UNIT 1 URBAN DEVELOPMENT POLICIES: A GLOBAL OVERVIEW

Structure

1.1 INTRODUCTION

In1995, the world passed through a decisive phase. For the first time in history, the percentage of urban population in the globe crossed the 50 percent mark. We now live in an urban world. However, the meaning of urban is very different in the developed and the developing world. The developing world is confronting urban development as a phenomenon amidst widespread poverty. It looks towards urbanisation as a path to economic growth and development. Further, there are wide variations in the urban development trajectories among the developing countries too. There is a lot that one can learn from a study of these different approaches to urban development. It enables one to reflect upon the development choices of our own country. China, Brazil and South Africa in particular, are countries that are seen as newly emerging economies in the world along with India. These are all countries that had extremely low levels of urbanisation at the turn of the twentieth century. At least two of these, South Africa and Brazil have had a prolonged experience of colonisation. Thus they have a lot in common and hence the differences in development choices are even more interesting to study.

After studying this unit, you should be able to:

- Explain the changing global perspectives of urban development
- Describe features of urban development in Brazil, China, South Africa

1.2 CHANGING GLOBAL PERPECTIVES ON URBAN DEVELOPMENT

Till the mid half of the twentieth century, urbanisation was considered a concomitant of the development process and in particular, the state of industrialisation of society. The urbanisation of the Western or the developed world was seen as the norm and by those standards; the urbanisation, which was occurring in the developing countries was seen as 'over urbanisation'. Urbanisation was seen to be disproportionate to the state of industrialisation.

The high population growth of these cities which was non commensurate with the development of infrastructure was seen as a problem. The solutions offered were more balanced, even growth and rural industrialisation.

This outlook changed towards the end of the twentieth century. Urbanisation began to be recognised not as a problem but as a positive force that was capable of driving economic growth. This changed perspective is clearly reflected in the World Development Report of 2009. The report titled 'Shaping New Economic Geography' argues that unevenness of development is a natural process. Given the concentration of innovation, knowledge in the urban areas, these areas are bound to develop and attract further investment thereby becoming growth centres. It sees migration as a positive force which evens out the impacts of growth over a period of time. This changed outlook on urbanisation is currently influencing many developing countries across the world to pursue aggressive strategies of urbanisation, seeking to make their cities more competitive and able to attract investment that has now become transient across national borders.

It is interesting to note that the axis of urbanisation which was in the West in the nineteenth and twentieth century has now shifted towards the East and the Global South. The earlier problems of poverty, underdevelopment, still persist but some of these countries have charted impressive growths in the last few decades. Developments in the BRICS (Brazil, India, China, and South Africa) in particular have attracted global interest. Almost all of these countries have focused attention on urbanisation as a key strategy of development. All these countries are part of the developing countries and though there are several clear differences in their regimes, governance systems, starting points on urbanisation; there are several lessons that they offer for us. This is the backdrop of the stories of urbanization in China, Brazil and South Africa that followed.

1.3 URBAN DEVELOPMENT POLICY PERSPECTIVES IN USA

USA does not have a specific urban policy, however, it has strategically addressed the urban development issues. The main thrusts are poverty reduction, social justice, ensuring employment, infrastructure networks and housing. The USA urban policy can be broadly categorised into five phases (Harvey, 2008):

i) Carter Urban Development Policy (1977-1981);

ii) Reagan Urban Development Policy (1981-1989);

iii) George H. W. Bush Urban Development Policy (1989-1993);

iv) Clinton National Urban Policy Report 1995; and

v) Current Urban Development Policy.

I) **Carter Urban Development Policy (1977-1981):** The deterioration of urban life in the United States is one of the most complex and deeply rooted problems of this age. The Federal Government has a clear duty to lead the effort to reverse that deterioration, these efforts are: (i) the leadership will deal with complex and deeply rooted problems; (ii) federal efforts alone will never be enough, everyone has a role; and (iii) if one has to preserve the special values of urban, suburban, and rural life, one must recognize that these values are interdependent. To a greater extent, than ever before, the future of cities and the destiny of the Nation are joined. This link is now recognized by almost every American. Yet, throughout most of its history, America has been ambivalent about its cities.

II) **Reagan Urban Development Policy (1981-1989):** Some of the Prospective of Regan Urban Development Policy are: (i) considered by many to be a retreat from proactive inner city revitalisation (ii) built on the premise of efficient national economic growth and allowing private enterprise to facilities revitalisation in distressed areas with minimal public sector involvement (iii) mix and quality of public services should be made by informed administrations at the state and local level (iv) economic investment was key, not social investment, and (v) retreated from a city explicit policy basis.

III) **George H. W. Bush Urban Development Policy (1989-1993):** The focus was on housing policy, affordability and tax relief rather than holistic urban development policy.

IV) **Clinton National Urban Policy Report 1995:** Some of the important features of Clinton Urban Development Policy are: (i) maintaining fiscal integrity (ii) middle class tax relief (iii) expanding opportunities to all (iv) expanding access to metropolitan opportunities (through leveraging private investment and jobs, not infrastructure) (v) ensuring access to financial capital (vi) expanding homeownership opportunity (vii) freedom from fear; and (viii) empowerment zones and enterprise communities.

V) **Current Urban Development Policy:** Some of the important urban policy perspectives of current government are as follows:

i) **Strengthening Federal Commitment to cities**:

   a) create a Whitehouse office on urban policy.

   b) fully fund the community development block grant.

ii) **Stimulate Economic Prosperity in Metropolitan Regions:**

   a) support job creation and access to jobs;

   b) enhance workforce training;

   c) increase access to capital for underserved businesses;

   d) create nation network of public-private business incubators;

   e) convert manufacturing to clean technology;

   f) strengthen core infrastructure;

   g) invest in skilled clean tech workforce;

   h) housing;

   i) tax reform, access to affordable credit; and

   j) increase supply of affordable housing through trust funds.

1.4 URBAN DEVELOPMENT POLICY PERSPECTIVES IN CHINA

In 1950, when the people's republic of China was formed, the level of urbanisation was just 10 percent. For four decades after that, rural development and social transformation was a priority for China. Thus even till 1990, the level of urbanization was just 20 percent. However, after 1990, the country's approach towards urbanization has changed rapidly. Thus by 2000, urbanization had increased to 36 percent and by 2007, it had reached 46 percent. Some of the cities in China like Beijing have an urban tradition that spans millennia, while there are several others where urban development has been rapid and has transformed erstwhile villages and small towns into booming cities in a span of just a decade or so.

The country's urbanisation history is rather uneven. The period of the Great Leap Forward (1958-1960) and the Cultural Revolution(1966-76) were two periods in particular where there was a very strong attempt to reverse an urbanising tendency through deliberate population movement to rural areas and encouragement of rural development policies. This period also witnessed the strengthening of the system of Hukou (a household registration system for key benefits) which acted essentially as a block to geographical mobility. The period of reform which followed in 1980 onwards saw the opening of Chinese borders to Foreign Direct Investment through the setting up of Special Economic Zones and a concomitant creation of cities. This pattern has continued through the turn of the century to unleash a period of unprecedented economic growth and urbanisation.

During post reform period, cities have played a central role in China's social and economic development. In 2001, urbanization (Chengzhenhua in Chinese) was, for the first time, written into the 10th Five Year Plan (2001-2005) as an explicit development strategy. In 2001, cities and towns accounted for half of the national industrial output, 70 per cent of GDP and 80 per cent of all national tax revenue. Some 90 per cent of higher education and scientific research resources were located in cities and town (Human Settlement Group, IIED, UNFPA, 2011).

As noted in the *Outline of the 10th Five Year Plan*

> *"…….. enhancing the level of urbanization and shifting rural population benefits an increase in peasants' income, enlarges the consumer market, optimizes the rural/urban economic structure…… with the advance of productivity in the agricultural sector and acceleration of industrialisation, the time is ripe for the promotion of urbanization and we should not miss such a chance to implement the strategy of urbanisation."*
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> *(Human Settlements Group IIED, UNFPA, 2011)*

Urbanisation was viewed as a stimulus for economic growth and a solution for rural-urban disparities. The significance of urbanisation was reiterated in the 11th Five Year Plan (2006-2010). The resolution to promote further urbanization was confirmed, with emphasis on a healthier development trajectory:

> *"…….. adhere to the coordination of the development of large, medium and small size cities and towns; enhance the carrying capacity of cities and towns; promote urbanisation actively and steadily to transform the dual rural/urban structure under the principles of step by step, saving land, intensive development and rational distribution."*
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> *(Human Settlements Group IIED, UNFPA, 2011)*

Given this backdrop, it may be easy to assume that China's urbanisation story has been led by the centralisation of governance. On the contrary, the urban growth in China is local. It has been spurred by the enterprise of local bureaucrats and the freedom with the city governments to take several decisions with implications for local economic growth. Each city in China thus competes with each other for opportunities of economic growth. They have pursued distinct trajectories towards the same. According to the McKinsey report (2006), the bulk of China's urban population resides in industrializing cities whose main challenge is to attract labour intensive industries and pull people out of poverty. There are other cities that are slowly transforming from an industrializing economy to one that is more specialised. Finally, there are only a handful of cities that have become modern cities. In these varying trajectories, cities employ a wide variety of tools to attract investment. These include facilitating land supply, using infrastructure development as a driver for economic growth, offering incentives for investors, loosening of migration policies and investing in technology development through a synergy between academic institutions and industry.

This rapid growth has human and environmental costs. The first is the unevenness of growth where the East coast has become the prime beneficiary while Western and Southern China remains underdeveloped. The second is the disenfranchisement of several thousand migrants to cities who work in cities but are denied other civic rights and the consequent separation of families wherein children stay in villages while parents work in cities. The thought of sustainability and justice, of conservation is muted and several cities face challenges of natural resources but these considerations are seen to be rising in the transforming cities. The potential in the Chinese story of urbanisation is however in the entrepreneurship and capacity for pragmatic solutions in city governments to deal with issues that confront them. The story of Chinese urbanisation is thus where there are several innovations, many of which are undocumented but all of these are nonetheless interesting ideas of how urban development can be an engine for economic growth.

1.4.1 Case Study of Shenzhen

Till 1983, Shenzhen was a sleepy fishing village in the Pearl River Delta. China's first SEZ (Special Economic Zone) was set up here in 1979. In late 1980, its population was 94,000 rising up to 8.3 million in 2005. It has an annual growth rate of 19.6% with 80% of its current population being migrants. Its status as the SEZ meant a strong Central Government support for infrastructure creation, ability to offer considerable incentives to investors and a favourable geographic location in proximity to Hong Kong. The first few years saw massive investments of FDI in Shenzhen for high intensity low cost labour industries. However this began to decelerate in 1990s. This is when Shenzhen rediscovered itself as a centre for financial services, high technology and logistics. The continuous high growth has generated several pressure points- availability of land and high density, availability of water and electricity, high levels of pollution and availability of educated and skilled labour. The city has coped with this through transformation of the city centre and its redeployment for high tech industries, through additions to the water and electricity supply and through the extension of some of the most extensive policies towards migrants seen in China. These however continue to be areas of challenge for the city which epitomises China's transformative urbanisation.

In this section you studied the changing global perspective on urban development and urban development in USA and China. Now, you should be able to answer the question relating to this section given in *Check Your Progress*-1.

Check Your Progress 1

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What is the current urban development policy of the Obama government in the USA?

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2) What are the features of urbanisation in China?

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1.5 URBAN DEVELOPMENT POLICY PERSPECTIVES IN BRAZIL

Brazil is South America's largest country, occupying nearly half the continent; and with a population of 187 million, it is the fifth most populous country (and the fourth most populous democracy) in the world. Brazil has urbanised rapidly over the past few decades. According to a 2000 census, over 80 percent of the population lives in urban areas. However, much of this urbanisation has been unequal; population has grown around state capitals and neighbouring municipalities of larger metropolitan areas, while other regions have experienced negative growth rates. The result has been pockets of poverty with increased social exclusion and environmental hazards. Brazil began as a federated republic in 1889. Throughout the twentieth century, the country experienced periods of development where the government sought to manipulate urban space to shape society. Post-Brasilia, from 1964 to 1985, the country was under the rule of military leaders, and until 1990 there were no popular elections for President. However, beginning in the late 1970s, Brazil gradually returned to democratic rule, and in 1982, direct elections were held for state governorships. This process of re-democratisation has actively shaped the nature of urban development policies in Brazil.

The process of re-democratisation expanded the political arena to include diverse sections of society who demanded urban reform through active struggles. The struggle for urban reform began in the 1960s, when progressive sectors of Brazilian society demanded structural reforms to the legal regulation and use of public land. The main issue was agrarian reform in the countryside. However the military coup of 1964 gave rise to an authoritarian political system (lasting until 1984) which did not allow these reforms to be carried out. Urban reform issues reappeared in the 1970s and 1980s during a period of slow and gradual political openness in which social movements slowly gained greater visibility and political weight, and were able to construct an autonomous discourse and social practice. The movement's demands were presented as rights in an effort to reverse social inequalities on the basis of a new social ethic. At the time, Brazil's urban landscape had undergone significant changes. Marked by a high rate of rural-urban migration between 1940 and 1991 during which time the urban population increased from 31.2% to 75% of the country's total population. Brazilian cities grew without basic infrastructure. Major consequences resulted, especially the spatial segregation of neighbourhoods which were largely neglected, lacked the basic conditions for adequacy and developed with the complicity of the public authorities.

In 1988, the struggle for urban reform was taken up again. In the beginning, the movement's struggle was focused on local issues, such as demands for housing. However, by the end of the military regime, it had begun to incorporate ideas of the right to a more social life: the idea of the city, the city of all people, a home beyond one's house, a home accessed by paved roads, public services, schools, and transportation. In 1986, the National Urban Reform Movement defined the concept of urban reform as a new social ethic which rejects the use of the city as a source of profit for a few while conversely subjecting many to poverty. Thus, this new social ethic politicizes the debate about the city and creates a discourse and political platform for urban social movements, in which access to the city is the right of all its residents and not restricted to a few, or rather, the wealthiest. The struggle brought together several organizations, movements, professional organisations .The church too came out strongly in defence of the social role of property which was a major contribution in a deeply religious society like Brazil.

The culmination of these struggles was the establishment of an internal regulation in the Constituent Assembly which permitted the use of popular initiatives to present amendments to the Brazilian Constitution of 1988. More than 12 million signatures were gathered for popular amendments which contained the earlier discussed reforms. Conservative forces argued that the principles of social justice were being used as a pretext to prevent the country's development (development was a term long used to disguise the issue of the inequality of urban space) and that intervening in urban policy would give the state too large of a role. While all the proposals for reform were not incorporated in the constitution, some important ones were. With the popular amendment, Brazilian public rights began to guarantee not only private property and individual interest, but also the protection of collective interest above the various uses of individual property. Other achievements at that time were the affirmation and establishment of effective municipal autonomy and the expansion of popular participation in city management, both through direct institutional mechanisms like plebiscites, referendums, popular initiatives and public consultation, as well as other forms of direct participation such as councils, conferences, forums and public hearings.

This ensured the community's participation in the development of Master Plans, the main urban planning instrument for municipalities. Further they paved the way for many other reforms such as the recognition of the right to housing as a fundamental right in the Brazilian Constitution in 2000 and the approval of the City Statute in 2001.

The City Statute (Federal Law No. 10.257/01) is the Brazilian development law that regulates the chapter on urban policy in the 1988 Brazilian Constitution. It sets the overall guidelines to promote urban policy that must be observed by the Union (federal government), the states (state governments) and municipalities. The City Statute specifically addresses:

- instruments designed to ensure the fulfilment of the social function of property, progressive taxation over time on urban property and expropriation for urban reform purposes;
- criteria for municipalities to develop and apply Management Plans;
- regulatory instruments for the use of and access to urban lands occupied by low-income people; and
- democratic city management instruments; public hearings; councils; and city conferences in national, state and municipal plans.

These reforms have set the stage for several policy innovations in cities of Brazil which incorporate the elements of inclusivity and sustainability. The case of Curitiba where the principle of planning for the poor first was incorporated to create a model of a clean and green city, Porto Allegre, where participatory budgeting enabled the city to set its priorities for the poor first, the city of Rio where a massive up gradation programme of *favelas* (slums) is undertaken are all examples of these innovations that have been made possible due to a high degree of decentralisation, popular participation and political commitment to goals of inclusivity and sustainability. Brazil's urbanisation story is thus one of possibilities of how problems such as squalor, poverty and inequity can be dealt with through determined action by both people and policy makers. It is not without pitfalls. Thus, high proportions of external and public debt are concomitants of the urbanization in the country. However, the country still has the potential to become one of the largest growing economies of the world.

1.5.1 Case of Porto Allegre

Porto Allegre is a city in the state of Rio Grande do Sul in Brazil and is home to about 1.3 million residents. The local government of Porto Allegre, like several other local governments functioned as a consortium of landed and business interests till 1988. In 1988, a coalition of Left Parties led by the Worker's Party was elected to power and held it for consecutive terms in 1992 and 1996. The coalition government faced a challenge similar to most Brazilian cities – that is to build a city government responsive to needs of those who were excluded from city services .The coalition government began an effort at participatory budgeting which has progressed to transform the nature of local governance in the city.

The making of the municipal budget in Porto Alegre today is in effect a bottom-up process. The key innovation has been the creation of district and citywide budget councils constituted of delegates elected in open assemblies at the neighbourhood and district levels. Over the years, these councils have come to play an increasingly significant role in negotiating both the broad objectives and details of the budgetary allocations. The councils also play a role in organizing people, build skills in articulating demands, translating them into specific proposals and advocating for them. The introduction of participatory budgeting has considerably changed the priorities of local government spending to prioritise needs like sanitation, housing as opposed to the patronage interests reflected earlier. As the experiment has advanced, it has also widened the scale of participation and advanced representation at every stage in the programme. The municipality has expanded its range of services and a redistributive dimension has been introduced.

In this section you studied urban development in Brazil. Now, you should be able to answer the question relating to this section given in C*heck Your Progress*-2.

Check Your Progress 2

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Mention some of the urban reforms in Brazil?

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1.6 URBAN DEVELOPMENT POLICY PERSPECTIVES IN SOUTH AFRICA

South Africa is another nation that is urbanising very rapidly. Over 55% of its population is urban and estimates indicate that the current rate of urbanization is about 4.9%.The largest proportion of this urban population (about 67%) is located in the four metropolitan areas of Pretoria/Johannesburg, Durban, Cape Town and Port Elizabeth. The country also has a number of medium sized towns in the South and the East but the four metropolitan areas are the real engines of its economy, generating over 80% of the GDP of South Africa. The system of apartheid which characterised the country is expressed in almost every aspect of South African cities, in particular the larger ones. The system of apartheid with its accompanying town planning, transport policies and systems of governance perpetuated by economic forces resulted in cities with extremely high proportion of inequity and exclusion Thus, there is low- density, well serviced white neighbourhoods and there are extremely over crowded, poorly serviced black neighbourhoods which are spatially segregated. Black townships and housing is usually the worst in these cities and is either in the form of matchbox housing or shacks. Cities like Durban and Elizabeth have about half their population in such shack housing which is informal. Most of the economic opportunities are located in the well services parts of cities. The neighbourhoods were governed by distinct authorities. Spatial segregation thus was a marker of differential opportunities.

In 1990, when the system of apartheid ended and the country embarked on a truly democratic path, the crucial challenge that it faced in terms of urban development was to continue its high growth trajectory while tackling the challenge of systemic exclusion. Several legislations were passed to materialize this vision. The South African constitution thus enshrines an access to adequate housing as a Constitutional right. The Local government Transition Act,1996 attempted to bridge the distinct local governance systems while the Development Facilitation Act,1995 provides for fast tracking of land development for urban growth while also providing for integrated planning of cities.

Like the Chinese system, local governments in South Africa are seen to be primarily responsible for service delivery as well as local economic development while the tasks of redistribution, etc. are entrusted to the provincial governments. This has meant that most city governments are engaged in attracting new investment opportunities and in improving service delivery. The country has very successfully used the organization of events such as World Cup football (which took place in 2010) to enhance its infrastructure and economic competitiveness.

The downside of the South African urbanization story remains that apartheid no longer continues in its original form but is expressed substantially enough in the access to housing, services, and economic and other opportunities. However, the system of '*Soweto*' where cities were considered the preserves of the rich and blacks whose access to city was otherwise restricted were brought in mainly to serve as labour has been broken. Migration is now free. This has brought some of the contradictions to the fore as witnessed by the increasing occupation of public lands by poor black population and thus an increase in informal housing. New challenges are thus being generated in South African cities.

1.6.1 Case Study of Johannesburg

Johannesburg is a city of about 3.0 million populations but forms a conurbation with nearby provinces of Pretoria and Vereeniging of about 8.0 million. In the apartheid era, the city ,home to white South Africans had extremely visible areas of prosperity with standards equivalent to the First World. Poverty, on the other hand, was invisible and hidden in the Soweto. The post apartheid era has thrown up the simultaneous challenges of commitment to redistribution and reconciling the same with need to enhance economic investment, identify resources and counter powerful vested interests at multiple levels.

The period 1980-2000 saw a reducing rate of economic growth for the country as a whole. In Johannesburg, this translated into a closure of manufacturing industries, creating high levels of unemployment especially among African youth. While the South African constitution is committed to the autonomy of local municipal governments, the above mentioned pressures and the resultant restructuring of governments and challenges of service provision in under serviced areas have preoccupied the local officials . Further while much of the poverty in South Africa continues to be rural, urban poverty has increasingly become more visible. Post apartheid Johannesburg thus demonstrates several of the symptoms of a transitional economy. The end of apartheid saw a system of weak decentralisation at the local level. However by the end of 2000, autonomy of local governments was fully established. In Johannesburg, basic service provision to under-served areas has been considerably enhanced. The planning frameworks for the city were also revised. Economic opportunities thus also came to be much more spatially distributed.

Poverty in Johannesburg continues to be geographically concentrated and been unable to fully counter the impacts of exclusion perpetuated by apartheid planning systems. However, there is evidence to show that the situation has become much more dynamic with many more middle class blacks and emergence of significant social differentiation among the blacks themselves. Johannesburg thus stands as a testimony to how a challenge of systematised exclusion can be countered while managing economic growth.

In this section you studied urban development in South Africa. Now, you should be able to answer the questions relating to this section given in C*heck Your Progress*-3.

Check Your Progress 3

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What are the features of urbanisation in South Africa?

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1.7 DRAWING LESSONS

India is a large country characterised by diversity and a democratic system which has developed strong roots. The country also is characterised by inequalities and in particular, institutionalized systems of inequity like those based on caste, religion and ethnicity. Policy making in India has few parallels with the systems in the countries described earlier and yet there are several lessons that we can learn from these countries.

The first is about the outlook towards urbanisation. The experience of all these countries shows that urbanization as a conscious strategy of development yields positive results. At a stage where agricultural employment becomes stagnant, it helps to relieve the pressure of employment on the farming sector and brings in new modes of enhancing productivity. It thus also channelizes the energies and the creativity of the youth, thereby cashing on the demographic dividend available to these countries. India has urbanised at a moderate pace, our outlook towards urbanisation is unclear. The spatial dimension to policies is by and large neglected; our cities develop in an unplanned manner. The experience of China in particular, offers immense lessons for an integrated approach to economic and spatially directed development.

The second major area for learning is in terms of the difference that effective local governments make to the growth potential and quality of life in cities. In China and South Africa, the stakes of local governments in economic development have enabled these governments to devise ways in which to attract investments and growth opportunities. In Brazil, decentralisation has enabled the inclusivity and sustainability to become political agendas, allowing local governments to pursue pro- poor and inclusive policies through innovations. In India, the decentralisation agenda began to be developed through the 74th Constitutional Amendment but the task remains unaccomplished. Most urban local bodies in the country have very little autonomy to either chart their economic futures or innovate for inclusivity. The potency of effective decentralisation is thus, a tremendous lesson offered by these countries.

Another area for learning is the management of migration. China discouraged migration directly through the Hukou; it has been forced to engage in a gradual reform of the system to encourage urban development. South Africa created divided cities by compelling labour to move to cities in allotted areas. It is still grappling with the impacts of the systematised apartheid on its cities. Brazil encountered migration and inequity through a revolutionary process which then transformed the principles of urban governance totally. In India, cities are theoretically open to migrants but we have not redressed the issues of identity, inclusion in city fabric and services in a systematic way, instead forcing them to find their own solutions by way of slums and informal livelihoods. The experiences of the three countries should illustrate to us that dealing with urban poverty and migration is an urgent challenge, especially if it is to be channelled to improving the prospects of a city.

1.8 LET US SUM UP

As the world becomes urban and the axis of urbanisation shifts to the Global South, challenges of urbanization that did not exist before and for which little knowledge is available are emerging. There is thus a lot of value in such countries learning from each other than following the prescriptions of the West which never experienced such challenges. China, Brazil, South Africa represent countries which have followed broadly the same developmental trajectory as India and thus their urbanization experience offers several invaluable lessons for us. However, the urban policy perspectives of the USA have also been discussed in this unit. The experiences of these countries offer a lot of lessons, particularly in the areas of perspective on urbanisation, decentralisation and management of migration.

The current phase of urbanisation is one which the world has never experienced before. Urbanization amidst poverty, the experience of large scale cities urbanization while the climatic changes create new risks for living environments are daunting aspects of this urban experience, for which little knowledge exists. Learning from each other is perhaps the best way of learning at this stage. Lessons from China, Brazil, and South Africa with broadly similar development trajectories are thus very useful for us to reflect on our own policies and work towards redesigning them.

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1.10 CHECK YOUR PROGRESS-POSSIBLE ANSWERS

Check Your Progress 1

1) What is the current urban development policy of the Obama government in USA?

   i) Strengthening Federal Commitment to cities.

      a) Create a Whitehouse office on Urban Policy.

      b) Fully fund the community development block grant.

ii) Stimulate Economic Prosperity in Metropolitan Regions.

a) Support job creation and access to jobs.

b) Enhance workforce training.

c) Increase access to capital for underserved businesses.

d) Create Nation Network of Public-Private Business incubators.

e) Convert manufacturing to clean technology.

2) What are the features of urbanisation in China?

The features of urbanisation in China are

a) Strong decentralised system of local government

b) Local governments as the key stakeholders in economic development

c) Economic strategy to attract investment on a long term basis

d) Infrastructure creation to drive urbanisation

e) Use of land as a leverage for investment and

f) Gradual reform of migration policies.

Check Your Progress 2

1) Mention some of the urban reforms in Brazil

The process of urban reforms in Brazil is characterized by popular struggles. These struggles were rooted in the inequity in Brazilian cities whose governments represented landed and patronage interests. The key agendas of the reform were:

a) Decentralisation and empowerment of local governments;

b) Participation; and

c) Equity and inclusion through acceptance of social ends along with private interests.

This has helped to subsequently open up the doors for several innovative practices and systems at the local level directed at social and environmental sustainability.

Check Your Progress 3

1) What are the features of urbanisation in South Africa?

Urbanisation in South Africa has been fairly rapid. Over 55% of its population is urban and estimates indicate that the current rate of urbanization is about 4.9%.The largest proportion of this urban population (about 67%) is located in the four metropolitan areas of Pretoria/Johannesburg, Durban, Cape Town and Port Elizabeth.

Another key feature of urbanisation in South Africa is the legacy of colonization which restricted opportunities of urbanization only to the White population and used black labour only as a servantile population. South Africa has a high proportion of decentralisation. Thus responsibilities of economic growth and planning, service provision are key functions of these governments.

UNIT 2 URBAN DEVELOPMENT POLICY PERSPECTIVES IN INDIA

Structure

2.1 INTRODUCTION

Cities around the world are playing an ever increasing role in creating wealth, enhancing social development and, attracting investment. It's also harnessing human and technical resources for achieving unprecedented gains in productivity and competitiveness. At the same time, cities play a critical role in driving the transition to sustainable development and promise better access to improved social amenities such as health, education, culture and recreation among others and a range of civic services namely water, power, sewerage, sanitation, roads and transportation to upgrade the quality of life of its inhabitants. As countries develop, cities and urban settlements account for a larger share of the national income. Often it generates a disproportionate share of Gross Domestic Product (GDP) and provides huge opportunities for investment and employment.

However, in reality cities, particularly in developing countries, are often plagued with severe shortcomings. Displaying a differentiated pattern, they contain centres of affluence as well as concentrations of abject poverty and neglect. While they offer some of the best social services including world class education and health facilities, cities are also host to a great many social ills – chronic poverty, poor sanitation, crime, environmental pollution and social unrest.

After studying this unit, you should be able to:

- Explain the trends and pattern of urbanisation
- Describe the role played by various policies and programmes in urban development and management
- Analyse the impact and outcome of these policies and programmes

2.2 INDIA'S URBANISATION: BASIC FEATURES AND PATTERN

Though, India is less urbanised in comparison with many Asian countries like China, Indonesia and South Korea. Nevertheless with nearly a third of the population – in absolute numbers about 286 million urban inhabitants in 2001 – India had the second largest urban population in the world, next only to China.

Given current trends in population growth and migration, estimates of the United Nations indicate that India is witnessing an 'urban explosion' with India's urban population likely to reach 575 million by 2030 (40.90 percent of total population).

The importance of India's urban sector is indisputable. The urban sector's contribution to India's net domestic product is estimated at between 50 and 52 %, while at the same time, 64.7 % of employment in trade, commerce, and financial services; 65 % in manufacturing and 68 % in the transport sector are concentrated in urban areas.

As may be seen from Table 1, India's urban population increased from 62.4 million in 1951 to 159.5 million in 1981 i.e. the absolute increase during the three decades was of the order of 94 million (1951-1981). This increase may be attributed to faster pace of industrialisation adopted in five-year plans by Government of India. During 1981-1991 the urban population increased by 59.4 million which indicates the growing trend towards urbanisation. Urban population in absolute terms reached 286.1 million in 2001, which constituted 27.8 percent of India's total population of 1.02 billion in that year. The percentage of urban population to total population in the 1991 Census including interpolated population of Jammu and Kashmir where census could not be conducted in 1991) was 25.7 percent. Thus, there has been an increase of 2.1 percentages in the proportion of urban population in the country during 1991 – 2001.

Table 2.1: India: Urbanization and Decadal Growth, 1951 – 2001

Year	Total population (million)	No. of towns and UAs	Urban population (million)	Share of urban to total population (%)	Decadal Growth of urban population (%)	Index of Urban Population (Base 1951=100)
1951	361.1	2843	62.4	17.3	41.4	100
1961	439.2	2365	78.9	18.0	26.4	126
1971	548.1	2590	109.1	19.9	38.2	175
1981	683.3	3378	159.5	23.3	46.1	256
1991	846.3	3768	217.6	25.7	36.4	349
2001	1028.6	5161	286.1	27.8	31.5	458

Source: Census of India, Final Population Tables 2001, GOI, New Delhi

Basic feature of urbanization in India can be highlighted as:

1) Skewed and lopsided urbanisation
2) Urbanisation occurs without industrialisation and strong economic base
3) Urbanisation is mainly a product of demographic explosion and poverty Induced rural - urban migration.
4) Rapid urbanisation leads to massive growth of slum followed by misery, poverty, unemployment, exploitation, inequalities, degradation in the quality of urban life.
5) Poor quality of rural-urban migration leads to poor quality of urbanisation.

The pattern of urbanization in India is characterised by continuous concentration of population and activities in large cities. Urbanisation process is not mainly "migration lead" but a product of demographic explosion due to natural increase. India's urbanisation is followed by some basic problems in the field of:

1) Housing,
2) Slums,
3) Transport
4) Water supply and sanitation,
5) Water pollution and air pollution,
6) Inadequate provision for social infrastructure (school, hospital, etc).

Indian urbanisation is involuted not evoluted. Poverty induced migration occurs due to rural push. The megacities like Delhi, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore grew in urban population not in urban prosperity. Hence it is urbanisation without urban functional characteristics. These mega cities are subject to increasing slum and inadequate shelter, drinking water, electricity and sanitation.

Urbanisation is degenerating social and economic inequalities which warrant social conflicts, crimes and anti-social activities. Lopsided and uncontrolled urbanisation leads to environmental degradation and degradation in the quality of urban life that is pollution in sound, air, water, created by disposal of hazardous waste.

In this section you studied the basic features and pattern of India's urbanisation. Now, you should be able to answer some questions relating to this section given in check your progress-1.

Check Your Progress 1

Note: a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit.

1) What are the basic features of Urbanisation?

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2) Explain the pattern of India's Urbanisation.

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3) What are the basic problems in India's rapidly growing cities?

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2.3 URBAN POLICIES AND THEIR IMPACT

Urban planning and policy discussions in India have invariably only dealt with issues like relationship between urbanisation and economic development, distribution of urban population in various size-classes of settlement, regional development, growth of large, especially metropolitan cities, infrastructure and services, urban local bodies and institutional aspects including finance and legal issues .A good number of reports, documents and papers have been published on these issues.

Basically the thrust of most of these reports have been that

i) large cities have grown faster than, and at the expense of, small and medium towns;

ii) this is undesirable;

iii) measures should be taken to arrest large city growth; by making greater investment in small and medium towns; and

iv) effective industrial location policy, set to achieve at intra-regional balance in industrial location.

This section focuses on an analysis of urban policy at the national level. It should be remembered however that urban development, housing, urban policy and urban planning in India are state subjects under the Constitution. Therefore, without a thoroughgoing analysis of urban development policies in different states, it is not possible to paint a comprehensive picture of urban policy in India. The Centre can, at the most, "issue directives, provide advisory services, set up model legislation and fund programmes which the states can follow at will". The urban policy existing in the states is largely an off shoot of that outlined in the national five years plans and other policies and programmes of the Central Government. It is in this context that an analysis of the national level urban policies and programmes become important to understand the general direction of urban policy in India.

2.3.1 The First Phase: 1951-56

The 1st Five Year Plan (1951-56) was mainly concerned with housing and rehabilitation of refugees. The Ministry of Works and Housing was set up to ensure speedy spatial and occupational rehabilitation of refugees. A large number of rehabilitation colonies and sub-towns were set up in Delhi, Bombay, Ahmedabad, Uttar Pradesh, Haryana, Punjab and Calcutta. The city of Chandigarh was created in the same period as a symbol of 'modern' India. In the same plan period the National Buildings Organisation and the School of Planning and Architecture were set up in order to improve the quality and efficiency of built environment building, research and develop housing technologies and create a cadre of trained town planners. Furthermore, the Central Government also set up the Town and Country Planning Organisation to provide guidance and assistance to Central and State governments on urban problems and also to prepare the Delhi Master Plan which was conceived as the model plan which was subsequently to provide a framework for master plans to be prepared for other cities. The other two issues that the 1st Plan was concerned about were industrial and employer housing and slums.

The Plan was categorical about the need for slum clearance. Terming slums a 'national problem' and a 'disgrace to the country' it stated that "it is better to pay for the cost of clearing than to…suffer their destructive effects upon human lives and property indefinitely". It is to be noted however, that the use of the term 'slum' in the First Plan refers exclusively to dilapidated and over-congested areas such as the Walled City in Delhi. The 2nd Plan (1956-61) identified "rise in land values, speculative buying of lands in the proximity of growing towns, high rentals and the development of slum areas" as features common to most large towns and cities. It also predicted an escalation in these problems given the trends in industrialisation. The Plan thus introduced the theme of regional planning and emphasised the importance of preparing master plans. While recognising growing housing deficits in urban areas, it placed the problem of housing in the wider context of urban and regional planning and called for construction of housing for low income groups. Thus Town and Country Planning legislation was enacted and in many states institutions were set up for the preparation of master plans. In 1956, the *Slums Areas (Improvement and Clearance) Act* was passed. The Act defined slums as: "any area (where) buildings…(a) are in any respect unfit for human habitation, or (b) are by reason of dilapidation, over-crowding, faulty arrangement and design of such buildings, narrowness or faulty arrangement of streets, lack of ventilation, light or sanitation, or any combination of these factors, are detrimental, to safety, health or morals" .For preventing the growth of slums, the Plan recommended strengthening local authorities and mobilising "the support of enlightened public opinion" in enforcing the implementation of building codes and municipal by-laws.

It was in the 3rd Plan (1961-66) that urban policy and development planning began to acquire a cogent form. During this period, Master Plans for various cities were prepared and the need to strengthen urban local governments, especially their financial and administrative aspects, was recognised. In order to guide and enforce the planned development of cities through the implementation of master plans, para-statal development authorities, such as Delhi Development Authority (DDA), Mumbai Metropolitan Regional Development Authority (MMRDA), Madras Metropolitan Development Authority (MMDA), were set up. It is noteworthy that the master planning approach to tackling urban problems was an uncritical import from the then prevalent town planning and regulatory practices in Britain and the United States of America.

The important features of these master plans were:

a) Designing of land use with a future perspective;

b) A city without slums, or in other words, a standard 'decent' housing for everyone;

c) Detailed modernised Central Business District;

d) Division of major land use into zones;

e) An efficient highway and transportation system; and

f) Adequate community facilities with residential areas divided into neighbourhoods.

The master plans give pre-eminence to the planned and orderly development of cities through a strict spatial segregation of functions such as housing, commerce, industries, etc. in mono-use zones.

The 3rd Plan also emphasised the need for balanced spatial and demographic development through locating new industries far away from cities, adopting the concept of the 'region' in the planning of large industries and strengthening rural-urban linkages. The Plan expressed concern about increase in land prices in cities and the growth of slums. The concept of urban community development was introduced to tackle problems of urban slums. Earlier the central government had introduced a scheme in 1959 to "give loans to state governments for a period of ten years acquisition and development of land in order to make available building sites in sufficient numbers". Moreover, "various measures such as freezing of land prices, acquisition and development of land and taxation of vacant land were suggested to control and regulate the urban lands". The Plan period also saw significant dispersal of urban planning and development activities from the centre to the states with massive amounts of investment poured into developing state capitals and new cities such as Gandhinagar in Gujarat and Bhubaneswar in Odisha. Thus, we see that the first phase of urban policy was characterised by the lack of a comprehensive vision on urbanisation or urban process in India. The Plans prepared during this period largely had an adhoc and piecemeal approach towards urban issues and problems. Though from the second plan onwards, planned development of cities became a major theme , there was little attempt to reconcile the technocratic blueprint of master plans with the complex realities of a predominantly poor, newly independent, post colonial country.

2.3.2 The Second Phase: 1969-1984

Achieving balanced urban growth through dispersing populations in smaller urban centres was the overriding thrust of the 4th Plan (1969-74). This was to prevent the concentration of population in metropolitan cities such as Delhi, Bombay, Calcutta and Madras. The creation of small towns and ensuring the spatial location of economic activity in a planned manner consistent with the objectives of the Plan was underscored.

The Plan articulated the need for urban land policy at the state level and provided specific guidelines for the formulation of the same. It recommended that -the state level urban policies should aim at:

a) The optimum use of land;

b) Making land available to weaker sections;

c) Checking the concentration of land ownership, rising land values and speculation of land; and

d) Allowing land to be used as a resource for financing the implementation of city development plans.

In 1970, the Housing and Urban Development Corporation (HUDCO) was set up to provide loans to urban development authorities and state housing boards for housing and other development projects such as infrastructure development, land acquisition and essential services. One of the main goals of the HUDCO was the "promotion of housing for the persons belonging to low income groups and economically weaker sections" .The Central Government launched the Environmental Improvement of Urban Slums (EIUS) scheme in 1972-73 to provide a minimum level of services, such as, water supply, sewerage, drainage, pavements in 11 cities with a population of 8 lakhs and above. The scheme was later extended to 9 more cities. In 1973, towards the end of the fourth plan, the World Bank started its urban sector operations in India with the launching of the Calcutta Urban Development Project. The 5th Plan (1974-79) was mainly concerned with introducing measures to control land prices in cities; providing a framework for the development of small and medium towns; augmenting basic services in cities and towns; addressing the problems of metropolitan cities with a regional perspective and assist development projects having national significance in metropolitan cities. The priorities expressed in the Plan were based partly on the National Urbanisation Policy Resolution of the Town and Country Planning Organisation. In order to evolve a framework for the development of small and medium towns the central government constituted a Task Force on Planning and Development of Small and Medium Towns in 1975. The main objectives of the Task Force, were to "examine laws relating to local administration and urban development, and to suggest suitable modifications of these laws, keeping in view the need to assist in the planned growth of small and medium towns, and to formulate guidelines and regulations in the matters such as zoning, setbacks, building control and such other relevant matters". The report of the Task Force was published in 1977 and recommendations included giving priority to the development of existing towns and cities within a population range of 50,000-3, 00,000. The framework for the selection and consequent development of small and medium towns consisted of the following recommendations:

a) Formulation of a national urban policy;

b) Urban land policy to ensure proper use of land;

c) Development of small and medium towns, cities and metropolises with organic linkages to their immediate areas;

d) Identification of growth points in the region that may be delineated;

e) Evolution of location policies in the context of regional development;

f) Provision of inviolable greenbelts around settlements of certain sizes;

g) Working out of rational and feasible norms and standards of urban development; and

h) Creation of appropriate statutory local government agencies at various levels.

The Plan also emphasised the need for infrastructural development of cities with population over 300,000. To achieve this goal a scheme called Integrated Urban Development Programme (IUDP) was launched. Also, the Sites and Services Scheme for making serviced land available to the poor was launched in this Plan period.

One of the most important steps that were taken to check land prices and speculation in land during the fifth plan period was the promulgation of the Urban Land (Ceiling and Regulation) Act (ULCRA), 1976. The ULCRA aimed at preventing concentration of urban land in the hands of a few thereby checking speculation in and profiteering from land. It enabled the socialisation of urban land to ensure equitable distribution amongst various social classes and orderly development of urban built environment. The Act provided for fixing ceiling on the possession and ownership of vacant land in urban areas and acquisition of excess land for creating housing stock for the poor.

The focus of the 6th Plan (1980-85) was largely on the development of small and medium towns and provision of basic services in urban slums. Though the Plan underlined the need to improve environmental conditions in slums through improvement in drainage, sewerage and sanitation, the urban component of the 6th Plan is remembered primarily for the introduction of a centrally sponsored scheme called the Integrated Development of Small and Medium Towns (IDSMT) with the objective of promoting growth in towns with less than 100,000 population through provision of infrastructure and basic services. The components eligible for central assistance under the IDSMT included land acquisition and services, construction of new markets, provision of industrial estates, provision of other services and processing facilities for the benefit of agricultural and rural development in the hinterland and low cost sanitation. The state components included slum improvement, small-scale employment generation, low-cost water supply schemes, drainage and sanitation, sewerage, preventive medical facilities, parks and playgrounds. To begin with, the scheme included 231 towns in various states and union territories, selected on the basis of the ratio of urban population in the state to the total urban population in the country. Later on, a few additional towns were added to this list. There was also a lot of emphasis on containing the growth of metropolitan cities by dispersing industrial and economic activities in small and medium towns in general and satellite towns of large cities in particular. However, stagnation in agriculture and skewed investment policies coupled with favourable economies of agglomeration enjoyed by large cities thwarted all attempts at 'balanced regional development'.

2.3.3 The Third Phase: 1986 Onwards

In mid 80s, the Indian economy started taking its first tentative steps towards liberalisation. The urban policy reflected the trend in economic policy. The 7th Plan heralded a shift in urban policy by initiating a process of opening up avenues for private sector participation in urban development. The Plan called for "radical (re)orientation of all policies related to housing" and entrusted the main responsibility of housing construction to the private sector. The government's role was sought to be reduced to "mobilisation of resources for housing, provision for subsidised housing for the poor and acquisition and development of land". In order to boost the housing finance market, it recommended setting up of the National Housing Bank. It also proposed to set up a National Urban Infrastructure Development Finance Corporation to augment the capacity of urban local bodies to undertake infrastructure creation, particularly water supply and sewerage facilities.

In 1988, the first ever National Housing Policy (NHP) was announced. The objectives of the NHP included removal of homelessness, improving the conditions of the inadequately housed and provision of minimum level of basic services to all. The Policy conceived the role of the government as "a provider for the poorest and vulnerable sections and as a facilitator for other income groups and private sector by the removal of constraints and the increased supply of land and services". The IDSMT continued to be the most important scheme for the urban sector under the Seventh Plan as well. In the Plan period, the coverage of the scheme was extended to 102 additional towns. The Plan reiterated the need to integrate town level plans into the regional systems. In 1985 the National Capital Region Planning Board was formed to reduce population pressure on Delhi by dispersing and diverting population and economic activity to other urban centres within the National Capital region, thereby ensuring the balanced development of the region as a whole. Emphasis was also laid on community participation at the town/city level. Recognising the need to directly address the problem of urban poverty, the Plan also launched an urban poverty alleviation scheme called the Urban Basic Services (UBS) with a focus on improving the status of women and children in urban low-income families through community participation, integrated development and cost effectiveness. The UBS was later merged into the EIUS in 1990 and renamed as Urban Basic Services for Poor (UBSP). Another important scheme, namely, *Nehru Rozgar Yojana* (NRY) was launched in 1989 to generate employment opportunities for the urban poor. The NRY had three basic components of microenterprises, wage employment and shelter upgrading. In the same year, the National Commission on Urbanisation (NCU) submitted its report. The Commission was entrusted with the task of making a detailed investigation into the process, pattern, trends and issues of urban development and planning and suggesting appropriate framework and guidelines for urban policies and programmes in the coming years. The NCU emphasised close link between urbanisation and economic development. The NCU marked a significant departure from the policy pronouncements of earlier government policies and plans as it abandoned the concept of backward area because "it was felt that instead of forcefully inducing investments in areas which are backward and have little infrastructure and in which the concessions are likely to be misused, the identified existing and potential urban centres at intermediate levels could be developed to attract the migrants as they are located in closely related regions".Consequently, the Commission identified 329 cities called GEMs (Generator of Economic Momentum) which were further divided into NPCs (National Priority Centres) and SPC (State Priority Centres). Apart from GEMs, National and State Priority Centres, the Commission also identified 49 Spatial Priority Urban Regions (SPURs). The future growth in urbanisation was expected to take place along these nodes and corridors.

The Plan expressed the need to link urban growth with economic development and advanced the following policy directives:

a) Consolidation and operationalisation of spatial and economic dimensions of planning by:

   i) involving an integrated hierarchy of rural and urban settlements based upon primary economic functions;

   ii) linking the urban development plans with respective district level planning processes including the programmes of various state level and central departments like agriculture; and

   iii) rural development, environment, telecommunications, industries and other such organisations.

b) Convergence of all related programmes that is IDSMT, housing and infrastructure development programmes of HUDCO, NRY and UBSP aims to create the desired impact in small and medium towns beyond the threshold level.

c) Taking legal, organisational and financial measures for enhanced and equitable supply of urban land and promotion of housing, including review of master plan standards, amendments to Land Acquisition Act, Urban Land Ceiling and Regulation Act, Transfer of Property Act and Rent Control Laws.

d) Promoting public-private partnerships in the urban development sector.

e) Developing appropriate specialised institutional support at the central and state levels to deal with financing and development of urban infrastructure.

In the same Plan period, in 1995, another programme called Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUEP) was launched. The PMIUEP was a five year long scheme applicable to all class II cities with a population ranging between 50,000 to 1, 00, 00 subject to the condition that elections to local bodies had been held. In 1992, the Town and Country Planning Organisation prepared a draft National Urban Policy.

The main objectives of the draft NUP were to:

a) Evolve a spatial pattern of economic activities and population distribution based on regional development and planning considerations;

b) Secure a balanced distribution of population among the urban centres of various sizes, so as to maximise economic gain and minimise social costs of urbanization;

c) Control further growth of metropolitan cities by dispersal of economic activities in the new growth centres;

d) Prioritise development of those urban centres which have been identified as prime economic movers in national economic development, such as the National Priority Cities (NPCs), State Priority Cities (SPCs) and Spatial Priority Urbanisation Regions (SPURs); and

e) Improve the efficiency of the urbanisation process by removing bottlenecks and breakdowns in the supply of urban services.

At the beginning of the 8th Plan period, in 1992, the 74th Constitutional Amendment Act was promulgated. It was a landmark Act which sought to decentralise decision making in cities and towns through creation of elected urban local bodies (ULBs) as institutions of democratic self governance and devolution of essential functions related to city planning and service provision to these bodies. The salient features of the 74th CAA are:

- introduction of the Twelfth Schedule which lists the functions of the ULBs;
- establishment of ward committees in areas having a population of over 3 lakhs;
- periodic and timely elections of ULBs; and
- devolution of finances to ULBs as per the suggestions of the State Finance Commissions (SFSs).

The Mega City Scheme, a centrally sponsored scheme launched in five cities, namely, Mumbai, Kolkata, Chennai, Hyderabad and Bangalore during the 8th Plan had the express purpose of preparing municipalities to use institutional finance and eventually market instruments like municipal bonds for capital investment requirements. One of the highlights of the 8th Plan period was the publication of the India Infrastructure Report. India Infrastructure Report was widely considered a landmark document in the push towards privatisation and/ or commercialization of infrastructure creation and management, service provision and regulatory and governance systems.

The 9th Plan (1997-2002) was greatly influenced by the India Infrastructure Report. The Plan recognized the skewed nature of urban process in India with urbanization and economic growth mainly concentrated in certain parts of the country and certain parts of a state. It thus admitted that the IDSMT that had been launched in the Sixth Plan to reduce regional disparities had largely been a failure. The 9th Plan reiterated its commitment towards reducing regional disparities; however, the primary responsibility for achieving the same was now with the state governments who were urged to raise resources for their activities from outside the Plan, specifically from financial institutions and capital markets. The Plan sought to make ULBs and parastatal agencies accountable and financially viable by cutting down on budgetary allocations for urban infrastructural development. The Plan recognised that while larger municipalities may be in a position to raise funds from capital market and financial institutions directly, the smaller ULBs simply do not have the financial and technical capability to do so. It thus proposed to create an 'Urban Development Fund' based on the principle of 'pooled finance' to help smaller towns realize commercial borrowings.

In terms of focus, the Plan recommended streamlining of employment generation programmes and creating housing stock for economically weaker sections and lower income groups through rationalisation of existing centrally sponsored urban poverty alleviation programmes. The sectoral objectives of the Ninth Plan were:

a) Development of urban areas as economically efficient, socially equitable and environmentally sustainable entities;

b) Accelerated development of housing, particularly for the low income groups and other disadvantaged groups;

c) Development and up gradation of urban infrastructure services to meet the needs of a growing population;

d) Alleviation of urban poverty and unemployment;

e) Promoting accessibility and affordability of the poor to housing and basic services;

f) Improvement of urban environment;

g) Promoting private sector participation in the provision of public infrastructure and of the community and NGOs in urban planning and management of specific component of urban services; and

h) Democratic decentralisation and strengthening of municipal governance.

The Hashim Committee, set up to review and streamline these programmes suggested phasing out NRY, PMIUPEP and UBSP and introducing *Swarna Jayanti Shahari Rozgar Yojana* (SJSRA) to reorganise self-employment and wage employment parts of the earlier programmes. The shelter upgradation component of NRY and PMIUPEP was merged with the National Slum Development Programme (NSDP).

The SJSRY had two sub-schemes, namely, (a) Urban Self Employment Programme and (b) Urban Wage Employment Programme. The SJSRY sought to "provide gainful employment to the urban unemployed or underemployed poor by encouraging the setting up of self-employment ventures or provision of wage employment". The implementation of the scheme was to be done through the setting up of community organisations like Neighbourhood groups, Neighbourhood Societies and Community Development Societies. The responsibility of identifying beneficiaries, viable projects suitable for the area, preparation of applications, monitoring of recovery and general support was entrusted to the Community Development Societies. The Urban Self Employment Programme included schemes on self employment through setting up Micro-enterprises and Skill Development, confined to BPL beneficiaries who have education up to the 9th standard, and Development of Women and Children in Urban Areas for poor women who decide to set up self-employment ventures on a group basis. The Urban Wage Employment Programme was conceived to provide employment to persons Below Poverty Line in urban local bodies with a population of less than 5 lakhs. The Plan also suggested that the responsibility of distribution of water in urban areas should be given over to local bodies or to the private sector. It encouraged private sector participation in construction and maintenance of water supply and sanitation schemes.

In 1998, the National Housing and Habitat Policy (NHHP) was announced which specifically emphasised that housing construction in both rural and urban areas should be left in the hands of the private sector and that the government should restrict itself to the role of a facilitator. The Policy promised "Shelter to All" by the year 2001 but this promise was to be realized through the invisible hand of the market which was supposed to ensure affordable housing to all if all impediments to its efficient functioning were removed. As a follow up to the recommendations of the NHHP 1998, the Two Million Housing Programme was launched in 1998-99. It was a loan based scheme promoting the construction of 20 lakh additional housing units every year (13 lakh for rural areas and 7 lakh for urban areas). Out of this, HUDCO was to meet the target of 4 lakh dwelling units in urban areas and 6 lakh in rural areas annually. In 1999, the Draft National Slum Policy was announced which proposed the integration of slum dwellers in the mainstream of urban life through in-situ up gradation. The Draft Policy included all underserviced settlements in its definition of slums and proposed their up gradation and improvement as opposed to eviction. It also spoke about granting tenure to slum dwellers inhabiting government land apart from providing them with basic civic amenities. The Draft National slum Policy was never adopted, however in 2001, a Rs. 20 billion subsidy based scheme called the *Valmiki Ambedkar Awas Yojana* (VAMBAY) was started with the aim to provide/ upgrade shelter to urban slum dwellers.

In the 9th Plan period, two other major steps were taken to further the process of liberalization of land and real estate markets. The first step was the repeal of the Urban Land (Ceiling and Regulation) Act in 1999. The second major step was taken in 2002 when the government allowed 100 percent Foreign Direct Investment (FDI) in integrated townships, including housing, commercial premises, hotels and resorts. FDI was also permitted in infrastructure projects such as roads, bridges, mass rapid transit systems and for the manufacturing of building materials. The minimum area to be developed was fixed at 100 acres.

The 2001 Census had shown that contrary to the expectations and predictions of a wide array of actors, the rate of growth of urban population was steadily declining. This has been attributed to cities becoming inhospitable to poor migrants due to the promulgation of neo-liberal urban policies. However, the 10th Plan celebrates this fact and attributes it to "the success of rural development programmes along with the limited availability of land for squatting in central urban areas". The Plan identifies urbanization as "a key determinant of the economic growth in the 1980s and 1990s, boosted by economic liberalisation". The 10th Plan (2002-07) was prepared in the backdrop of the Union Budget of 2002-03 which had announced radical measures to push cities into carrying out comprehensive urban reforms. The overriding thrust of the 10th Plan was to promote overhauling of the legislative, governance and administrative structure of cities through a set of market-friendly urban reforms and promotion of PPPs in urban infrastructure and services. A lot of emphasis was placed on making urban local bodies financially strong so that they have to rely less and less on state transfers. To enable ULBs to raise their own resources the Plan advocated reform in property tax, levying of user charges, increasing non-tax revenues, controlling establishment costs, better utilization of municipal assets and overhauling municipal accounting systems. These reforms, it was suggested, would enhance the credit-worthiness of ULBs and make them capable to mobilising funds from capital market and investors. The Plan also spoke about substantially increasing investment in up gradation of urban infrastructure and services but made it clear that central assistance in this regard would be made conditional upon states and ULBs carrying out sector reforms, in particular better standard of services and levying of user charges.

2.3.4 Current On-Going Programmes

The process of urban reforms which tentatively began in the 8th Plan reached its high point when in December 2005, the Prime Minister launched the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). The JNNURM is basically a reform linked incentive scheme for providing assistance to state governments and urban local bodies (ULBs) in selected 63 cities, comprising all cities with over one million population, state capitals and a few other cities of religious and tourist importance for the purpose of reforming urban governance, facilitating urban infrastructure and providing basic services to the urban poor. The total budget of the Mission is estimated to be Rs. 1,26,000 crores out of which the central government shall provide Rs. 50,000 crores. It is thus by far the single largest initiative of the central government in the urban sector.

The broad framework of the Mission is as follows:

i) Preparation of City Development Plans (CDPs) by respective cities with a 20-25 years perspective.

ii) Sector-wise detailed project reports to be prepared by identified cities listing projects along with their financial plans.

iii) A Memorandum of Agreement (MoA) to be signed between the central government, state governments and ULBs containing the time bound commitment on the part of states/ ULBs to carry out reforms in order to access central funds under the Mission.

iv) Funding pattern in terms of percentages would be 35:15:50 (between Centre, States and Urban Local Bodies) for cities with over 4 million population, 50:20:30 for cities with populations between one and four million, and 80:10:10 for other cities.

v) Assistance under the Mission to be given directly to nominated State Level Nodal Agencies, who in turn would give the same to state government/ ULB in the form of soft loan or grant-cum-loan or grant.

vi) The assistance thus provided would act as seed money to leverage additional funds from financial institutions/capital markets.

vii) Public Private Partnership (PPP) to be the preferred mode of implementing projects.

The Mission comprised of two sub missions, namely, Sub-Mission for Urban Infrastructure and Governance and Sub-Mission on Basic Services to the Urban Poor. The admissible components under both these sub-missions together include urban renewal, water supply and sanitation, sewerage and solid waste management, urban transport, slum improvement and rehabilitation, housing for urban poor, civic amenities in slums. The priorities of the government become even clearer when we look at the set of reforms that the state governments and ULBs are supposed to carry out if they wish to avail central assistance under the JNNURM. These reforms have been divided into two parts - Mandatory reforms and Optional reforms.

i) Mandatory Reforms

A) Mandatory Reforms: State Level

The state governments seeking assistance under the JNNURM would be obliged to carry out the following mandatory reforms:

a) effective implementation of decentralisation initiatives as envisaged in the Constitution (seventy-fourth) Amendment Act, 1992;

b) repeal of Urban Land (Ceiling and Regulation) Act, 1976;

c) reform of rent control laws;

d) rationalisation of stamp duty to bring it down to no more than 5 percent within seven years;

e) enactment of a public disclosure law;

f) enactment of a community participation law, so as to institutionalize citizens' participation in local decision making; and

g) association of elected municipalities with the city planning function.

B) Mandatory Reforms: Municipal Level

a) Adoption of a modern, accrual-based, double entry system of accounting;

b) Introduction of a system of e-governance using IT applications, GIS and MIS for various urban services;

c) Reform of property tax so as to raise collection efficiency to 85 per cent;

d) Levy of user charges to recover full cost of operation and maintenance within seven years;

e) Internal earmarking of budgets for basic services to the urban poor; and

f) Provision of basic services to the urban poor, including security of tenure at affordable prices.

ii) Optional Refroms

Apart from these mandetory reforms, there is a set of optional reforms common to both state governments and ULBs, any two of which they are supposed to implement each year. These include:

a) revision of bye-laws to streamline the approval process for construction of buildings, development sites etc;

b) simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes;

c) introduction of property title certification;

d) earmarking of at least 20-25 per cent developed land in housing projects for economically weaker sections and low income groups with a system of cross-subsidisation;

e) introduction of computerised registration of land and property;

f) administrative reforms including reduction in establishment cost by introducing retirement schemes and surrender of posts falling vacant due to retirement;

g) structural reforms; and

h) encouraging public private partnership.

The JNNURM was accompanied by another scheme called the Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT*)* which is more or less the same in content except for the minor difference that towns under the UIDSSMT do not have to prepare City Development Plans. 5098 cities and towns which have a population of less than one million and are thus not covered under the JNNURM come under the UIDSSMT. Earlier schemes such as IDSMT and Accelerated Urban Water Supply Programme (AUWSP) have been merged with the UIDSSMT. Similarly the Mega City Scheme and the VAMBAY have been partially subsumed under the JNNURM.

There seems to be a formidable consensus that the urban reform agenda, as enunciated in the JNNURM, the UIDSSMT and several other programmes and policies, is one of the key instruments for keeping the country on the path of high growth.

In this section you studied urban policies and their impact. Now, you should be able to answer some questions relating to this section given in check your progress-2.

Check Your Progress 2

Note: a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit.

1) In which five-year plan period, the emphasis was laid on the preparation of master plans? Please specify the major features of master plans?

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2) Specify the main thrust of National Housing and Habitat Policy, 1998.

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3) What is the broad framework of Jawaharlal Nehru National Urban Renewal Mission (JNNURM)?

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2.4 CHALLENGES OF MANAGING URBANISATION

The challenge of urbanisation in India is to ensure service delivery at the enhanced minimum standards that are necessary when planning ahead.

The major challenges of Urbanisation are the following:

- Strengthening ULBs through better capacity building and financial management;
- Increasing the efficiency and productivity of cities with emphasis on reducing incidence of poverty and promoting sustainable development;
- Provision of essential urban infrastructure, amenities and services with public – private partnerships;
- Establishing regulatory/ institutional framework to oversee the functioning of public and private sector;
- Integration of economic and spatial planning with a view to achieving a rational spatial – economic development at city, state and national levels;
- Strict enforcement of anti – pollution laws and to reduce dangerous levels of air pollution particularly in metro cities; and
- To establish a cost effective, energy efficient, socially desirable and transport system.

The challenge of managing urbanisation will have to be addressed through a combination of increased investment, strengthening the framework for governance and financing, and a comprehensive capacity building programme at all levels of government.

In this section you studied challenges of managing urbanisation. Now, you should be able to answer some questions relating to this section given in check your progress-3.

Check Your Progress 3

Note: a) Write your answer in about 50 words

b) Check your answer with possible answers given at the end of the unit.

1) What are the main challenges of Urbanisation?

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2) What needs to be done to facilitate sustainable urbanisation in India?

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2.5 LET US SUM UP

India is urbanising. This transition, which will see India's urban population reach a figure close to 600 million by 2031, is not simply a shift of demographics. It places cities and towns at the centre of India's development trajectory. In the coming decades, the urban sector will play a critical role in the structural transformation of the Indian economy and in sustaining the high rates of economic growth. Ensuring high quality public services for all in the cities and towns of India is an end in itself, but it will also facilitate the full realisation of India's economic potential.

India's economic growth momentum cannot be sustained if urbanisation is not actively facilitated. Nor can poverty be addressed if the needs of the urban poor are isolated from the broader challenges of managing urbanisation. Cities will have to become the engines of national development. India cannot afford to get its urban strategy wrong, but it cannot get it right without bringing about a fundamental shift in the mindset which separates rural from the urban.

India's municipal corporations, municipalities and *nagar panchayats*, commonly known as Urban Local Bodies (ULBs) need to be strengthened as local self-government. It has clear functions, independent financial resources, and autonomy to take decisions on investment and service delivery. They must also be made accountable to citizens. Elements of this shift are already present in the local government framework as reflected in the 74th Constitutional Amendment, the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), and the emphasis placed on the urban sector by the Thirteenth Central Finance Commission.

To sum up, the steps needed to facilitate sustainable urbanisation in India are:

- Increasing investment in urban infrastructure.
- Engaging in renewal and redevelopment of urban areas including slums.
- Improving regional and metropolitan planning with integration of land use and transportation.
- Ensuring access to services for all including the poor to meet the recommended norms.
- Reforming systems of service delivery.
- Improving governance of cities and towns.
- Strengthening and securing the financial base of ULBs.

2.6 REFERENCES AND SELECTED READINGS

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2.7 CHECK YOUR PROGRESS- POSSIBLE ANSWERS

Check Your Progress 1

1) **What are the basic features of Urbanisation?**

   Urbanisation is characterised by continuous concentration of population and activities in cities and towns. It is a process characterised by rural-urban migration, natural increase in population and increase in municipal area. Rapid urbanisation leads to massive growth of slum followed by misery, poverty, unemployment, exploitation, inequalities, degradation in the quality of urban life. Poor quality of rural-urban migration leads to poor quality of Urbanisation.

2) **Explain the pattern of India's Urbanisation.**

   The pattern of urbanisation in India is skewed and is characterised by growth of cities and towns in regions of agricultural surplus, stagnant or backward region. The big cities attained inordinately large population size leading to virtual collapse in the urban services and quality of life. Migration and natural increases are the predominant factor of urban growth.

3) **What are the basic problems in India's rapidly growing cities?**

   Problem of urbanisation is manifestation of lopsided urbanisation, faulty urban planning, urbanisation with poor economic base. Due to rising demand for infrastructural provisions in the rapidly growing cities, and ineffective supply of services and facilities, the cities and towns environment is deteriorating in terms of :

   1) poor housing
   2) increase slums
   3) inefficient transport
   4) ineffective provision of water supply and sanitation
   5) increase in air and water pollution
   6) inadequate provision for social infrastructure.

Check Your Progress 2

1) **In which five-year plan period, the emphasis was laid on the preparation of master plans? Please specify the major features of master plans.**

   It was in the 3rd Plan (1961-66) that emphasized the preparation of Master Plans for various towns and cities. The important features of these master plans were

a) designing of land use with a future perspective;

b) a city without slums, or in other words, a standard ‘decent’ housing for everyone;

c) detailed modernised Central Business District;

d) division of major land use into zones;

e) an efficient highway and transportation system,

f) adequate community facilities with residential areas divided into neighbourhoods

2) Specify the main thrust of National Housing and Habitat Policy, 1998.

In 1998, the National Housing and Habitat Policy (NHHP) was announced which specifically emphasised that housing construction in both rural and urban areas should be left in the hands of the private sector and that the government should restrict itself to the role of a facilitator. The Policy promised “Shelter to All”. As a follow up to the recommendations of the NHHP 1998, the Two Million Housing Programme was launched in 1998-99.

3) What is the broad framework of Jawaharlal Nehru National Urban Renewal Mission (JNNURM)?

The JNNURM is basically a reform linked incentive scheme for providing assistance to state governments and urban local bodies (ULBs) in selected 63 cities, comprising all cities with over one million population, state capitals and a few other cities of religious and tourist importance for the purpose of reforming urban governance, facilitating urban infrastructure and providing basic services to the urban poor. The total budget of the Mission is estimated to be Rs. 1,26,000 crores out of which the central government shall provide Rs. 50,000 crores. It is thus by far the single largest initiative of the central government in the urban sector.

Check Your Progress 3

1) What are the main challenges of Urbanisation?

The major challenges of Urbanisation are the following:

- Strengthening ULBs through better capacity building and financial management,
- Increasing the efficiency and productivity of cities with emphasis on reducing incidence of poverty and promoting sustainable development,
- Provision of essential urban infrastructure, amenities and services with public – private partnerships,
- Establishing regulatory/ institutional framework to oversee the functioning of public and private sector;

2) What needs to be done to facilitate sustainable urbanisation in India?

Some of the steps that need to be taken are the following:

- Increasing investment in urban infrastructure
- Engaging in renewal and redevelopment of urban areas including slums
- Ensuring access to services for all including the poor

UNIT 3 URBAN DEVELOPMENT PROGRAMMES IN INDIA

Structure

3.1 INTRODUCTION

As per 2001 population census 285.35 million people reside in urban areas. It constitutes 27.8% of the total population of the country. In post-independence era, while population of India has grown three times, the urban population has grown five times. The rising urban population has also given rise to increase in the number of urban poor. As per 2001 estimates, the slum population is estimated to be 61.8 million. The ever increasing number of slum dwellers causes tremendous pressure on urban basic services and infrastructure. In order to cope with massive problems that have emerged as a result of rapid urban growth, the government of India has launched many programmes since independence. One of the illustrious examples is JNNURM launched recently to rejuvenate urban development in India.

After studying this unit you should be able to:

- Describe various urban development programmes launched in India since independence.
- Discuss JNNURM.

3.2 URBAN DEVELOPMENT PROGRAMMES INITIATED SINCE INDEPENDENCE

Urban development programmes with a focus on reduction and alleviation of poverty, has been one of the objectives of five-year plans in the country since the beginning of the planned era. This was, however, brought into the core of planning exercise only during the Fifth Year Plan. The consumption levels of different commodities were projected in this plan by taking higher growth rates for people in lower consumption brackets. Extensive research has since then been carried out to study the dimensions of poverty, its temporal trend, spatial pattern etc.

This led to identification of theoretical solutions for reduction of poverty and launching of programmes during the past Five Year Plans.

An analysis of the government policies and programmes and investment pattern during the fifties, sixties and seventies reveals a distinct bias for urban areas. Public sector investment in infrastructure and basic services improved the level of services in urban centers, which accentuated the rural urban disparity. These investments were concentrated mostly in the large cities that attracted private investments as well as subsidized institutional funds. This resulted in creation of employment opportunities at a higher level of productivity earnings than in rural areas, widening the gap between their income levels. This period also witnessed the creation of a number of Boards and Corporations at the state level and development authorities at the city level. Considerable funds were routed through these agencies that improved the level of services for at least a section of the urban population.

Removal of poverty received attention initially in the Fifth Five Year Plan. The earlier plans did not emphasize on proper analysis of the dimension of poverty. The Fifth Plan noted that the consumption levels of the bottom 30 per cent of the country's population remained below the minimum of Rs.40.6 per capita per month at 1972-73 prices. No distinction was, however, made between rural and urban poverty. The plan stressed poverty could be removed by promoting economic growth and through proper implementation of the national level programmes like Minimum Needs Programme. The Sixth Plan addressed the problem of poverty in a more focused manner and recognized that economic growth process by itself was not enough to tackle poverty. It noted that about 51 per cent of the rural population and 41 per cent of the urban population were living below the poverty line in 1979-80. Specific programmes like Integrated Development of Small and Medium Towns, Minimum Needs Programme, Urban Basic Services, Integrated Rural Development Programme, National Rural Development Programme (NRDP) etc. were recommended for urban and rural areas. The Sixth Plan showed a distinct bias in favour of rural poverty by implementing specific programmes. The programmes that have been launched since independence have been briefly discussed in the following section.

i) **Integrated Development of Small and Medium Towns (IDSMT):** The programme was launched in 1979-80 basically for developing small and medium towns partly by providing basic services to poor and also by improving their economic conditions so that the growth of metro cities could be arrested. Initially, the scope of the programme was restricted to towns with population below one hundred thousand as per the 1971 Census. It had been decided in the Eighth Plan to include cities having population of five hundred thousand as per the Census of 1991.

ii) **Low Cost Sanitation Programme (LCS):** The goal of providing sanitation facilities to eighty per cent of urban population was fixed in the early eighties with the announcement of the UN Decadal Programme for Water Supply and Sanitation. Accordingly, a centrally sponsored scheme was launched in 1980-81, with the objective of eliminating manual scavenging through conversion of dry latrines. It covered all the households, which have dry latrines and those having no latrines including slum and squatter settlements.

Under this scheme, loan and Central subsidy were both channeled through HUDCO.

iii) **Shelter and Sanitation for Pavement Dwellers (SSPD):** This programme was launched in large urban areas including metropolitan cities, having sizable shelter less population. The Tenth Plan has pointed out that the provision of subsidy under the scheme has to be adequate to make it feasible for the NGOs to take up shelter construction. The grants per bed should also be revised to achieve the objective of providing a sufficient number of nights – shelters for the homeless women and children. The Pay and Use component of this scheme is being merged with the Nirmal Bharat Abhiyan of VAMBAY.

iv) **Accelerated Urban Water Supply Programme (AUWSP):** This is another centrally sponsored scheme launched during the Eighth Plan for providing water to the towns having less than 20,000 population as per the Census of 1991, operationally under the State PHED to be funded by the Central Government, State Government and concerned ULBs on 50:45:5 ratio. The Centre met the entire cost in Union Territories.

v) **National Slum Development Programme (NSDP):** The NSDP initiated in 1996 as a scheme of Special Central Assistance for slum improvement, has been providing additional central assistance to state governments to provide water supply and sanitation among other facilities to the slums.

vi) **VAMBAY (Valmiki-Ambedkar Awas Yojona):** This scheme has been launched in 2001-02 to provide shelter or upgrade the existing shelter of the people living below poverty line in urban slums implemented in partnership with state governments who will set up the implementation machinery, arrange for land where required and for the credit component for housing. The state funds under the scheme will be in proportion to their slum population.

vii) **Nehru Rozgar Yojana (NRY):** In order to alleviate the conditions of urban poor, a Centrally Sponsored Programme - Nehru Rozgar Yojana - was launched at the end of the Seventh Five Year Plan (October 1989) with the objective of providing employment to the urban unemployed and underemployed poor. The Central Government indicated its overall contribution while the essential task of identifying, earmarking and coordinating the relevant sectoral inputs was undertaken by the State Governments. The NRY consisted of three schemes namely (i) the Scheme of Urban Micro Enterprises (SUME); (ii) the Scheme of Urban Wage Employment (SUWE); and (iii) the Scheme of Housing and Shelter Upgradation (SHASU). During the Eighth Plan, 92% of the available funds were utilized but for the shortfall in the number of dwelling units upgraded/ in progress under SHASU, the targets have been achieved under all the other schemes.

viii) **Urban Basic Services for the Poor (UBSP):** The UBSP Programme was implemented as a Centrally Sponsored Scheme during the Eighth Five Year Plan with the specific objectives of effective achievement of the social sector goals; community organization, mobilization and empowerment; and convergence through sustainable support system. The expenditure on the

Programme was being shared on a 60:40 basis between the Central and the State Governments and UTs (with legislatures). Further, the per capita expenditure on any slum pocket is Rs.75/- in the first year and Rs.50/- from the second year onwards after the basic infrastructure is developed.

ix) **Prime Minister's Integrated Urban Poverty Eradication Programme (PM IUPEP):** Recognizing the seriousness and complexity of urban poverty problems, especially in the small towns, the PMI UPEP was launched in November, 1995 applicable to all Class II urban agglomerations with a population ranging between 50,000 and one lakh subject to the condition that elections to local bodies have been held.

x) **The Swarna Jayanti Shahari Rozgar Yojana (SJSRY):** The Nehru Rojgar Yojna (NRY) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMI UPEP) were two important direct poverty alleviation programmes in urban areas. Although their thrust was on employment and income generation for urban poor, these had components for provision of basic services as well. PMI UPEP was launched in the year 1995-96 with the objectives of employment generation, shelter upgradation, social development and community empowerment. It may, however, be noted that during 1997, the three programmes of UBSP, NRY and PMIUPEP have been merged into a single employment generation programme called Swarna Jayanti Shahari Rojgar Yojona (SJSRY).

The SJSRY is a Centrally Sponsored Scheme applicable to all the urban areas with expenditure to be shared in ratio 75:25 between the Centre and States/UTs. The programme has two sub-schemes namely: (a) Urban Self –Employment Programme and (b) Urban Wage Employment Programme.

The self-employment and wage employment components of the NRY and PMIUPEP have been re-organised under this single programme. The shelter upgradation components of both NRY and PMIUPEP have been merged with the National Slum Development Programme.

The SJSRY seeks to provide gainful employment to the urban unemployed or underemployed poor by encouraging the setting up of self-employment ventures or provision of wage employment. This programme is based on the creation of suitable community structures on the UBSP pattern and delivery of inputs under this programme was devised through urban local bodies and similar community institutional structures and rests on the foundation of community empowerment. Community organisations like Neighbourhood Groups (NHGs), Neighbourhood Committees (NHCs) and Community Development Societies (CDSs) have been set up in the target areas based on the UBSP pattern. The CDSs is the focal point for purposes of identification of beneficiaries, preparation of applications, monitoring of recovery and generally providing whatever other support is necessary to the programme. The CDSs identifies viable projects suitable for that particular area.

In this session you read about various urban development programmes initiated since independence in India by the government . Now answer the questions given in *Check Your Progress-1.*

Check Your Progress 1

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) Briefly describe the programme launched for urban sanitation.

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2) Write short note on Nehru Rozgar Yojana (NRY).

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3.3 JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

Urban Renewal, with a focus on inclusive development of urban centers, is one of the thrust areas in the National Common Minimum Programme of the Government and accordingly Jawaharlal Nehru National Urban Renewal Mission (JNNURM) was launched on 3rd December 2005 with an investment of Rs.50,000.00 crores in the Mission period for seven years beginning from 2005-06. The Mission aims to encourage reforms and fast-track infrastructure development with a focus on efficiency in urban infrastructure and services delivery mechanism, community participation, and accountability of ULBs towards citizens. The primary objective of the JNNURM is to create economically productive, efficient, equitable and responsive cities. To achieve this objective, the Mission focuses on integrated development of infrastructure services; securing linkages between asset creation and maintenance for long-run project sustainability; accelerating the flow of investment into urban infrastructure services; planned urban development; renewal of inner- city areas and universalisation of urban services to ensure balanced urban development.

The Mission has also succeeded in getting the state and city governments to commit themselves to structural reforms which the Central government had failed to achieve despite adopting several measures and incentive schemes proposed since early nineties through other programmes and legislations (Kundu, et.al 2007). In fact, a set of 23 mandatory reforms have to be introduced by the respective state governments and cities as per the commitments made by them in the Memorandum of Agreement (MoA) at the beginning of the mission period.

The JNNURM is thus a mission of macro economic growth wherein ground conditions have been created through reform measures and infrastructural investment in 65 select cities for attracting domestic and foreign investment. The JNNURM has two sub-missions for the mission cities, viz, (1) Urban Infrastructure and Governance (UIG) and (2) Basic Services to the Urban Poor (BSUP).

3.3.1 Mission Strategy

i) Planned urban perspective frameworks for a period of 20-25 years (with 5 yearly updates) indicating policies, programmes and strategies of meeting fund requirements would be prepared by every identified city. This perspective plan would be followed by preparation of Development Plans integrating land use with services, urban transport and environment management for every five year plan period.

ii) Cities/Urban Agglomerations/Parastatals will be required to prepare Detailed Project Reports for undertaking projects under identified areas.

iii) Private Sector Participation in development, management and financing of Urban Infrastructure would be clearly delineated.

iv) Funds for the identified cities would be released to the designated State Nodal Agency, which in turn would leverage, to the extent feasible, additional resources from the financial institutions/private sector/capital market.

v) Funds from Central and State Government will flow directly to the nodal agency designated by the State as grant. The nodal agency will disburse central assistance to ULBs or para-statal agencies as the case may be, as soft loan or grant-cum-loan or grant.

vi) A revolving fund will be created to meet the operation and maintenance costs of the assets created under the Mission.

3.3.2 Mission Objectives

i) Focused attention to integrated development of infrastructural services in the cities covered under the Mission.

ii) Secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.

iii) Ensure adequate investment of funds to fulfill deficiencies in the urban infrastructural services.

iv) Planned development of identified cities including peri-urban areas, out growths, urban corridors, so that urbanization takes place in a dispersed manner.

v) Scale up delivery of civic amenities and provision of utilities with emphasis on universal access to urban poor.

vi) To take up urban renewal programme, i.e., re-development of inner (old) cities area to reduce congestion.

3.3.3 Mission Components

i) **Admissible Components:** Projects pertaining to the following will be admissible under the Sub-Mission on Urban Infrastructure and Governance.

   i) Urban Renewal i.e. redevelopment of inner (old) city areas (this would include items like widening of narrow streets, shifting of industrial/ commercial establishments from non-conforming to 'conforming' areas to reduce congestion, replacement of old and worn-out water pipes by new/higher capacity ones, renewal of sewerage/drainage/solid waste disposal systems, etc).

   ii) Water Supply (including de-salination plants) and sanitation,

   iii) Sewerage and Solid Waste Management,

   iv) Construction and improvement of drains/storm water drains,

   v) Urban Transport, including roads, highways/expressways/ MRTS/metro projects,

   vi) Parking lots/spaces on Public Private Partnership basis,

   vii) Development of heritage areas,

   viii) Prevention and rehabilitation of soil erosion/landslides only in case of Special Category States where such problems are common, and

   ix) Preservation of water bodies.

   Note: Land cost will not be financed except for acquisition of private land for schemes/ projects in the North Eastern States and hilly States viz Himachal Pradesh, Uttaranchal and Jammu and Kashmir.

ii) **Inadmissible Components:** Projects pertaining to the following will not be admissible under the Sub-Mission:

   i) Power

   ii) Telecom

   iii) Health

   iv) Education

   v) Wage employment programme and staff component

3.3.4 Mission Coverage

Keeping in view the paucity of resources and administrative constraints in taking up all cities and towns under this intensive urban infrastructure improvement programme, it is suggested that under JNNURM only selected cities/Urban Agglomerations (UAs) as per 2001 Census will be taken up, as per norms/criteria mentioned below.

A) Cities/UAs with 4 million plus population as per 2001 census

B) Cities/UAs with 1 million plus but less than 4 million population as per 2001 Census

C) Selected Cities/UAs (State Capitals and other cities/UAs of religious/historic and touristic importance)

D) The cities should have elected bodies in position.

3.4 MISSION TOOLKIT

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) requires cities applying for assistance to lay down a time schedule for implementing the proposed reform agenda. The reform agenda consists of reforms that are to be undertaken: (i) by urban local bodies (ULBs) and (ii) by the state governments. This Toolkit is designed to seek information from the applicant cities that will enable the Ministry of Urban Development (MoUD) or the Ministry of Urban Employment and Poverty Alleviation (MoUEPA) to set the following: (i) the benchmarks on each of the constituents of the reform agenda, and (ii) a time schedule for implementing the reform agenda. The timeline for implementing the reform agenda will be attached to the Memorandum of Agreement (MoA). In addition, Toolkits separately provide details of the criteria that are proposed to be used for appraising project proposals and the timeline for urban reform agenda. The Urban Reforms shall broadly fall into two categories:

(a) Mandatory reforms and (b) Optional Reforms.

All the mandatory and optional reforms shall be implemented by the State/ ULB/ parastatals within the mission period. Core reforms at ULB/Parastatal level aims at process re-engineering through deployment of technology to enable more efficient, reliable, timely services in a transparent manner. The other set of reforms are framework related at State level.

Reforms	
State Level	**ULB Level**
Mandatory Reforms	***Mandatory Reforms***
Implementation of decentralization measures as envisaged in 74th Constitution Amendment Act. States should ensure meaningful association/ engagement of ULBs in planning function of parastatals as well as delivery of services to the citizens.	Adoption of modern, accrual-based double entry system of accounting in Urban Local Bodies
Repeal of Urban Land Ceiling and Regulation Act.	Introduction of system of e-governance using IT applications like, GIS and MIS for various services provided by ULBs
Reform of Rent Control Laws balancing the interests of landlords and tenants.	Reform of property tax with GIS, so that it becomes major source of revenue for Urban Local Bodies (ULBs) and arrangements for its effective implementation so that collection efficiency reaches at least 85% within next seven years.
Rationalization of Stamp Duty to bring it down to no more than 5% within next seven years.	Levy of reasonable user charges by ULBs/ Parastatals with the objective that full cost of operation and maintenance or recurring cost is collected within next seven years.

Enactment of Public Disclosure Law to ensure preparation of medium term fiscal plan of ULBs/Parastatals and release of quarterly performance information to all stakeholders.	Internal earmarking within local body, budgets for basic services to the urban poor.
Enactment of Community Participation Law to institutionalize citizen's participation and introducing the concept of Area Sabha in urban areas.	Provision of basic services to urban poor including security of tenure at affordable prices, improved housing, water supply, sanitation and ensuing delivery of other already existing universal services of the Government for education, health and social security.
Assigning or associating elected ULBs with "city planning function". Over a period of seven years, transferring all special agencies that deliver civic services in urban areas to ULBs and creating accountability platforms for all urban civic service providers in transition.	
Repeal of Urban Land Ceiling Act	
Reform of Rent Control Act	
Optional Reforms(Common to State and ULBs)	
Revision of bye-laws to streamline the approval process for construction of buildings, development of sites etc.	
Simplification of legal and procedural frameworks for conversion of agricultural land for non-agricultural purposes.	
Introduction of Property Title Certification System in ULBs.	
Earmarking at least 20-25% of developed land in all housing projects (both Public and Private Agencies) for EWS/LIG category with a system of cross subsidization.	
Introduction of computerized process of registration of land and property.	
Revision of bye-laws to make rain water harvesting mandatory in all buildings and adoption of water conservation measures.	
Bye-laws for reuse of recycled water.	
Administrative reforms i.e. reduction in establishment by bringing out voluntary retirement schemes, non-filling up of posts falling vacant due to retirement etc., and achieving specified milestones in this regard.	
Structural reforms	
Encouraging Public Private Partnership	

Note: ***1. Any two optional reforms to be implemented together by State & ULBs/Parastatals in each year.***

2. All the reforms (mandatory as well as optional) shall be implemented by State/ ULB/Parastatal within the Mission period.

The State Governments and the ULBs including parastatal agencies wherever necessary would execute Memorandum of Agreement (MoA) with Government of India indicating their commitment to implement identified reforms. MoA would spell out specific milestones to be achieved for each item of reform. Signing of MoA will be a necessary condition to access central assistance. This tripartite MoA would be submitted along with Detailed Project Reports (DPRs). The central assistance will be predicated upon the State Governments and the ULBs/ Parastatals agreeing to the reforms platform.

3.5 MISSION FRAMEWORK

The framework was evolved to provide incentives for reforms in urban development and thereby facilitate sustainable investments in urban infrastructure.

3.5.1 Institutional Arrangement for Policy Oversight

National Steering Group (NSG): At the national level, the JNNURM shall be steered by the NSG. It shall be chaired by the Minister of Urban Development (MOUD) and co-chaired by Minister of State (Independent charge) Urban Employment and Poverty Alleviation (MoUEPA). The NSG, a coordinating arm of the Government of India, shall provide policy oversight and evolve policies to facilitate the achievement of JNNURM objectives. The NSG shall review the agenda of reforms and may add additional reforms to the identified reforms. The NSG shall review the progress of the Mission. Besides, the NSG shall monitor the progress status of urban development and associated reforms in eligible cities.

Under the Sub-Mission on Basic Services for Urban Poor, there will be a high level committee chaired by Minister for Urban Employment and Poverty Alleviation with Joint Secretary (UEPA) as Member-Convener.

3.5.2 Institutional Arrangements for Mission Operationalisation

A) **Sub-Mission Directorates (SMD):** At the national level, the Mission shall be operationalised through two Sub-Mission Directorates one under the charge of Joint Secretary in Ministry of Urban Development (MoUD) and other under Ministry of Urban Employment and Poverty Alleviation (MoUEPA) for ensuring effective co-ordination with State Governments and other agencies for expeditious processing of the project proposals. The Joint Secretary in charge of each Mission Directorate would be designated as Mission Director. National Technical Advisor will be a member of both the Directorates.

   The two Sub-Mission Directorates established are:

   i) **Sub-Mission Directorate for Urban Infrastructure and Governance:** The Sub-Mission of Urban Development and Governance has the charter of achieving development of urban infrastructure with a focus across sectors in the urban context.

   ii) **Sub-Mission Directorate for Basic Services to the Urban Poor:** The Sub-Mission for Basic Services to the Urban Poor shall focus on access to infrastructure for the urban poor. This Sub-Mission shall have a seven-point charter: security of tenure, housing, water supply, sanitation, education, health and social security cover.

B) **Central Sanctioning and Monitoring Committee:** There will be two Central Sanctioning and Monitoring Committees headed by respective Secretaries for Urban Infrastructure and Governance, and Basic Services to the Urban Poor. The CSMCs shall be entrusted with sanction and monitoring of the projects and associated reforms.

C) **State-Level Steering Committee (SLSC):** In order to identify, decide and prioritize the projects for inclusion in JNNURM, an apex body in each State, namely the SLSC shall be constituted. The SLSC shall screen and prioritize the identified projects. The identified projects shall be recommended to the respective CSMCs for sanction. The SLSC shall also monitor the implementation of the projects and review the progress of urban reforms in the State. In pursuing these tasks, the SLSC shall be assisted by the State Level Nodal Agency (SLNA), to be appointed for the said purpose.

D) **State Level Nodal Agency (SLNA):** The scheme would be implemented by a SLNA designated by the respective State governments. The SLNA would perform various functions, key ones being:

- Assisting ULBs/Parastatal agencies in the preparation of CDPs and DPRs and in training and capacity building.
- Appraising projects submitted by ULBs/ Parastatal agencies.
- Obtaining sanction of State Level Sanctioning Committee for seeking assistance from the Central Government under NURM.
- Managing grants received from the Central and State governments.
- Monitoring the implementation of reforms as committed in the MoA and submitting quarterly reports to that effect.

JNNURM Directorate, Ministry of Urban Development (MoUD), has evolved a state level mechanism for third party Monitoring and Review of the projects sanctioned under the JNNURM Sub-Mission-I (Urban Infrastructure and Governance) component. It is intended that the review and monitoring process in the 63 Mission cities will keep track of the physical and financial progress of projects throughout the project development life-cycle. This toolkit is to enable the State Level Nodal Agencies (SLNAs) set in motion the process of appointing the Independent Review and Monitoring Agencies (IRMAs) for monitoring and review of all projects implemented under JNNURM by urban local bodies, parastatals and other state agencies.

At the state level, it is envisaged that a Program Management Unit (PMU) shall be established and housed in each SLNA to provide strategic coordination and support for all JNNURM related reforms, projects, capacity building initiatives and other activities in the State. The PMU within the SLNA will play the key role of coordination and oversight of the IRMA on behalf of the SLNA. Likewise at the city or urban local body level, it is envisaged that a Project implementation Unit (PIU) shall be established and housed in the ULBs of the Mission Cities, to take the lead charge with respect to implementation of all JNNURM projects and reforms in the city. The PIU will play a key role in facilitating the work of the IRMA and coordinate between the IRMA and the Project Executing Agency (PEA).

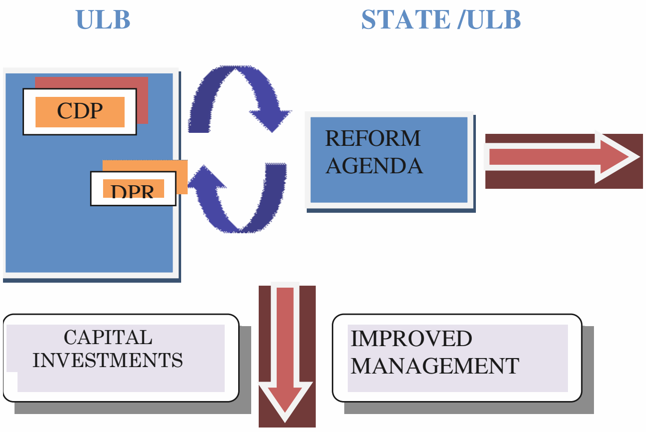
3.5.3 Institutional Arrangement for Advisory Support

For successful deployment of assistance targeted through JNNURM, advisory support is envisaged. Advisory assistance is expected through the Technical Advisory Group (TAG) comprising professionals across the legal, environment, social and urban infrastructure sectors that would assist the CSMCs, SLSC, SLNA and ULBs. The TAG shall provide advisory support at the macro and micro level for obtaining financial assistance within the provisions of JNNURM. Detailed Project Reports would be scrutinized by the Technical wings of the Ministry or if necessary by specialized/technical agencies before placing such proposals for sanction by Central Sanctioning and Monitoring Committee which are submitted by the states. The Committee would assign higher priority in sanctioning projects of urban renewal, water supply including sanitation, sewerage, solid waste management, drainage, urban transport including roads.

3.6 MISSION PROCESS

The JNNURM is expected to cater to the non-mission towns and cities under the two components, namely: (i) Urban Infrastructure and Governance (UIG) of UIDSSMT and (ii) Integrated Housing and Slum Development Programme (IHSDP). The programme is expected to cover all other Census towns under Urban Infrastructure Development Scheme for Small and Medium Towns (UIDSSMT) . The existing programme of IDSMT, AUWSP has been subsumed under UIDSSMT. Likewise, the existing VAMBAY and the discontinued NSDP have been subsumed in the IHSDP.

The objective of the Mission would be met through preparation of City Development Plans (CDPs), Detailed Project Reports (DPR) and signing of MoA between the Centre, State, and Urban Local Body (ULB). Every city is expected to formulate a City Development Plan (CDP) indicating policies, programmes and strategies, and financing plans. The CDP would include identification of projects leading to the formulation of Detailed Project Reports (DPRs). The Urban Local Bodies (ULBs) / Parastatal agencies have to prepare DPRs for undertaking projects in the identified spheres. The projects should be planned so as to optimize the life-cycle costs. A revolving fund would be created to meet the O & M requirements of assets created, over the planning horizon.

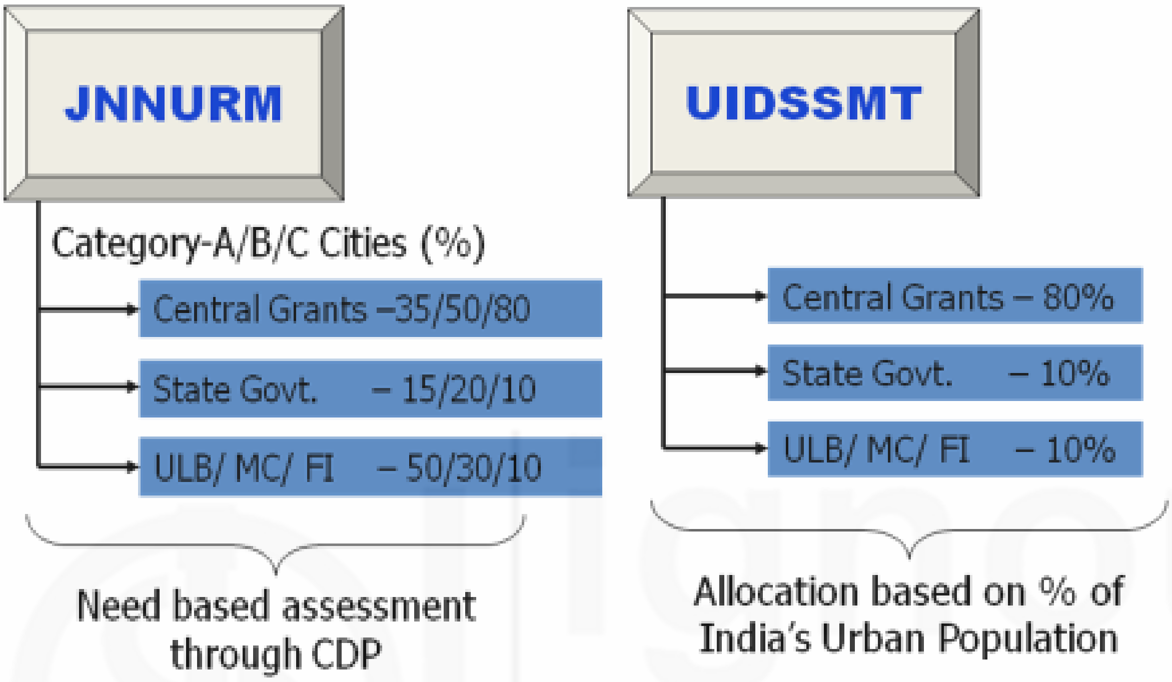


Balancing the need for development with available resources. Leveraging the resources to facilitate greater development. Integrating existing infrastructure and enhancing its capacity/ life for desired performance and usage. Strengthening local bodies with replicable models/ formats/ processes.

THE PROCESS

Source: M. Mathur, (2009); Urban Reforms: JNNURM, Presentation, National Institute of Urban Affairs, New Delhi.

In order to seek JNNURM assistance, projects need to be developed in a manner that would ensure and demonstrate optimization of the life-cycle costs over the planning horizon of the project. On approval of the CDPs and DPRs, the State Government and ULBs including parastatal agencies, wherever necessary would execute a MoA with GoI indicating commitment along with a timeline to implement identified reforms. The pattern of funding is illustrated below:



FINANCING PATTERN

Source: M. Mathur, (2009); Urban Reforms: JNNURM, Presentation, National Institute of Urban Affairs, New Delhi.

The first installment of 25% will be released on signing of Memorandum of Agreement by the State Government/ULB/Parastatal for implementation of JNNURM projects. The balance amount of assistance shall be released as far as possible in three installments upon receipt of Utilization Certificates to the extent of 70% of the grants (Central and State) and subject to achievement of milestones agreed for implementation of mandatory and optional reforms at the State and ULB/Parastatal level as envisaged in the Memorandum of Agreement.

3.7 MONITORING FRAMEWORK

- The MoUD/MoUEPA would periodically monitor the schemes through designated representatives.
- SLNA would send quarterly progress report to the MoUD/MoUEPA.
- Upon completion of the Project, the SLNA through the State Government shall submit a completion report of activities undertaken as a part of JNNURM.
- The CSMC may meet as often as required to sanction, review and monitor the progress of projects sanctioned under the Mission.
- Monitoring of progress and implementation of reforms would be outsourced to specialized/technical agencies.

3.8 OUTCOMES OF THE PROJECT

On completion of the Mission period of seven years, it is expected that ULBs/ Parastatals will achieve the following outcomes:-

a) Modern and transparent budgeting, accounting, financial management systems designed and adopted for all urban services and governance functions.

b) City-wide framework for planning and governance will be established and become operational.

c) All urban residents will be able to obtain access to a basic level of urban services.

d) Financially self-sustaining agencies for urban governance and service delivery will be established through reforms to major revenue instruments.

e) Local services and governance will be conducted in a manner that is transparent and accountable to citizens.

f) e-Governance applications will be introduced in core functions of ULBs/ Parastatals resulting in reduced cost and time of service delivery processes.

3.9 STATUS OF THE MISSION

As a result of the reforms implementation, the community participation law has been passed by nine states, public disclosure law has been enacted by 16 states, Maharashtra and Andhra Pradesh have abolished the urban land ceiling legislation, nine states have rationalized stamp duty to the desired level of 5%, 29 local bodies have shifted to accrual-based double entry system of accounting, 45 local bodies out of 65 mission cities have started earmarking funds for the urban poor, three states of North East have for the first time passed legislation for constitution of urban local bodies and Jharkhand held urban local body election after a gap of 22 years. Twenty four states have introduced computerized process of registration of land and property and 47 city bodies have undertaken revision of by-laws for rain water harvesting.

Status at a Glance		
1.	Number of cities covered under JNNURM	65
2.	Number of City Development Plans (CDPs) appraised	64
3.	Number of Memorandum of Agreements (MoAs) signed	65
4.	Number of projects approved (Till 09-Feb-10)	524
5.	Total approved project cost (For 524 projects)	58283.33 crores
6.	Central Share (ACA) released for Projects (till 31-Mar-10):	11280.69 crores
7.	Number of States for which projects approved (Out of 31States/UTs)	30
8.	Number of Cities for which projects approved (Out of 65 cities)	62
9.	Number of completed projects	61

In this section, you have studied about JNNURM, mission toolkit, mission framework, mission process, monitoring framework, outcomes of the project and status of the mission, and now answers the questions given in *Check Your Progress-2.*

Check Your Progress 2

Note: a) Write your answer in about 50 words.

b) Check your answer with possible answers given at the end of the unit

1) What are the objectives of JNNURM?

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2) Briefly write various components of JNNURM.

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3.10 LET US SUM UP

Urban development programmes with a focus on reduction and alleviation of poverty, has been one of the objectives of five-year plans in the country since the beginning of the planned era. This was, however, brought into the core of planning exercise only during the Fifth Five Year Plan. In order to cope with massive problems that have emerged as a result of rapid urban growth, it has become imperative to draw up a coherent urbanization policy/strategy to implement projects in select cities on mission mode. The need for the mission also rose in order to harness the potential of reforms in urban infrastructure, for National-Level Reform-linked Investments, for sustainable infrastructure development and efficiency enhancements. The JNNURM is the outcome of the mission strategy and is in vogue since 2005 for fastening the process of urban development.

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3.12 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

Check Your Progress-1

1) **Briefly describe the programme launched for urban sanitation.**

The goal of providing sanitation facilities to eighty per cent of urban population was fixed in the early eighties with the announcement of the UN Decadal Programme for Water Supply and Sanitation. Accordingly, a centrally sponsored scheme was launched in 1980-81, with the objective of eliminating manual scavenging through conversion of dry latrines. It covered all the households, which have dry latrines and those having no latrines including slum and squatter settlements. Under this scheme, loan and Central subsidy were both channeled through HUDCO.

2) **Write short note on Nehru Rozgar Yojana (NRY).**

In order to alleviate the conditions of urban poor, a Centrally Sponsored programme - Nehru Rozgar Yojana - was launched at the end of the Seventh Five Year Plan (October 1989) with the objective of providing of employment to the urban unemployed and underemployed poor. The Central Government indicated its overall contribution while the essential task of identifying, earmarking and coordinating the relevant sectoral inputs was undertaken by the State Governments. The NRY consisted of three schemes namely (i) the Scheme of Urban Micro Enterprises (SUME); (ii) the Scheme of Urban Wage Employment (SUWE); and (iii) the Scheme of Housing and Shelter Upgradation (SHASU). During the Eighth Plan, 92% of the available funds were utilised and but for the shortfall in the number of dwelling units upgraded/in progress under SHASU, the targets have been achieved under all the other schemes.

Check Your Progress 2

1) **What are the objectives of JNNURM?**

The various objectives of JNNURM are as follows:

a) Focused attention to integrated development of infrastructural services in the cities covered under the Mission.

b) Secure effective linkages between asset creation and asset management so that the infrastructural services created in the cities are not only maintained efficiently but also become self-sustaining over time.

c) Ensure adequate investment of funds to fulfill deficiencies in the urban infrastructural services.

d) Planned development of identified cities including peri-urban areas, out growths, urban corridors, so that urbanization takes place in a dispersed manner.

2) **Briefly write various components of JNNURM.**

Two types of components under JNNURM are described below:

i) **Admissible Components:** Projects pertaining to the following will be admissible under the Sub-Mission on Urban Infrastructure and Governance.

a) Water Supply (including de-salination plants) and sanitation

b) Sewerage and Solid Waste Management

c) Construction and improvement of drains/storm water drains.

d) Urban Transport, including roads, highways/expressways/ MRTS/metro projects.

ii) **Inadmissible Components:** Projects pertaining to the following will not be admissible under the Sub-Mission:

i) Power

ii) Telecom

iii) Health

iv) Education