a whole. Coupled to this, an over-arching focus on centralized authority kept local governance firmly within the ambit of the State and Union governments, and stifled the emergence of local stewardship of urban areas. The legacies of these origins persist even today.

It was only in the early 1990s, nearly a half century after we became a self-governing nation that the first broad strokes for urban governance began to be developed. The anchor legislation to steer this new course was the 74<sup>th</sup> Constitutional Amendment Act, which envisaged three new directions for the future of cities. First, the planning of cities was to be statutory and regional, encompassing the full spectrum of social and economic development goals that are vital to urban areas. Second, urban local bodies would be strengthened, and an increasing number of functions were to be transferred from State governments to the ULBs. And third, public participation in the governance of cities was to be strengthened through the formation of empowered ward committees of citizens themselves.

The majority of these goals have remained on paper, even two decades after the passage of the 74<sup>th</sup> CAA. Metropolitan planning bodies and district urban planning committees are either yet to be established, or function only to a limited degree, in most parts of the

country. State legislators and governments have resisted the transfer of functions and powers to local bodies. And citizens' participation in decision-making remains weak. Even the Jawaharlal Nehru National Urban Renewal Mission, ostensibly established by the Centre to advance the goals of the 74<sup>th</sup> CAA, failed to make a significant change in this reality.

The reasons for this can be traced quite clearly to political realities. The shift of populations from rural to urban areas should, in the Constitutional course of things, be accompanied by decadal delimitation of electoral constituencies to the state Assemblies and to Parliament. However, in the 1970s, responding to wide differences in the rates of population growth between the more socio-economically advanced States and the others, the decadal delimitation of constituencies was frozen for 30 years, by the 42<sup>nd</sup> Constitutional Amendment Act, and representation from the States to Parliament, and from areas within States to their respective Assemblies, were based on the Census of 1971.

That legislation had a life of 30 years, and by the time it expired, a large skew in representation between urban and rural areas was apparent. It was evident that seats in elected Houses of the People would need to be redistributed to correct this, but some of the political realities that had necessitated the 74<sup>th</sup> CAA in the first place still remained. As a compromise, new amendments to the Constitution in the early 2000s retained the same total number of Parliamentary seats as before in each State, but authorized redrawing of the boundaries of parliamentary and state legislative electoral constituencies based on newer Census data, from 2001.

This has resulted a rise in the number of representatives to State Assemblies and Parliament from urban areas, but brought with it a higher degree of attention to the challenges faced by these regions. However, even the new Constitutional Amendments do not go far enough. Further delimitation of the boundaries of electoral constituencies is not proposed to be taken up until after 2026, by which another 200 million more Indians

would be added to urban areas without any revision in the representation from these areas in legislative bodies.

#### **RECOMMENDATIONS -**

- **To ensure that the 74<sup>th</sup> CAA is implemented in letter and spirit, the reforms mandated in the amendment, which were subsequently reiterated in the JNNURM, must be carried out. Statutory Metropolitan Planning Committees must be established for all large urban agglomerations. A greater number of functions pertaining to municipal public services must be brought within the purview of ULBs. And citizens' rights to participate in local governance must be strengthened through functioning ward committees.**
- **To ensure that the urbanisation of the country is mirrored by the political system, decadal delimitation of electoral constituency boundaries within States must be reintroduced. A permanent, statutory Delimitation Commission tasked with carrying out this activity in a timely manner after each decadal Census based on spatial demographic data is needed to be established urgently.**

Governance of ULBs has also been further undermined by the fact in many states, the schedule of elections to these local bodies has itself not been adhered to. There have been numerous delays in holding elections to municipal councils and corporations, and the regularity with which the national Election Commission holds elections to state legislatures and Parliament is missing from elections to local bodies. Partly, this is because, in many States the authority for holding local elections is with the State Election Commissions, and these have not been sufficiently independent of political interference to ensure regular elections to local councils.

An oft-cited reason for the delay in holding elections is that delimitation of wards within municipal jurisdictions according to the provisions of the 74th CAA and other laws are not carried out in a timely manner. But the State governments themselves bear primary responsibility for this inaction too. While the courts have begun to express their displeasure over delays in holding elections to local bodies, there is need for a much stronger foundation for the conduct of elections in ULBs (and also in panchayats in rural areas, for very similar reasons).

## **RECOMMENDATION**

- **The conduct of elections to local bodies must be carried out within the powers of the national Election Commission, and subject to the authority and stewardship of that constitutional body. State Election Commissions must not be reliant on actions by the State government to conduct elections. To this end, delimitation of electoral boundaries in municipal areas should also be within the ambit of the Delimitation Commission (proposed above), whose responsibility it shall be to ensure that all delimitation needed for the conduct of any local election is completed at least six months prior to the date when such elections are to be held.**

The governance deficit in urban areas has also resulted from a weakness in defining them properly. What is a town, or a city? When does an area cease to become rural, and instead become 'municipal'?

The municipalisation of new areas is based on the assumption that villages gradually and organically grow into larger and larger settlements. Accordingly, at a certain threshold of population, they are designated 'urban' areas and begin to be governed accordingly, instead of under the rural framework. While this assumption may once have held some meaning, it is clearly no longer valid.

Throughout the country, the urban form today includes a mix of three demographic realities – the continuing densification of old urban areas, an ad hoc mix of urban and rural settlement in areas near the periphery of cities, and large new developments put up by developers for thousands of new residents in apparently urban settings situated within the middle of panchayat areas. These settlements inhabit a no-mans-land of governance, being neither integrated into the panchayati raj system, nor established as new 'municipal' areas. Of these, only the first fits even partially within the existing logic of urban governance. The other two (peri-urban growth, and townships in rural settings) need new attention.

Current laws on municipalisation are also skewed to dilute elected representation as cities grow in population. Whereas small town councils have councillors who each represent between 3000 and 5000 voters, and councillors in tier 2 cities represent 5000-10,000 voters each, in major cities each ward may contain 30,000 or more voters. In extreme cases (such as in fast-growing peri-urban areas) a ward may even contain 60,000+ voters.

This problem is particularly acute in States where, rather than create new ULBs in peri-urban areas, State governments have preferred to expand existing cities in size. Ironically, over time those same governments come to realise that constant expansion of existing ULBs is undesirable, and seek to break them up into smaller units. But in the interim, a period of avoidable reduction in governance is endured.

It may also be prudent, in the light of lessons from cycles of expansion and reduction in ULBs areas, to ask whether the size of each municipal body should be capped at a certain figure, to ensure it can be governed effectively. Large cities in many countries around the world are in fact collections of several local councils, each responsible for a tight geographic area, with larger planning powers for the mega-region itself left to a planning body similar to the Metropolitan Planning Committees envisaged in the 74th CAA.

## **RECOMMENDATIONS**

- **Delimitation and municipalisation must be seen as twin faces of the same challenge – to constantly define and delineate urban areas for effective governance. The Delimitation Commission, at the State level, should also be responsible for municipalizing new areas, and either integrating them into existing urban centres, or establishing new towns and cities.**
- **A National Policy on Municipalisation may be adopted by which the maximum population of a municipal area is specified, and larger areas are converted into an agglomeration of several ULBs. An appropriate maximum threshold for urban representation (say, 10,000 voters per ward) may also be set as part of this policy, to guide municipalisation.**
- **The establishment of large urban settlements in wholly rural areas governed by panchayats must be discouraged (except if entire new cities are planned in this way – see later section). This must be replaced by concentrating new developments in areas adjacent to existing urban settlements to aid their effective municipalisation and governance.**

While a number of reforms can be introduced within the framework of the 74th CAA, several other changes will require a relook at the constitutional provisions and the laws governing urban governance. The CAA certainly introduced a higher degree of attention to urban governance, but it was also enacted at a time when urbanisation had not quite gathered the pace that it now has, and a second attempt at steering the growth of cities and towns is now needed.

There is a great deal of divergence within the country in the manner in which city Mayors and Presidents are selected, and the terms that they serve in office. While a few cities have directly elected Mayors who serve a full five-year term, others have Mayors who are elected in-council by their colleagues in the Council, and serve one year at a time. The reservation of these and other posts also calls for continuous changes in the



leadership of cities, which inhibits the ability of emerging politicians in local government to make a name for themselves - a route that is common throughout the world.

It is also worth examining whether the terms of office of local councils should be as long as that of State governments and the national Parliament. Given the rapidity with which things can change in local areas, it may be prudent to have shorter terms that give voters more frequent opportunities to steer the course of their cities.

Another area that needs more precise guiding is citizen participation in governance. The 74th CAA envisaged citizens' committees in each ward working closely with the elected corporator to address civic issues. But this promise remains entirely unfulfilled. Most city councils have been reluctant even to establish ward committees, and in this the State governments have tacitly supported them. In the few cases courts have intervened to force the establishment of WCs, but even in such cases their functioning has been a sham. States have also interpreted the language of the 74th CAA to mean that WC members can be selected rather than elected, which has allowed the status quo to prevail.

#### **RECOMMENDATIONS HERE**

- **Mayors and Presidents of municipal bodies should be directly elected by all citizens in their jurisdictions. Each elected leader should appoint a city cabinet drawn partially from members of the councils, and partly chosen by them. The composition of this Cabinet should be guided by the reservation provisions of the 74<sup>th</sup> CAA.**
- **The terms of city councils and their leaders may be reduced to three years.**
- **Elections to ward committees should be held simultaneously with the elections to the city councils themselves. A fixed number of people from different parts of each ward may be elected to each committee, and the**

**elected councillor may subsequently nominate women and members from under-represented communities if necessary.**

In multi-municipal areas, including the regions around the metros, it has thus far been the practice of Chief Ministers to appoint themselves the heads of the MPCs. This is incorrect. Metropolitan governance should be seen a distinct layer, separate from the State and local governments, and not as an extension of the charges of state leadership. Also, the primary metropolitan-level role is 'planning', which many large cities around the world have realised. It may be necessary to bring these distinctions about in law explicitly, to set MPCs on an independent course.

Planning in Tier 2, 3, and 4 cities has also been impacted for a similar reason. These cities and towns are typically surrounded by extensive rural areas. As a result, planning for such urban areas must be carried out with a district-level focus that integrates planning for urban and rural development. But in the existing governance arrangement, this is not the case. The focus of zilla parishads is on challenges faced by rural areas in the districts. There is no district-level planning of urban areas whatsoever, and it is left to a heavily over-burdened District Commissioners to do what little they can for small towns and cities. A new planning arrangement for these secondary urban areas in each State is also needed.

## **RECOMMENDATIONS HERE**

- **The Metropolitan Planning Committees should be led by a directly elected Planning Mayor for the entire region, who will serve for a period of four years. The elected members of the MPCs may be drawn from among the Mayors and/or Standing Committee chairs of the municipal bodies within the metropolitan region.**

- **District Urban Planning Committees should be established for all districts. These should be led by elected District Mayors to lead the planning function for their respective districts. A council of the DUPC may also be constituted, with members drawn from the Mayors, Presidents and chairs of Standing Committees of the urban areas within the district, as well as from experts.**
- **A joint-planning mechanism for formal integration of plans made by ZPs and DUPCs needs to be evolved, to ensure that rural and urban planning and development in the districts go hand-in-hand.**

The work of planning agencies has also been seriously compromised by their involvement in the implementation of their own plans, which has eliminated the opportunity for checks and balances upon their work. Development Authorities in metropolitan areas are also responsible for infrastructure development, and for housing development. A separation of the planning and non-planning roles is urgently needed.

This could be all the more beneficial because infrastructure development itself is distributed across multiple agencies (the municipality, the water board, the electricity distributor, the planning authority, PWD, and many others), and a consolidation of infrastructure development competence is also needed. This would also ensure tighter coordination of infrastructure development, whereas in the current situation the work of one agency is often undermined by the work of another.

## **RECOMMENDATION**

- **For all metropolitan areas, an Infrastructure Development Authority shall be constituted, as Special Purpose Vehicles dedicated to establishing standards for infrastructure in all sectors - roads, water, sanitation, etc. - and for either itself developing or overseeing the establishment of infrastructure proposed by planning authorities**

- **The planning powers of local planning authorities in urban regions shall be transferred either to the MPCs / DUPCs (depending on the size of the urban area) for master planning purposes, and to the municipalities themselves for action within their jurisdictions.**

A consequence of State governments' overbearing influence in municipal and metropolitan issues is on relations between local bodies. Today, even adjoining local bodies (whether urban or rural) do not interact formally with each other, but only do so with the State government as an intermediary. In the process, the State has also not been even-handed in its dealings with local bodies, often favouring one at the cost of another. This is most evident in municipal waste management arrangements, for example, where waste from urban local bodies is often allowed to be dumped in villages outside the municipal boundary without the formal consent of the panchayat in the rural area. Such asymmetry needs to be overcome, to achieve two goals – one, to prevent abuse of economic and political imbalances between local bodies, and two, to strengthen their own capacities to engage with each other in formal arrangements.

## **RECOMMENDATION**

- **A new framework for formal relations between local bodies must be established, ideally through the enactment of a new law governing such relations. This legislation must, as envisioned in the 73<sup>rd</sup> and 74<sup>th</sup> CAAs, respect the autonomy of local bodies, and specifically remove the State or Central government's ability to intermedicate between them.**

A significant flaw in the laws governing urban governance is that they treat highly dissimilar urban settlements uniformly. A megalopolis of 10 million or more citizens is very different from a town of 60,000 people, and similarity of governance mechanisms between the two are unworkable. For the largest cities at least, a city-specific framework

for governance must be established which recognizes the distinction between these urban areas and others, and brings together the legislative focus needed to tackle complex social and economic challenges that are unique to such large population clusters. Recently the Central government has looked into the specific situation of megacity regions, and put together a number of recommendations. The Karnataka government had also developed draft legislation (Bangalore Metropolitan Region Governance Bill) in 2010, but it was not introduced in the Assembly.

## **RECOMMENDATION**

- **A model national law for megacity governance needs to be drafted, which could then be taken up by the States for passage, with suitable changes as needed, to govern large metropolitan areas.**

The administration of cities is limited significantly by the amount of money available to carry out urban functions, especially the delivery of public services. It is estimated that every large State would require an additional amount of at least Rs.100,000 crores over the next 10 years to fully fund its urban development, and such a large deficit cannot be left unattended. ULBs could also be more efficient in their collection of tax revenues due to them, and in looking for innovative methods of financing their development, but the bulk of the problem is outside their control.

There are two reasons for the financial difficulties that most ULBs find themselves in. One, Union and State governments have not sufficiently devolved finances to urban local bodies to help them meet the financial costs of managing their growth. While there have been a few Centrally Sponsored Schemes for urban development, and occasional allocations of money for specific projects, these have come nowhere near the levels needed for sustainable financing of urban areas. Such funds have also been unpredictable in their availability, and often focused on a select few cities, whereas what is needed is a steady flow of reliable money to all urban areas.

Some of the responsibility for reliable devolution of finances rests with the statutory Finance Commissions at the Central and State levels, but transfers enabled by these bodies have also not kept pace with the rapidity of urbanisation and the resultant needs for large amounts of money to manage it.

The second reason for a deficit of municipal finances is the misalignment between the need for development expenditure at the local level, and the accrual of tax revenues to local bodies. A very large part of the tax revenue from growth in urban areas accrues to State and Central governments, rather than to ULBs. Even taxes that are directly attributable to local economic activity (such as vehicle registration, profession taxes, fuel taxes, stamp duties on property sales, etc.) are added to the funds of State and Central governments. These need to be redirected to ULBs to help them meet the costs of their growth. Such redirection of local tax revenues would also incentivize cities to try to grow, whereas now any growth results only in financial burdens to ULBs but very little additional revenues.

## **RECOMMENDATIONS**

- **A very large increase is needed in the proportion of tax revenues that accrues to ULBs. Through a combination of higher allocations from the Central and State Finance Commissions, and guaranteed devolutions of additional funds besides these, it must be ensured that each ULB receives Rs.6000 per resident in additional, untied funds. State governments may choose to devolve some of these funds to Development Authorities for infrastructure development, but even in such cases, the funds must be assured annually.**
- **Tax revenues that are directly attributable to the growth of local areas must accrue either fully or substantially to ULBs. A list of revenue sources to which ULBs may be entitled in this manner should be drawn up urgently.**

The different challenges to managing urbanisation that have been identified thus far, as well as several others we will see in the next section, all point to the need for continuous attention on urbanisation. Such attention could have helped avoid some of the mistakes that have led to the current situation. Going forward, we must be more alert.

The urbanisation of the nation will dramatically reshape India, and many of the contours that will emerge from it are only now beginning to be understood. It will also be necessary to periodically revisit the choices made in law, policy, programs, etc. and revise them where necessary. To guide the country through this phase for the next 20 years, when the bulk of the changes will take place, it is important to have a national body with the mandate to steer the changes taking place, ensure that we grasp the opportunities that arise and avoid the pitfalls along the way.

## **RECOMMENDATION**

**A National Urbanisation Commission must be established to periodically review the changes taking place in cities and towns across India, and to suggest revisions for new courses as and when they are needed. Ideally, each large State should establish a State Urbanisation Council as well, whose work will complement that of the NUC, and help accelerate positive changes. The State Commissions should take the place of the State Town Planning Boards, and hold a more comprehensive mandate suitable to the development of policy as well as oversight of implementation.**

## **Planning and Implementation**

The rapidity of social and economic change in urban areas has been clearly evident. Ideally, the government's capacity to govern and manage this growth should have kept pace with the changes themselves. Unfortunately, the road travelled so far has been very different.

In the absence of a robust framework for governance of urban areas, planning and administration too have suffered. The shortcomings have been on numerous fronts - town planning, zoning, urban design, manpower, failure to integrate different sectors, political interference, and much more. These have combined to undermine the Regional Plans for the metropolitan regions, as well as the Master Plans of all cities and towns. These are mandated by law, and form the basis for much of the physical developments in urban spaces, but in their current state they have become instruments that erode urban livability and economic competitiveness, rather than promoting them.

Urban planning in India, anchored by town and country planning laws, has become a procedural matter. Different agencies of the State governments carry out different functions, and it is presumed that the very existence of a State government will ensure coherence between the different plans. That has certainly not been the case so far. Indeed, the failure to coordinate the work of different agencies and departments is so evident that it is widely understood by the public itself as one of the big failures of administration.

But while it is true that departments operate in silos, there is a deeper, structural reason for the lack of coordination that is apparent on a day-to-day basis. The ideal planning process should be comprehensive in scope, flexible to accommodate changes when necessary, follow a predictable time-table of development, and clarify both the role of the state and the role of private persons in ensuring adherence to the plan. But this is only possible when several aspects of planning receive clear attention - what should be done, how, when, where, why, and by whom? Without guidance on each of these fronts, plans will inevitably fail, and that is the difficulty we now confront.

Urban planning by statutory bodies has almost entirely focused on land use. Everywhere in the country, Local Planning Authorities regularly draw up zoning regulations for land within their jurisdiction, and publish these along with tables fixing floor space indices (FSI) for each type of use. This kind of planning has now come to be recognised around the world as 'edifice error', where the built form of the city is assumed to be the most



important aspect of its development. Urban thinkers now recognise that master planning should be much more comprehensive, addressing all of the inputs needed to create and sustain vibrant cities.

Town planning laws in the country in fact mandate that Planning Authorities should develop roadmaps for social infrastructure, public amenities, economic development, and much more. However, this has been interpreted by government planners in a very narrow way. They merely designate the different parts of their jurisdiction where schools, parks, playgrounds, businesses, hospitals, and other establishments are permitted to come up. The assumption is that 'all that is permitted will happen' and 'only that which is permitted will happen'. Both of these have proven wrong.

Partly, this is because planning documents are often silent on the specific deficits that are sought to be filled by the Plan. Therefore, there is a high risk that much of what is proposed in the Plan may only help close past gaps in development, and that future needs for infrastructure, public services, amenities, etc. remain unaddressed. The most important aspect of urban planning, going forward, has to be to ensure that both goals are achieved - i.e. the proposed plans for infrastructure as well as social and economic development help overcome current deficits, and also meet future needs.

The temporal element to planning has been another point of failure in urban planning. Far too often, we find that areas are developed without the necessary infrastructure to support them. This happens because master plans do not provide adequate guidance on the order which proposed developments should take place. As a result, many of the intended benefits of planning never materialise. To avoid this, a sequence of mandatory steps must be established in Master Plans that would guide development from start to finish, ensuring that each step is taken only when all the necessary pre-conditions for it are met.

In developing such an approach it is important to appreciate one other factor. The planning framework in use today attempts to regulate, even coerce land use by the private sector, but is reluctant to enforce the contours of planning on government agencies and

departments. But development outcomes depend keenly on collaborative and coherent action between government and non-government role-players. Exempting the government from its own planning betrays a lack of confidence among planners in their own actions, and this practice must be ended.

Another failure of the planning process has been the lack of attention to funding. While a number of development initiatives are proposed in any plan, invariably the plan is notified without an identified source of funds for it, or even a mechanism for funding the proposals. This is an incomplete exercise; plans can only be distinguished from mere wish-lists when a realistic strategy for their financing is also in place.

## **RECOMMENDATIONS**

- **A comprehensive revision of the Master Planning process followed in cities is needed. At a minimum, this revision should include the following:**
  - (a) **The data upon which Regional Plans for urban agglomerations are developed must be recent, i.e. no more than 12 months old. The Master Plan for each city within the region must be completed within 6 months of the Regional Plan.**
  - (b) **The Master Plan must be immediately followed by Town Planning schemes for each planning district / neighbourhood, and this exercise must be completed within 3 months. The Master Plan and the Town Planning Schemes must be notified together.**
  - (c) **The Master Plan must include a financial proposal for funding the developments identified in the Plan. A comprehensive blueprint for infrastructure needs of each city needs to be developed (a template is available from the work of the Karnataka Infrastructure Group), and a financing strategy for this needs to be developed. This could leverage**

**development controls as well as anticipated future tax revenues as new sources of funds for urban development.**

- (d) Given the speed of urbanisation, the frequency of notified plans should also be correspondingly higher. Plans should also be flexible, and permit changes that are found to be necessary along the way. Regional Plans may be for a period of 7-8 years, and Master Plans must include year-wise proposals for the development of infrastructure.**

Master planning must also constantly review the use of public lands that we allocated in the past to government institutions. This has become a constraint to city planning in many urban areas. The large campuses of several PSUs were located 'outside' the city several decades ago, but are now part of the urban agglomeration. Many have become defunct today. Similarly, national defense infrastructure needs today are very different from those of the times during which they were established. We must be able to revisit these decisions, especially to ensure the integration of such lands with the rest of city planning.

## **RECOMMENDATION**

- **The blanket ban on applying land acquisition procedures to properties of the Central government must be lifted. At the very least entities that function as commercial enterprises, as well as housing societies of the Central government and PSUs must be on par with other lands in the city, and planning authorities must be able to rezone them as needed.**

In addition to these macro reforms needed in the planning process, we must learn vital lessons learned from observations of urban development in the last two decades. A number of changes are needed to ensure that the form and function of towns and cities emerge as envisaged in plans. These are listed below.

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Although master planning is intended to address the challenges of urban transformation on a city-wide scale, we find that in practice, development takes place ‘property-by-property’. This leads to long delays in the realization of fully developed neighbourhoods, and also significant inconvenience and incoherence of design on each street. What is needed instead is the development of entire, compact blocks of land in built form.

## **RECOMMENDATIONS**

- **Land must not be developed in small parcels. Instead, a minimum of 25 acres at a time must be developed in reasonably sized projects where coherence of design can be achieved.**
- **The practice of allotting ‘sites’ in ‘layouts’ must be replaced with the allotment of fully built homes in communities, supported by other infrastructure.**

Although Town and Country Planning Acts in the States provide road-maps for the development of urban areas, the provisions of these laws have often been overlooked. In almost every large city, there are large swathes of unplanned developments. This has been compounded by the fact that in many states, there has been no attempt to steer urban development using the provisions of the Act, except to notify land use. Many states also face the dilemma of ‘regularising’ unplanned development on a vast scale, because they fear that violation of law has become too widespread to be properly dealt with.

But in fact the opposite is true. In some states, notably Gujarat, it has been proven that the use of the TCP Act has helped improve infrastructure in urban areas, and is also effective

in curtailing unregulated development to some degree. The lessons from this must be adopted more widely.

#### **RECOMMENDATION**

- **Town Planning Acts must be used to distinguish between planned and unplanned areas. Only those areas for which TP schemes have been carried out under the Acts may be considered suitably developed for intense use, and land use restrictions on other areas must be severe enough that land-owners themselves will seek development through TP schemes rather than outside the framework of law.**

Master Plans often envisage how an area should be developed over the term of the Plan, but are silent on when during the term different components of infrastructure must be developed. Master Plans also appear to regulate private land development significantly, but do not oblige governments to undertake parallel development of public infrastructure. An unfortunate consequence of this is suppression of economic activity – as private development of land is inhibited by uncertainty about the development of public infrastructure. This in turn leads to incoherent development in many areas.

#### **RECOMMENDATION**

- **Master Plans must include year-wise goals for the development of public infrastructure. Governments must be obliged to fund these, failing which related constraints on private land use must be relaxed. In particular, when land is acquired for public infrastructure, either the proposed work must be completed within a specified time, or the acquisition must lapse.**

Zoning regulations created as part of Master Plans are silent on the carrying capacity of the lands being zoned. While macro projections are made for anticipated population growth in urban areas, we need much more than that. The resources to support permitted development in an area must be tightly linked with the development itself. Too many cities are struggling with lack of water, waste management capacity, or lack of transport options even in areas where the development that has taken place is perfectly legal. This is especially true of late, with large development coming up outside major cities. Many of these are ostensibly 'self-contained' but in fact lack access to many basic services.

## **RECOMMENDATION**

- **For each new area proposed to be urbanized, there must be measures of carrying capacity linked to the transformation, and a chronological order in which development takes place. The water supply, waste management, power, and other public services needed to sustain the area must be in place *before* the development of homes and offices. The allocation of land for schools, colleges, and other amenities must also precede housing development. There must also be development controls in place, linked to provision of basic services, which limit development beyond the carrying capacity of the area.**

There is a striking lack of coherence in the design of our cities. Roads, footpaths, bridges, flyovers, under-passes, junctions, signals, and many other visible infrastructure elements vary widely from project to project. There is a corresponding variation in cost of projects as well. As if that were not bad enough, a lot of the infrastructure also does not work coherently. Road heights at junctions are different, footpaths are rarely continuous, pipes and wires often interfere with roads and bridges, and so on. Invariably, these are built by different agencies of the government, which work in silos, increasing the risk of interference with each other's work.

Apart from this, non-standard design is itself an impediment to good use of urban areas. Cities have long understood this. To maintain a degree of control over the form of the city, and to ensure that different pieces of public infrastructure all work properly together, it is necessary to have design manuals for cities which specify the designs of each element. Every project that is carried out must incorporate these design elements.

## **RECOMMENDATIONS**

- **Urban areas must constitute Infrastructure Development Authorities for the establishment of physical infrastructure. The existing LPAs can be converted into IDAs, especially as the planning powers of the LPAs are being transferred to MPCs and DUPCs, leaving them with little else to do.**

**These IDAs should be responsible for the creation of all infrastructure needed for the city – for transport, water supply, sanitation, and other areas. These IDAs may be established as special purpose para-statal that will execute the works listed in the Master Plans. Such concentration of infrastructure development capacity in single agencies in urban areas will also help build competence for construction technologies within government, whereas now nearly everything, including the knowledge capital needed for projects, is outsourced.**

- **There must be an Urban Infrastructure Design Manual that is maintained as a permanent document by the IDAs and the municipalities. Variations for form may not be permitted, except to enhance urban design, and ensuring that anything new that is built is fully compatible with infrastructure that is already developed.**

Nearly all of the focus in planning is on development of physical infrastructure, and on

regulating land use. This is no doubt important, but it is by no means enough. Around the world, cities have understood that good physical infrastructure is a minimum requirement for development, and not itself sufficient to ensure growth. What is more vital, is a focus on economic development – which creates good jobs, accessible to a broad cross-section of the population, and which in turn ensures that the resources needed to establish and maintain physical infrastructure are available. In fact this is what city mayors around the world focus on, whereas in India we are yet to grasp the importance of leading with an economic thrust.

## **RECOMMENDATION**

- **Every MPC in the large cities and DUPC in the districts should include within itself an Economic Development Authority, whose job it shall be to develop economic plans for their jurisdiction – focusing on competitiveness, job creation, skilling, and other aspects. The Regional Plans and Master Plans should be guided by the EDA’s vision as well.**

Cities are places to live, as well as to work. And citizens want seamless integration between their working lives and their personal choices. This is only possible if the physical spaces in which people live and work, and the infrastructure that connects them are imagined and planned together. City planning in India, however, does not recognise the need for this integration. As a result we have separate departments of Urban Development, Housing, Transport, Information Technology, and so on, and each of these departments make their own, independent plans that never meet. Also, regulations in each of the related domains should be tightly linked, so that cities can use multiple regulatory instruments to achieve their objectives.

A few cities around the world have recognised the error of this approach, and forged tighter working relationships between the different departments that impact urban development. We need to do the same.



## RECOMMENDATION

- **The Departments of Urban Development and Housing should be merged, both at the Central and State levels. Urban transport should be tightly integrated with land use in cities, and a common framework for planning should emerge which addresses the close relationship between workplaces and homes.**
- **The regulation of private vehicle use in urban areas should be devolved to MPCs and urban local bodies so that in planning as well as implementation, there can be tighter integration of land use (for residences and commerce) with the mobility implications of such zoning.**

The most widely used instrument of urban planning in India is 'floor space index' (also known as 'floor area ratio', which determines the size of the built form on a plot of land to the area of the plot itself. There are several problems with this approach, which have become evident as urbanisation has progressed.

The classification of land use is not sufficiently precise to ensure uniformity of 'form', which is important. It is increasingly common to find large apartment communities right next to single family homes, because the zoning of the neighbourhood as 'R' permits both of these to be built. Even in areas that contain only one type of built living space, there are often wide differences – some plots that are empty, others than have a single built floor, others of multiple floors, and so on. And endless grants of change of land use have further distorted things.

A few cities, including some in India are switching to 'form-based' development controls, which ensure uniformity of appearance and use on streets. Such rules also make

it easier to spot evident violations of land use, whereas exceeding the FSI limit on a plot can only be determined through detailed measurement.

It further needs to be asked whether cities should see FSI as a useful development control at all. In many cities, there is an acute shortage of housing, which can only be addressed by increasing the supply of new housing. Without this, large numbers of urban residents will remain unable to buy homes in cities, even by saving over a lifetime. FSI controls, however, limit the total built area that is available in any city. This creates intense competition for the little construction that is permitted, and naturally the available spaces are quickly bought by the rich and the middle class. Mumbai's limited FSI, for instance, many have contributed to the large sprawls of slums in the city.

Ironically, at the same time, cities are also full of vacant plots, which if built upon could increase the supply of housing, and help make it more affordable too.

## **RECOMMENDATIONS**

- **Urban planning must shift away from an intense focus on FSI. It may be better to remove upper limits on FSI, or even impose lower limits to ensure a minimum amount of built form on every plot.**
- **Development controls should focus more on the built form of the city than on numerical regulation of the size of buildings. Master Plan guidelines in zoning should be changed accordingly. Vague zoning classifications, such as 'residential' must be replaced by more precise ones such as 'residential, G+1', residential, 10 floors or more, and so on. And uniformly sized units should be located together.**
- **Vacant properties should be taxed heavily, to ensure that they do not fuel land speculation, and to ensure a reliable supply of housing and commercial units in cities.**

The immediate response of many citizens to the idea of relaxing FSI controls is that it will lead to over-crowding in already congested areas. Recently, it has been suggested that in Indian cities, there is a lot of ‘street crowding’, which means that regulating the occupancy and use of buildings alone is not sufficient. Certainly, it is possible to nuance the relaxation of FSI controls with such thinking as well, but increasing the supply of buildings must be the over-riding consideration.

A related aspect is ‘mixed’ use. Where residential and commercial use of land are mixed, there is a vibrant urban economy. Indeed, the history of urban development in old civilisations such as ours is of mixed land use. But in the formal culture of the nation-state, there is an aversion to mixed use. This is partly because abuse of land use conditions in cities has resulted in chaotic mixed use, but that is a problem of administration and tackling corruption, and the goal of encouraging mixed use that integrates living and working – and also reduces mobility-related environmental and health stress – should be valued.

The formal and strict approach to planning has also created paradoxes. For instance, in most cities, permission to build a new unit is often linked with ensuring that there are sufficient spaces for parking in the premises. But on pedestrian streets, this provision would be pointless. Such contradictions are plentiful in most Zoning Regulations, and are the direct results of inflexible planning.

On the whole, it would be better to abandon the current approaches to zoning altogether, and ask what measures of ‘intensity of land use’ we can develop, and how these may be incorporated into the design of cities and the regulation of their built form.

## **RECOMMENDATION**

- **The Ministry of Urban Development (and Housing) should invite suggestions for alternates to the current FSI-based regulation of land use in cities, and examine other options for achieving the goals of master plans. There is an emerging assortment of thinking about this in academia and among practitioners, and the best ideas from these from be swiftly brought into public practice.**

As noted earlier development controls on construction can lead to an under-supply, which prices the poor out of markets for housing. But given the vast backlog in housing, currently estimated to be more than 20 million homes, even with a big increase in the number of housing units, we may only witness a drop in prices of upper and middle income homes, and these would still remain inaccessible to the poor. What is needed, instead, is revision in zoning provisions which reserve sufficient amounts of urban land for the development of low-cost housing only. This exists on paper, but the extent of land reserved for Economically Weaker Sections (EWS) is much smaller than the demand, and to bridge the gap we need to encourage construction of low-cost housing in certain new lands.

## **RECOMMENDATIONS**

- **Development controls on the construction of homes in agricultural lands in peri-urban areas may be relaxed in stages, initially permitting the construction of low-cost homes, and only thereafter opening the market to more expensive developments. This will create a pool of housing for the poor that is developed without fear of competition from richer buyers who may be interested in the same lands.**
- **Master Plans must quantify the extent of the deficit in low income housing, and develop schemes to meet the deficit within each planning district.**

Any new strategy for strengthening urban development will ultimately be keenly dependent on the people who staff various positions in implementing it. On this front we face a severe deficit. Throughout urban India, and particularly in smaller towns and cities there are countless jobs lying vacant or wrongly staffed because the right people to perform them are simply not available in government.

For a very long time we have tried to overcome this deficit by seconding people from state government departments into municipal roles, but this has plainly not worked. Not only are there not enough such personnel, more importantly there is often a mismatch between the skills needed and the ones available (as a result, for instance, many engineers have been appointed to planning positions, despite clear prohibitions in law). What is needed now is a more systematic, and thorough approach to staffing municipal government in every urban area.

## **RECOMMENDATION**

- **A comprehensive program of training for municipal jobs, and recruitment into these is needed in every State government. It must be mandatory for the governments to establish a cadre of municipal professionals, and adopt hiring and placement policies that ensure that all urban positions are staffed at all times. Institutions for the training of such personnel also need to be rapidly established.**

Nearly all the urban development in India is carried out by planning authorities using the instrument of 'land acquisition'. Properties that are held by private owners are forcibly acquired under the provisions of eminent domain law, and these are then redeveloped into the form and use that is determined by Master Plans. This policy has failed in many respects. It has turned Development Authorities into arbitrageurs of land, and has led to a criminal nexus between acquisition officers, builders, developers and politicians. Equally

importantly, it has often failed to be equitable to land-losers in the areas that are developed. Acquisition of land has also proved profitable more to Das and to eventual buyers of developed land (many of them speculators) rather than the original land owners.

All of this is particularly tragic because acquiring land is un-necessary to achieve the goals of urban development. As has been witnessed in a few exceptional cases – in Gujarat, mostly, but also elsewhere – land can just as easily be ‘reconstituted’ among property owners in the zone of development so that losses are shared, and gains accrue to everyone. This is also a much cheaper process than acquisition, since it does not involve large amounts of money to dispossess the owners in the first place (although this is later recovered through sales). Reconstitution has also been seen to be much more acceptable to property owners, who embrace its fairness, and the promise of being themselves able to benefit from the large gains in the value of their land-holdings.

## **RECOMMENDATION**

- **Urbanisation of new areas, and development of infrastructure in existing as well as new areas, should be carried out through the reconstitution of land as laid out in the Town Planning Acts of the states. Eminent domain provisions of land acquisition should apply to less than 20% of the properties, and only as a last resort. Instead, new provisions in eminent domain law should be enacted which allow forced reconstitution of land without dispossession of ownership.**

Given the extensive amount of unplanned and unauthorized developments in cities, State governments have tended to throw up their hands and simply declare amnesty schemes for violators. Many others continue to promise ‘regularisation’ of illegal constructions in election campaigns. This is simply unlawful, and the Ministry of Urban Development has some responsibility to end this practice. There are perfectly valid provisions in law to

enable the reconstitution and redevelopment of unplanned settlements. This can even be done with due regard to instances where poor people may have built unauthorized structures as a last resort to secure shelter for themselves; there is no need to excuse plainly illegal conduct by many in the name of a deserving few.

## **RECOMMENDATION**

- **Town Planning legislation must be suitably amended to explicitly forbid the redevelopment of unplanned areas except through Town Planning schemes as laid out in law. State governments may choose to bear the costs of such redevelopment themselves, or impose betterment charges on beneficiaries, but under no circumstances should regularisation of unplanned areas be permitted except as in law.**

The delivery of public services in urban areas has been constrained by a number of factors – incorrect governance structures, lack of regulation, weak financials, and lack of accountability for outcomes. For each public service, it is necessary to clearly delineate the different functions of government, regulators, service providers and citizens. This is all the more necessary because many of these services will require large investments, which service providers may be unwilling to make without assurance of a properly regulated environment to ensure their financial health.

## **RECOMMENDATIONS**

**An Urban Services Regulatory Authority must be established in each State, to oversee the policy on pricing the services, and setting appropriate standards for subsidies for transport, water supply, sewerage, and other sectors.**

**A few sector-specific recommendations are given below.**

- ***Water supply:*** Local bodies must be made responsible for water supply in cities and towns, and the water supply boards must focus on bulk water supply to the cities, and also develop new sources of water. Supply of lifeline water to the poor must be subsidized, but beyond this States must recover the cost of water supply to non-poor customers. An independent regulatory authority is needed to determine the price of water for various uses, similar to the ones we now have in the power sector.
- ***Sanitation and public health:*** A program of providing a toilet to every home must be initiated. Since the capital expenditure needed for sewerage systems is high, these must be extended to the smaller towns in a phased manner. In the meantime, local solutions for sanitation are needed, using funds from the Centrally-sponsored scheme for Integrated Low Cost Sanitation. Sewage treatment plants must be established, and reuse of treated water for non-potable purposes must be taken up widely.
- ***Solid waste management:*** A new approach to the management of solid waste is needed in urban areas, focusing on ‘Landfill Diversion’, rather than merely ensuring that garbage is removed from urban neighbourhoods. The Municipal Solid Waste Rules must be amended to prohibit the dumping of waste in any panchayat’s jurisdiction without the formal permission of the elected local body. Henceforth, the focus must be on: (i) segregation of waste at source; (ii) sorting of waste in local areas to harvest reusable materials; (iii) creating links to markets for recyclable waste; (iv) conversion of waste to energy; and (v) a separate empanelment program for vendors to collect and manage waste.
- ***Transportation:*** The emphasis for urban mobility must henceforth be on public transport, as well as non-motorised transport. City mobility plans must be mandatory for all Class I cities, and budgetary allocations must be made separately for non-motorised transport. Transport planning bodies in



**areas where MPCs are constituted must be made statutory within the MPC, with the powers to necessary enforce planning decisions.**

A fundamental weakness afflicts much of urban planning and management in the country – we simply do not collect enough data to know what is going on in urban areas, and governments have not developed strategies to use data effectively. Not a single city in the country has the capacity to digitally ‘visualize’ itself, and understand how it is performing on transport, water supply, waste management, power, housing development, or other aspects of urban growth. Ironically, Indian companies are often involved in developing these tools for cities in other countries.

A comprehensive urban data strategy is needed, which will help cities visualize their current state, as well as scenarios for their future, and respond to threats and opportunities in a timely manner. Data collection should be timely, and the data that is collected should be held in a shared repository to be available to multiple departments for their planning needs.

## **RECOMMENDATIONS**

- **A National Urban Data Repository is needed to collect and store data from cities. These may be run by the States, but data from them must be hosted on a national platform to facilitate planning and policy-making in government, and also to promote the emergence of new businesses in urban areas. Urban Development departments in the States shall be obliged to collect data, at specified intervals, and include them in the National Repository.**
- **Urban data must be spatially geo-located, and to facilitate this States must set up a Spatial Information Centre for public data. These Centres can anchor the data collection for all departments, and build specialized capability for data collection and management. The SICs shall also build**

**tools for departments to visualize, analyse and act upon data, thus becoming an effective support environment for urban planning and management.**

- **Unless specifically authorized otherwise, all urban data should be made public. This will bring greater attention to instances of maladministration and corruption, and help tackle them faster.**

Among the biggest impediments to urban development is poor land management. Records of property and buildings are incomplete, and the prevailing system of presumptive title is open to exploitation by unscrupulous elements. As a result, land markets are highly inefficient. Moreover, it has been observed that the zoning, development and management of land have not been in step with the patterns of economic development and new social aspirations, leading to a number of distortions in the land market. It is necessary to correct this.

First, it is necessary to re-examine the laws pertaining to land, and to revise them to be more in line with the demands and needs of today. The experience of urban development during the last few decades suggests that the hurdles to the transfer and conversion of land for urban uses must be removed by suitable amendments to laws. Another area of concern is the state of land records. Disputes over land have become frequent and highly contentious, and public confidence in the sanctity of land records and transactions needs to be restored.

## **RECOMMENDATIONS**

- **The Land Revenue Acts and the Land Reforms Acts of the States must be reviewed and amended. Also, the Town and Country Planning Acts need to be replaced by Urban and Regional Planning Acts, with a more regional lens on planning and development.**

- **All urban land records must be computerized. Further, a system of certifying or assuring title to property must be introduced.**
- **Approvals of building plans must be made electronic, and the master plans for urban areas must be linked digitally to process applications for land use.**

## **New Cities, and Renewing Old Cities**

It has been a recurring theme in recent years that India must develop a number of new cities too, to help shape its trajectory of urbanisation. The vast challenges of existing cities have led many to hope that in new urban environments, we could start afresh, and overcome many of the obstacles that hamper the development of existing cities. This is an optimistic view, and to realise the dream of a new, urban India we must recognise what stands in our way, and respond suitably.

During the next 20 years, another 300 million people or more will be added to urban India. Even if we were to develop 100 new cities of tier 2 scale (say, 3 million each in population) to absorb all of this growth, we would still need to contend with the challenge of improving the existing urban areas, which would still be home to 450 million people. Thus, it is safe to assume that any effort to develop new cities must be strongly coupled to a parallel effort to make existing cities work better.

That recognition immediately suggests two distinct roadmaps for the development of new cities – one, to establish and grow entirely new urban environments in suitable locations, and second, to identify the existing small urban settlements which can be dramatically scaled in the next two decades. We could begin to take the first steps in both these journeys as follows.

### **RECOMMENDATIONS**

- ***Greenfield cities*** – These may be best located along the vast infrastructure corridors that are proposed to be built in different parts of the country, starting with the Delhi-Mumbai Infrastructure Corridor, and the Chennai-Bangalore one. There is considerable evidence from recent years of urban research that in the future, the most competitive economies will be the ones that are part of large megacity regions of hundreds of millions of people which include a wide range of industries, and the infrastructure corridors will clearly further the establishment of such regions within the country.
- ***Brownfield cities*** – A nationwide exercise to identify the most suitable locations for accelerated development of existing urban areas is needed. This exercise, covering all Tier 3 towns, should identify the particular economic and other advantages of these areas, and develop local development strategies for each one to be turned into a New City. In the past, we have tried to develop towns and cities without fully understanding what their latent strengths are, and weaknesses. An objective ‘industry cluster analysis’ to identify the comparative advantages of each location will help us locate the most suitable places for the intended transformation.

The brownfield cities chosen for rapid development should also be able to share some of the major infrastructure that already serves urban agglomerations, such as the highway network, rail services and airports. That would ensure the right set of starting incentives for locating industry as well as settlements there.

Two words of caution about choosing the locations for these New Cities. First, if our cities today appear to be less developed than would like them to be, it is because the various constraints imposed on their governance, planning, and administration often inhibit their vitality. This should remind us that new cities too could become vulnerable to those same deficits, and thus the real solution to many of the changes we want to see in new areas actually lie in removing the obstacles to development in existing areas.

Secondly, in the past the government has sought to create balanced regional development in different parts of the country. On the face of it, this appears to be a well-intended policy, but in fact it is quite harmful. Cities benefit from being able to leverage the linkages presented by large number of people and enterprises being located close together. That would become much harder if we attempted to distribute the new cities around the country as a way to address under-development in some regions.

## **RECOMMENDATION**

- **The establishment of new cities should be guided, above all, by asking how each new settlement will benefit from linkages to other economically strong areas. This may result in the concentration of urbanisation in a few areas, but that is both economically and ecologically more desirable than the alternative.**

Even as we ask ourselves how we can develop entirely new cities, it is also important to recognise that the largest and apparently unmanageable cities of the country, are the engines of our development today, and their renewal is as important as other plans to develop new towns or grow smaller ones into larger cities. The JNURM, which was intended to help revitalize the cities, never really focused on the ‘renewal’ that is embedded in its name, and as a result most cities covered by the scheme are no better off today than they were 8 years ago.

A revised version of this scheme, this time focusing clearly on renewal of old urban areas, is absolutely essential for India to avoid the urban blights that have stalked many other cities around the world. India has much to revive and preserve in its existing cities – from a long history as the nation has evolved from its agrarian past. We must now rouse ourselves to the challenge of creating splendid new urban settlements, and at the same time steering the many urban centres that already exist to a new destiny.

