

INDIA'S URBAN FUTURE
IMPLEMENTING NATIONAL URBAN POLICIES

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CITIES ALLIANCE: URBAN PUBLIC POLICY FORUM
Mumbai

INTRODUCTION

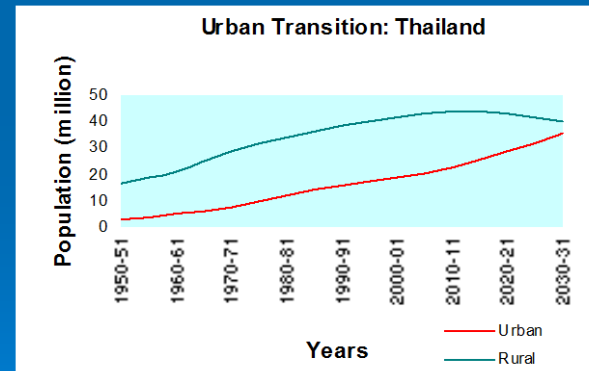
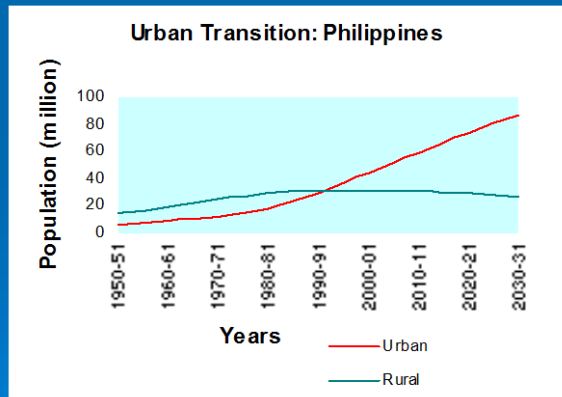
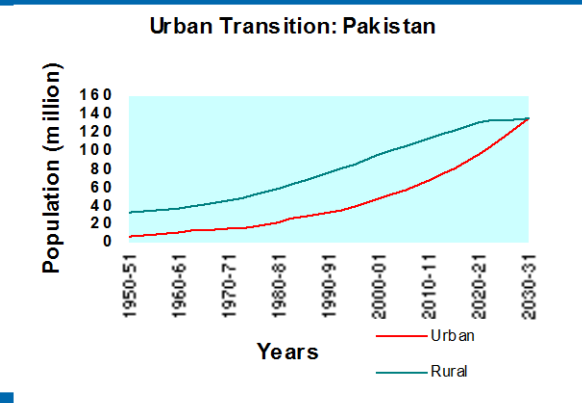
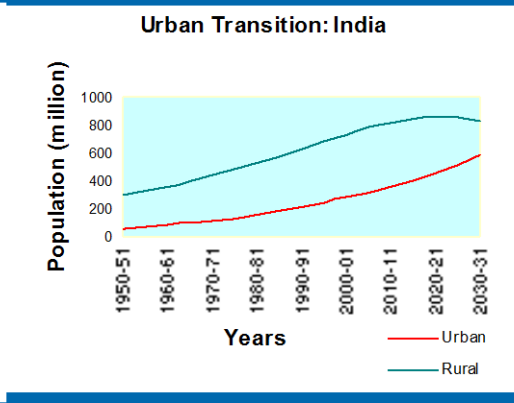
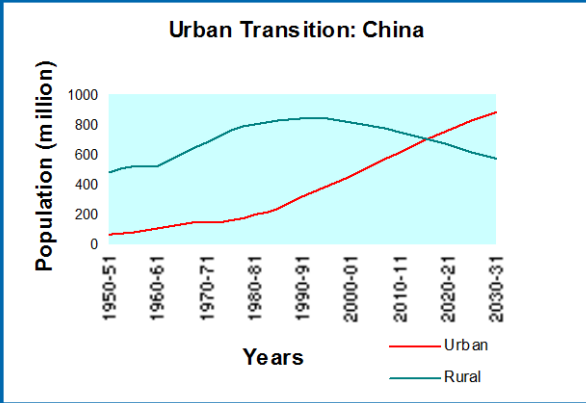
These are exciting times for Urban India.

Never in living memory has India witnessed such a volley of initiatives and interventions, as it has in just five years, to address both long-standing and contemporary urban problems and issues.

A puzzle though - what could be the trigger to these initiatives when-

- i. India continues to be a low-urbanized country with just about 30% of its population living in urban areas
- ii. It is urbanizing at rates that are far below those in other large developing countries, no signals of any buoyancy or acceleration in urbanization rates.
- iii. Prognosis is that India will have huge urbanization deficit until about 2040 A.D. when it will strike a 50% urban population threshold.

Could the trigger be the evolving global environment, or economic compulsions and realities or a conscious political choice with a shift in the number of electoral constituencies?



INITIATIVES AND INTERVENTIONS

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) - a broad-based, reform-linked grant programme

Slum-free Cities

Rajiv Awas Yojna

Affordable Housing for All

(Deepak Parekh Task Force Report)

Urban Infrastructure Investment Requirements

(Isher Ahluwalia Committee)

Urban Finance Data System

(Reserve Bank of India Working Group)

Centre-State-Local Relations

(Punchhi Commission)

Potential of Municipal Borrowings

(An Expert Group engaged in assessing the potential of Municipal Borrowings)

Restructuring of State Housing Boards

(Consultations)

India Urban Report

(McKinsey Group)

There are many more – The Dharavi initiative being one.

It has been an extraordinary 5-year period – engaging and exciting, and more important, signalling a paradigm shift, setting new directions and purposes, and no less important, fuelling a debate, often ideological, on if the direction is the right one.

WHAT DO THESE INITIATIVES AND INTERVENTIONS SIGNAL AND ADD UP TO AS A NATIONAL URBAN POLICY?

- A distinguishing feature of these initiatives and interventions lies in a major “paradigm shift”, a different way of looking at urbanization and cities. What do these signal?
 - i. Cities are important to growth and poverty reduction
 - ii. Invest in CITIES – LARGE CITIES – for producing a double-digit growth and achieving single digit urban poverty level
 - iii. Open up the urban sector to the market – it has an important role in making the process of urbanization, efficient, equitable, and sustainable

- iv. Urbanization and urban development are a multi-tier responsibility, and given the increasing complexities associated with urbanization process, can not be addressed by one or two tiers of government.
- v. Urban infrastructure can be privately owned, privately financed and managed, without compromising well-being of the people

Each one of these represent an extraordinary shift in thinking from the way India has historically looked at urbanization and cities.

“Urban” has entered a different trajectory!

“Cities” are in the forefront of development policy.

WHAT SUBSTANTIVE CHANGES DO THESE INITIATIVES ENTAIL IN TERMS OF NATIONAL URBAN POLICY?

- i. Primacy of urban local bodies (ULBs) – amazing how initiatives are aiming at resurrecting the ULBs and elevating them into institutions that will address issues of economic and social development, urban poverty alleviation, slum improvement and other redistributive activities – Agenda not just larger functional space but includes fiscal empowerment; a new fiscal architecture is on the anvil.

- ii. Formalization of informal settlements -
 - Security of tenure
 - Network services
 - Provision of “formal spaces” for what we call informal activities

iii. A functioning land and housing market

- Do away with or liberalize laws that have constrained the supply of lands and housing
- Property titling - a key to poverty reduction
- Reduction in transaction cost

iv. Participation, Transparency and Accountability

- Deepening democracy
- Disclosure and transparency
- E-governance
- Accounting system

Other initiatives too are poised to move in the same direction – be it the suggestion to begin work on a sensitive urban land policy, or an exploration into innovative ways of financing urban infrastructure, or making good urban governance a pre-condition for growth and poverty reduction, or putting in strong vibes into Rajiv Awas Yojana.

By any yardstick, initiatives are big and urban policy is exciting.

WHERE ARE WE IN TERMS OF IMPLEMENTING NATIONAL URBAN POLICY?

- Not an easy question to answer
- What we know is that –
 - i. there are huge conceptual problems
 - ii. there is lack of appreciation on the gains of such initiatives
 - iii. there are huge capacity deficits
- Interestingly enough, these initiatives have given rise to demand for fresh reforms.
- Also new pressures are surfacing – increasing risks for cities, rising vulnerabilities, and climate change, to cite a few.

INDIA'S NATIONAL URBAN POLICY

India's National Urban Policy is thus in a state of flux, needing collective wisdom, thinking, and effort including international inputs and understanding. We need a lot of zing into our current efforts and a lot of consultation to be able to deal with the new challenges as they unfold themselves.

“We must plan big, think big, and have a new vision for the future of urban India”.

Prime Minister of India

December 3, 2009