



The Future of Land as a Resource for Urban Development

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Abstract

Land is a scarce and diminishing resource and its sustainable usage requires to be judiciously made for the common good rather than be subject to unregulated ownership by a few. As an immediate step, the central government should ensure that through legislation or otherwise, land and built space lying vacant beyond a certain acceptable period are charged annual deterrent fees. More importantly, the Land Acquisition Act 1894 should be restricted strictly for acquiring land for operational use by government and for other time bound government uses as earmarked in statutory development plans under state development planning laws. In the process, the issue of land as a resource for urban development has to be guardedly revisited on basis of social equity and diminishing availability.

1. INTRODUCTION

India's first Five Year Plan (1951-1956) was embarked with a flourish that promoted development across the nation. This was primarily through mega-projects and other large scale social and economic upliftment programmes in the concerted belief that land was a limitless resource. In the process, change from agriculture to non-agriculture was absorbed through projects and programmes via the various sectoral arms of government. In reality, government meant an enmeshed center-state partnership through a loosely stitched federated system that attempted a role for local government as being primarily one for civic maintenance and small scale community centric wellbeing.

2. LAND AS A RESOURCE FOR SETTLEMENT DEVELOPMENT

The refrain of 'Land as a Resource for Settlement Development' thus emanated from this early period of a new galvanized nation leapfrogging into the remainder of the 20th century with a developmental agenda bolstered by socialistic federal policies and strategy diktats. The states of the Union were emphatic in their support of this agenda through consecutive Five Year Plans when most states were politically in sync with the party that promoted federal policies. This synergy emerged primarily through structured land use canvases accessed largely for peri-urban low intensity builtspace expansions as also through several new regional integrated growth centres. In the process, State Town and Country Planning instruments in stages were upgraded into State Urban and Regional Development Planning Laws with time bound programmes and projects and where state regulated Planning and Development Authorities emerged as the new *avatars*

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of serviced land for new urban growth. This was in sharp contrast to mandates of improvement trusts of pre-independence vintage that primarily supported municipal health, safety and other regulatory actions through incremental urban peripheral growth and infilling projects apart from inner city renewal and which collectively were to help municipalities arrest or postpone urban decay.

The Delhi Development Authority or DDA (which took over from the Delhi Improvement Trust) emerged as the prime mover of this new agenda. It came into being under the Delhi Development Act, 1957. Its thrust was to provide serviced land as a resource, which was meant to cater to federal and supportive state policies and strategies towards actions geared for a controlled growth of the national capital. It was to be replicable for all large urban settlements of India. However, the unmitigated rush to selected urban magnets was not envisaged then and therefore not built into the initial process.

The DDA was accorded operational credence through a land bank under a federal cabinet approved large scale acquisition, development and disposal policy, which ensured that profit accruing from sale of serviced land through auction of commercial space and high income group housing lands was ploughed back for further area level development after allotting land for other income categories and for supportive land uses at differential rates. This was to be on an overall no profit no loss basis after financing serviced land for new growth.

The Master Plan for Delhi or more precisely the Land Use Plan and which punctuated the integrative but orderly linkages between work, home and recreation was to offer the canvas for development through the DDA, whereas the enlarged Municipal Corporation of Delhi (MCD) was to perform the comprehensive urban regulatory functions. In the process the Land Bank under the federally controlled DDA, eliminated the private developer and for over a decade, the National Capital Territory of Delhi (NCTD) exercise, was considered an ideal socialistic revolving plan model on accessing land for an equitable urban growth, through the land bank as a resource.

How emulative was this National Capital Territory of Delhi (NCTD) exercise for the rest of India? More precisely for the large urban agglomerations and which were and continue acting as uncontrollable magnets of growth. After all, the DDA continues being vertically linked to the federal government that regulates access to land and its usage in the NCTD; whereas elsewhere in India, expanding urban settlements have transited from colonial presidencies/provinces or fiefdoms of princes who enjoyed widely differing allegiances to the erstwhile Crown. Thus, today, state level instruments that regulate the built environment and access to land in India, lack federal (or 3-tier) cohesiveness. This is made worse as political manifestos that impact policies and actions on the use of land by state assemblies



vary widely from that of Parliament, with the bulk of laws governing the built environment being with the states of the Union - with local self-governance under its State centric umbrella.

In retrospect, the fact has to be underlined that the DDA - arguably, the world's largest urban land development authority, had and has no mechanism to regulate the inflow of people into the 1,493 sq km NCTD. (a) Its Master Plan of 1962 which was for 4.60 million people in 1981, catered instead to 5.70 million at that time, primarily due to improved infrastructure and access to employment; (b) It has no powers to determine land uses in the bordering states within the NCR; (c) It was and is not equipped to protect a large land bank taken in advance for future use but within a rapidly escalating land value scenario; (d) It is increasingly subject to land use changes and condoning of misuse of built spaces emanating through changing central, state and even local government mandates and/or compulsions. In short, the land bank concept as applied to the NCTD has failed and is not democratically replicable, in India's rapidly changing inclusive urbanization and governance scenario.

However, is land accessed for development in manageable quantities a resource for urban development on the principles of social equity? This has primarily to be considered in the context of changes of 1994 to the Land Acquisition Act, 1894 that now restricts the accessing of land for a public purpose only within a development cycle of three years. Beyond that, a new market value along with the enhanced solarium of 30 percent applies. This greatly constricts the capacity of state appointed development authorities to access peri-urban lands for purposes of development for social equity. Lately, owners of peri-urban agricultural land have been demanding participation in the built space process in lieu of land acquisition. The DDA in a 2006 sponsored study found that around 16 percent of prime net serviced land to the land holder would be a participatory solution but this was struck down by major developers who, now reportedly hold the bulk of agriculture land within the NCTD, in benami. Town Planning Scheme (TPS) as widely applied in Gujarat and several other states is a tested alternative of accessing land. Here through land pooling and reconstitution, the original owner gets back nearly 70 percent of his original holding as serviced urban land. However, for urban equity this is now being reduced to around 50 percent of a peri-urban layout in a freehold scenario. Even then, the issue of social equity for below poverty line (BPL) groups remains unaddressed even if commercial land use vests with the owner. In a modest peri-urban layout of say upto 100 hectares, with around 50 percent of land required for non-remunerative uses, would the balance be shared by the original owner and the development authority for servicing the entire area and catering to BPL/LIG groups offer an alternative to the Land Acquisition Act, 1894. In a large layout of upto 1,000 hectare as in Haryana where land for non-remunerative uses would increase



sharply, upto 16 percent of net prime land to the original owner surfaces as a win-win alternative? The Haryana experience is arguably the most successful PPP land as a resource model operating in India. But doubts persist on its ability to cater to the large and growing lower end of the BPL segment in inclusive layouts.

There are other reasons from 1961 onwards, that have and are continuing to make land as a limited or even a non-remunerative resource for urbanization by the state sponsored parastatals or equivalents. Briefly these are:

- First, the rush to urban and pointedly metropolitan settlements has escalated sharply in India from less than 100 million out of around 350 million in 1951 to about 300 million out of around one billion in 2001. By 2051, urban and rural India are expected to have around 800 million people each in a rural urban scenario with primarily re-densified existing metropolitan and other large urban settlements. With the need to conserve good agriculture land and bolstered by highcapacity road and rail national transport, the developmental profile of India is emerging in the form of interlinked urban corridors and large rural interstices, each with their own group of municipalities and *panchayats* for sustainable growth.
- Second, the above scenario is to be enmeshed into a governance pattern prescribed by the 73rd and 74th Constitution amendments and which without jurisdictional overlaps comprise of electoral wards that form the village *panchayats* and municipalities of the districts of the states of the Union. Thus spatial planning conveyance would sooner rather than later emerge in the form of (i) enunciated State Vision documents that enable (ii) Metropolitan and District Regional Development Plans, fleshed out through (iii) Municipal and Village *Panchayat* Plans, stitched by (iv)electoral level ward plans - each under an accountable municipal councilor or *panch*. In this process the Metropolitan Planning Committee (MPC) and the District Planning Committee (DPC) gains credence with municipalities and village *panchayats* being their own planning and development authority.
- Third, with nearly three million persons elected at the third tier with no provision for them being superseded, and each with dedicated municipal and village *panchayat* functions, the future of state regulated development authorities get further eroded. In fact with stress shifting to urban renewal, land infilling and timebound development of new land, the *mantra* of 'land as an urban resource' gets irreversibly constricted.
- Fourth, in order to address the constitutional changes and as supported by courts of the land, it becomes necessary to ensure that sectoral socio-economic investments are anchored into the interlinked Spatial Plan paradigm of - Regional (District/Metropolitan); (ii) Settlement



(Municipalities/ *Panchayats*); (iii) Local (electoral wards). The exercise as emerging thus is down-top and participatory within a top-down financial savvy structure.

- Fifth, these spatial plans are to comprise of 20 year perspective and 5 year programmes. Thus from land use focused master plans, services related development plans have emerged. These have to be reformatted now into Environment Management Plans - through revised state development planning laws, so that the positive constraints of forests, multi-cropped agriculture, heritage, wetlands and the like are mapped upfront for integrated transport, services and land use to emerge round them.
- Sixth, with land emerging as a scarce resource in India, all environment management plans or development plans (or master plans) require being planned at the maximum sustainable inner city or urban renewal density. Likewise the intermediate city-either through renewal, densification or infilling has also to be at maximum sustainable density. Only then, are peri-urban lands (primarily as urban corridors) to be accessed and that too at maximum sustainable density. This reality when translated into policy or strategy further erodes the concept of land as a resource with its larger gestation cycles for equitable development.

The clear message therefore for the 21st century is that 'land is a diminishing sustainable resource' and which cannot easily address the issue of social equity and which equity is the *raison d'être* of state appointed development authorities. Whether such agencies now emerge as sophisticated improvement trusts in non-metropolitan settlements or whether they serve as the co-ordinative secretariat of MPCs for metropolitan level sustainable growth and integrative basic services, is to be seriously considered, especially as it is embedded in a down-top participatory developmental governance. Thus the LSG-State equation and not the State-local equation come into focus with the support of the Constitution Amendments and the Courts of Law.

In order to expedite reforms geared towards down-top participatory development by ensuring that spatial plans at 3 interwoven levels of district, settlement, and electoral wards, offer the basis for socio-economic investments and within the parameters of center-state supported socio-economic sectoral investments, the Government of India introduced a high budget mission called the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Through this, budgets for meeting basic metropolitan infrastructure deficiencies are available provided the constitutional reforms are addressed and met. The Mission is now extended to the Eleventh Five Year Plan through enhanced funds and for additional settlements. Unfortunately, the government report on the operation of the Mission in the Tenth Five Year Plan has been negative with references to reforms. The future of the Mission is now at stake.



The fact has to be underlined that the states of the Union are reluctant to share power with local government. Also, with access to land by urban development authorities getting expensive, the future of UDAs is at stake. Accordingly, states are (a) updating laws that enable state controlled development through other sectoral agencies - notably state industrial development corporations. In NOIDA within the UP Sub-region of the NCR, for example, land auctions or allocations are no longer related to industrial employment within integrated industrial townships. Also, local government organizations get deferred in such state controlled townships;(b) Public-Private Partnership (PPP) projects are also on the increase - popularly through land for private townships in exchange for providing basic infrastructure like highways;(c) Lately, through the central Special Economic Zone (SEZ) Act, large swathes of land were transferred to the private sector outside spatial frameworks. Thus, through the Land Acquisition Act, 1894, large land areas have and are passing onto the private sector with no mechanisms to ensure transparency or social equity in their usage. In fact, state governments appear to be competing (unwittingly or otherwise) in the siphoning of scarce land into the speculative market through the SEZ/PPP route or through state controlled parastatals. However, cases of original land owners collectively opposing such transfers are on the increase.

The only mechanism available to arrest such trends is for the center and the states of the Union to get their act together within the constitutional imperatives. This action is overdue as large portions of multi-cropped agricultural lands and in proximity to high land value settlements are being ferreted into the lap of private players and at detriment to the local populace. This is primarily so as through the Land Acquisition Act, 1894 new or negotiated land prices become affordable to the private players and not to the government, committed inter alia as it is to sustainable development, social housing and land for greater food production and its distribution.

In this process, the profession of urban and regional development planners has a more responsible and promotional roll through:

- Spearheading the acceleration of clear base maps at district, settlement and electoral ward levels as the basis for transparency;
- Expediting the preparation of Environment Management Development plans at three integrated levels through 20 year perspectives and 5 year Development Programme Plans; and as framework plans for projects for both development and conservation.
- Helping in the streamlining of single Urban and Regional Development Planning Law for each state as the only law to determine access to land by the states of the Union and within an LSG - State integrated equation, bolstered by simplified development control rules and regulations;



- Advocating that socio-economic investments by sectoral federal and state departments or parastatals and other related organizations through plan funds are programmed on basis of Spatial Plans by utilizing agencies like MPCs/DPCs; Municipal/Village Panchayat LSG's; and Electoral Ward Committees as agents of participatory platforms for sectoral development/ redevelopment.

These need not be difficult to achieve as:

- They are actions that have constitutional backing and are therefore supported by courts of law.
- They would strengthen the profession through leadership in the best use of scarce and competitive land through mapped frameworks rather than the written word generally through government files that often transcend the laws of democratic transparency.
- They would keep nearly three million elected persons at the third tier busy on ground level issues rather than working largely in a governance conflict as at present.

3. CONCLUSIONS

After all, land is a scarce and diminishing resource. Its sustainable usage has therefore to be judiciously made for the common good rather than be subject to unregulated ownership by a few. As an immediate step, the central government should ensure that through legislation or otherwise, land and built space lying vacant beyond a certain acceptable period are charged annual deterrent fees. More importantly, the Land Acquisition Act 1894 should be restricted strictly for acquiring land for operational use by government and for other time bound government uses as earmarked in statutory development plans under state development planning laws. In the process, the issue of land as a resource for urban development has to be guardedly revisited on basis of social equity and diminishing availability.