Session-1
Inaugural Session

Remarks by Mr Adi Godrej: Mr. Ajay Maken, Minister of Housing and Poverty Alleviation, Government of India, Mr. K.C. Sivaramakrishnan, Chairman, Centre for Policy Research, Mr. Narinder Nayar, Chairman, Mumbai First, distinguished delegates, friends from media, ladies and gentlemen, on my personal behalf and on behalf of the Confederation of Indian Industry, I would like to extend a special welcome to our guest, the minister at today's workshop. Thank you for joining us at this important workshop which aims to not only to critically analyse the pace and nature of urbanisation in the country, but also understand the developments across the world and learn from international best practices. A very warm welcome also to the other panellists who will participate over the two days, the panellists on the dais, and to all the other participants who will take part in this very important workshop.

India, as we all know, is on the cusp of a wave of urbanisation. As according to estimates, India's urban population will reach a figure of close to 600 million by 2030, nearly twice the present population of the US, and by 2050, approximately 900 million people, fifty percent of the country's population will live in towns and cities. Rapid urbanisation is certainly a consequence of a growing economy and a marker of economic progress. In India, although thirty percent of the population lives in cities, they generate over two-thirds of the country's GDP and account for ninety percent of the government revenues.

While urbanisation is a sign of progress and growth, the unprecedented pace of urbanisation has created a unique set of social and environmental challenges. The explosive growth of Indian cities in the last decades has created a huge strain on the physical infrastructure, electricity, transportation, water systems, housing, solid waste management, and other areas. Rampant growth of slums, disparities in living conditions, and inequity in access to services are huge challenges today that need immediate attention in our country.

Urban challenges are also a unique opportunity in India, an opportunity to invest and build infrastructure to cater to the needs of millions of people. According to a recent report, India needs an investment of approximately $800 billion in urban infrastructure over the next twenty years. Of this, approximately $300 billion, roughly forty-five percent, is accounted for by urban roads, whereas sectors delivering urban services such as water supply, sewerage, solid waste management and storm water drains will need around $162 billion, roughly twenty percent.

The cities of tomorrow will require not only large investments in urban infrastructure, but also a fundamental shift in the mechanisms of service delivery. Indeed, financing the large sums required to meet the investment needs of urban infrastructure is crucially dependant on the reform of institutions and on upgrading the skills of those who run the institutions which are responsible for service delivery and revenue generation. Local governance framework should be such that local government should have both functional and financial autonomy. They should be financially viable and also be socially and politically accountable. The institutional framework for urban governance in India needs a major overhaul if cities are to play a dynamic role in the next phase of India's development. A radical change is needed if cities are to provide a socio-economic environment that would be inclusive, contribute to better quality of life and sustained rapid growth. Major administrative reforms are urgently

needed for bringing about greater efficiency in the management of infrastructure assets, delivery of urban services and improvement in conditions for the poor so that Indian cities can provide a better quality of life, generate a better environment for growth and be inclusive. These include implementing city level autonomy and also have empowered Mayors with effective devolution.

There is also need to reform the system of service delivery which is presently rather inefficient. In fact, public private partnership could be an important instrument for enhancing efficiency in the delivering of urban services and ensuring that controllable risk, such as operations risk, are transferred to the service provider. PPPs, which are structured around a robust revenue model and offer a good prospect of return on risk capital, can contribute to systematic gains and better management of urban services. Lastly, there is a need to urgently look at using information technology to improving governance in public service delivery in Indian cities. In the last few years there has been some progress in using IT in urban management but the urban local bodies are yet to fully leverage the power of e-governance to the fullest extent.

With these brief remarks I would like to conclude with a mention that this two day international workshop would help us in facilitating learning's from the international best practices in governance of large cities. Thank you, ladies and gentlemen.

Opening Remarks by Mr Narendar Nayar, Mumbai First:
Good morning ladies and gentlemen, honourable Minister for Housing and Poverty Alleviation Mr Maken, Mr Godrej, Mr Sivaramakrishnan, delegates from overseas, from India and friends, may I on behalf of Bombay First also extend a warm welcome to you all here this morning. We are particularly delighted to have you Sir with us today and thank you for specially coming from Delhi to share your views and address this meeting. We greatly welcome your presence here today. Amongst the various problems the city of Mumbai faces is the shortage of housing with nearly 50% of the people living in slums and densities in some areas as high as 37,000 people of per sq. km. We need nearly a million homes and particularly homes for the low income group. With the problem of land in Mumbai, we look forward to your perception on what we can do to make Mumbai a slum-less city.

We are also delighted to have several international speakers to share their views on governance of cities. Bombay First is very happy to partner with CII and Centre for Policy Research for this workshop. When Mr. Sivaramakrishnan approached me a few months ago with the idea of having a workshop on Megacities Governance, I whole-heartedly welcomed the proposal as I believe governance of cities is a major challenge and there could not be any other better place than Mumbai to discuss this subject. If we can solve the problems of Mumbai, we can deal with challenges in any other city in India or elsewhere. I will therefore deal with some of the Mumbai issues that we face here.

Sir, over the past century mankind has made a dash for the city. In 1900 only 13% of the people lived in urban areas and today the number is nearly 51% and this figure is likely to rise to more than 70% by 2050. With more than half of all humanity now condensed in area little more than 2% of the planet land covered, urban infrastructure has become one of the world's greatest challenges. According to the draft 12th Five Year Plan, predictions are there by 2031 nearly 600 millions Indians will reside in urban areas an increase of over 200 million in just 20 years. Sir, in my view how India manages its urbanisation in the coming years will determine the future. The question therefore facing us is: Are cities capable of meeting these

challenges? We are particularly concerned about Mumbai. Whether Mumbai can meet these challenges?

Mumbai has had a glorious past and is often described as "Jewel of the Raj". Gillian Tindle had described not long ago Bombay as a city of gold where for 300 years people had been coming to make fortunes and indeed fortunes were made. But then something happened over the last 3 to 4 decades and Mumbai declined rapidly on the dimension of both economic growth and quality of life. Few years ago, Bombay First, with the blessings of the then Chief Minister, undertook a study together with McKinsey to see how Mumbai could be transformed into a world class city. Sir, we benchmarked our city against the global standards in areas of transport, housing, health, education and governance and found that we were far below the acceptable world standards. Our study was well received by the State government, by the honourable Prime Minister, and the World Bank and has now led to a very effective public private partnership with the State government.

Two very important institutions have been established to work on Mumbai's transformation programme. One is Citizen Action Group chaired by the honourable Chief Minister and comprising by 30 members from cross section of society, and the second an Empowered Committee chaired by the Chief Secretary which meets every month to review the Mumbai transformation programme. The Empowered Committee has not only amongst its members all the key people involved with the managing the city, but also 8 members from the private sector. While a lot has been done there is still a lot that needs to be done. Sir, when we commenced our journey we had no illusion that our task was going to be easy, but now we know what the challenges and opportunities are. There are indeed many and many opportunities if the various challenges faced are overcome efficiently and properly. Our work found that there were no proper planning and a lot of projects were planned and undertaken in a haphazard manner. The 20 years City Development Plan for the city adopted in 1991 was based on data collected in the 80's and is completely out of tune with the reality of today. We strongly recommended, and the government accepted our recommendation, to prepare a 40-year vision plan for the metropolitan region. Following international bidding, the Plan has been prepared by Singapore consultants and has identified areas that need attention to take care of nearly 45 million people that will be living in the metropolitan region by 2052. Sir, this is a unique initiative and to my knowledge we are the first city in India to prepare such a vision document for the next 40 years. We wanted to see where we are going to be, where we want to be in 40 years' time and so we can plan our future accordingly.

Our vision to make our city a better place to live, work and invest in and to achieve our various objectives and to be able to provide comfortable living environment for Mumbaikers, we need to make some very drastic changes. There are many areas that need attention but at the top of the list in my view is governance. The way the city is governed needs to be looked into and what will happen over the next few years. Mumbai is currently run by multiple agencies, 17 in fact, some responsible to the State and some responsible to the Centre, all with different narrow agendas. There is no single organisation or body really responsible or accountable for Mumbai. For instance, infrastructure projects are handled by 5 different agencies in the city; there is the municipal cooperation, there is a MMRDA, there is MSRDC, there is a PWD and MHADA and in addition there is railways and the port trust who have their own agendas. In my view we have very able members of our orchestra but no director or conductor and what we need is a CEO of Mumbai. Like in other cities, like New York, London, Shanghai, Johannesburg, etc., there are many examples which have a CEO and have been able to transform their cities in a short span of time. We need to make key agencies

accountable for results and encourage active corporate and NGO participation. There is urgent need to make governance more effective, efficient and responsive. A huge improvement is needed in all aspects of governance in Mumbai and we need to create right structures. We should corporatize those departments which need to be completed integrated across the city and have economy of scale for investments, for instance water, roads including maintenance and waste management.

I am sure the deliberations over the next two days will consider several factors and hopefully will make some recommendations on how to ensure empowered leadership at the metropolitan and municipal levels. We should try to adopt elected mayoral system for the metropolitan governance. There are number of examples around the world, London, New York. In making this suggestion I do recognise that several legislative and other institutional reforms are required which could take time. I would therefore urge, I was hoping that the honourable Chief Minister were here to listen to my suggestion but he knows my ideas on this, I would therefore urge that Mumbai should have either a minister or a very senior person in the Chief Minister's Office and all key agencies should report to him and he should to be the one who should be thinking 24/7 about the city. We have Empowered Committee but it is a committee which meets once a month but we need somebody who sees that whatever is discussed, transformed and is fully accountable and performed. But to achieve this sort of objective I think all the political parties need to get together and agree on an agenda for governance in the interest of the city. The city needs better governance.

So Mumbai is important not only to Maharashtra but to the whole of India. Our Prime Minister had said sometime ago that Mumbai, "Bombay symbolizes India to the external world". Mumbai has to transform itself, it is either that or die at slow death. The city's survival depends on the ability to chart a new course and this must be done without any further loss of time. It is worth noting here what John F Kennedy said, "We neglect our cities at our peril for in neglecting them we neglect the nations." Thank you very much.

Remarks by Mr KC Sivaramakrishnan:
Honourable Minister, Shri Ajay Maken ji, Mr Godrej, Mr Nayar, ladies and gentlemen, a few words at this stage, a few brief words at this stage on why this workshop is necessary. But at the outset I would like to thank the CII and its President, Mr Adi Godrej, for joining us in organising this workshop. I am also one of the several thousands in this country who was brought up on the legend of Godrej. That is a ubiquitous item in every household. So what used to be a noun has now become an adjective. Narender Nayar and Bombay First have been engaged in a fairly longish struggle over the past several years and it is always an open question: Bombay First, Bombay Last who first, who last, this is not unusual. Even London First did not have a very smooth journey. I am happy that Rockefeller Foundation also joined us in this particular venture. We have not only national participants, international participants, people who have struggled with similar city regions elsewhere in the world from Brazil, US, UK, South Africa, from East Asia, and so on.

We have been working in the CPR for the past one and half years about the city regions and one of the reasons why we wanted to talk about this is a city region as a multi territorial, multi municipal region is something new across the world. By and large our thinking in this country, since we have been blaming our colonial masters for hundreds of things, this is also one of the items on which we put the blame on them, the colonial masters gave us this particular construct and today we have a constitutionally enshrined box which is called Union, State and Local, and that particular box somehow does not fit these huge metropolitan

regions which are distinct from individual cities. So, today we find and while we have been looking at it for the past one and half years the latest the census says there are 53 cities which have more than a million people. Out of this, there are perhaps 10 or 12 which are multi municipal. So we just picked up the 5 largest - Bombay, Bangalore, Hyderabad, Chennai and Kolkata. We did not include Delhi, I hope minister will forgive me for saying that Delhi's governance is almost *sui generis* and does not easily fit into any particular model. It's a great tribute to the creative adaptability of our political system as far as Delhi is concerned, so we have left Delhi out. But today what do we find? We find these regions are a demographic reality. We are talking about a population of nearly 22 million in the Mumbai region. Calcutta is about 15.5 million, Bangalore is 12, Chennai and Hyderabad are close to 9 million. You find that these regions account for a very large portion of our urban population. So we have these metropolitan regions, multi regions, as a demographic reality.

The second is they are an economic reality. 10.3% of the country's GDP comes from these 5 city regions. Nearly 14% to 36% of the GDP of the respective States comes from these regions. So they are very much an economic reality and as Mr Godrej pointed out, if these economic engines do not run the loss is just not for the city, the loss is for the country. And the third is, each of these regions have been acquiring a certain global presence. They have been seeking it, sometimes they have it, sometimes they lose it but the fact is that these really are almost portals to the economy of the country. So it's an economic reality. And very importantly these regions are a political reality. Mumbai has 60 MLAs, it has 10 Members of Parliament, it has 21% of Maharashtra's electorate; Hyderabad, 34 MLAs, 7 MPs, 17% of the electorate. There is no way you can ignore the political reality of these regions. Yes, there was a time when all of us more or less accepted the *mantra* that India lives in its villages but politically we have to accept the reality that India also lives in its towns and cities and its metro regions. The diversity of these metropolitan regions is another reality notwithstanding all popular and newspaper perceptions. Each of these regions linguistically, religiously, ethnically and otherwise is a great diversity and everyone has been contributing.

Now in spite of these stark realities and in spite of the fact that all these metropolitan cities are being watched, whether we want ourselves to be watched or not, we are being watched. For the past 10 years, organisations like the Brookings, like the London School of Economics, like the Economist, they have been monitoring the performance of these global cities and in what way they connect to the global economy and in what manner these metro regions are really helping the cause of global economic recovery. So if we seek international recognition, international economic relationship we do find that we have some international obligations as well. So this business of metropolitan growth is something that is new and it is not something that is fully understood. So we thought if scale changes the nature of the problem we need to find out what is happening elsewhere. We need to understand whether we are somehow the exclusive people to suffer from these problems and so we thought let us take a look around the world, and that is the reason why we thought lets have some 7 or 8 or 9 international experts to tell us how they have also been struggling with this particular problem, political adjustment, inter-municipal adjustment, the relationship between the national government and the provincial government. So we have quite a few examples. Mr Godrej very rightly mentioned the word 'best practices'. I would respectfully submit there are no best practices as far as city regions are concerned. We are all struggling, we are experimenting. We have made modest progress in some cities, in some other cities we have not. But it is important that we connect to these experiences. The problem is not one of merely modelling, the problem is one of understanding and though we make much fuss about our constitutional amendment, as a person who was involved in the drafting of the 74th

amendment, that kind of a structure cannot be regarded as a permanent panacea for all the problems of urban areas and particularly for the city regions.

Then we thought that this is not a problem that should be left only to city planners and city officials. The political spectrum has to be engaged and I am most grateful to Shri Ajay Maken. I do not mind confessing that as someone who has spent about 40 years in bureaucracy, all of us bureaucrats rightly or wrongly acquire a degree of omniscience and we find it very difficult to accept that someone else may have equally good ideas. I must say that my dealings with Shri Ajay Maken made it very exciting because here is a man who is also prepared to read the notes, read the proposals, however badly written they are, and he is quite tech savvy. With a great deal of difficulty I can manage to handle my simple mobile phone but the Minister appears to be quite comfortable with tablets and this and that and so on. It's not always that you get political leaders of this time so we thought lets engage the political spectrum into this and unfortunately this is not a subject that draws the attention of our political parties irrespective of their nature. We also thought that we should have the journalists, senior journalists who have been thinking about all this, and then of course we have the State officials. So this workshop is somewhat unique in bringing together the different parts of our society – politics, planners, officials, journalists, international experts and so we thought if we get together for couple of days and talk about it. My colleague on the CPR board, Mr Nimesh Kampani, very rightly said if you are going to talk about metro cities you better do it in Bombay. It's not much of a point in doing it in Delhi. So we said alright, let's do it here and he has been very encouraging and supportive of this. So we thought alright. Let's go to this Maximum City, as Suketu Mehta once described it. Let's get together and see. So in a way this workshop is as good as the strength of its debate. I do hope that people will not hold back their views. I hope people will not say this is what the government should do. The problem before us is if the bulk of our urban populations are going to be in these regions and if these are going to be the problems it is our business to understand them better. It is our business to try and see what can possibly work. No solution can be permanent but certainly for periods of time durable solutions can be prepared.

The most important thing is we have to try and think out of the box. The Centre, the State and the Local is a very limited construct. Today we find that all urban areas in India are not municipal. All municipal areas are not urban. We are constantly creating new territorial entities. We are changing things ourselves yet we need to take stock of all this. I am very happy that it has been possible for this broadly representative spectrum to be assembled here. I am very happy that our international experts have responded to our invitation. One of the things about the expert community is all of us at some point of time realise that though we may not be able to pass on the lessons, we certainly have a responsibility to console each other. So, some of these experts are here to console us. May be incidentally they may also come up with some bright ideas but what is important is we stay together, we argue together, we fight the issues together and let's see where we come out.

As far as the CPR is concerned, we are not looking for a blueprint. We feel the mind-set is the most important thing and understanding of the dimensions of the problem is the most important thing and that's why we thought we should have this workshop. I am most grateful for all of you to be here. That's why I said grateful in particular to the CII, to Bombay First, to the Rockefeller and others and particularly grateful to Shri Ajay Maken. He has been an inspiration and I am glad that he has agreed to take a look at it not just from the perspective of a Minister handling a particular ministry but from the perspective of a political leader who is not fighting shy of ideas or experiences and I do hope that we can all join this particular

workshop together and take this further. Thank you once again. May I now, on behalf of all of us, request honourable minister Ajay Maken to say a few words and also at the end of it formally inaugurate this workshop. Thank you.

Keynote Address by Mr Ajay Maken:
Mr Adi Godrej, Mr Sivaramakrishnan, Mr Narendar Nayar, Members of Parliament Mr Tarun Vijay and Mr HK Dua: To begin with I would like to thank Mr Sivaramakrishnan personally for having invited me here today and making me a part of this very important workshop.

Urbanisation in itself is a very important issue in our country. Unfortunately though, soon after independence the thrust of our planners and the policy makers at that time was to stop people from coming into the urban areas from the rural areas. It took more than two decades for our policy makers and planners to realise that urbanisation is something which is inevitable and then it took further 2 to 3 decades more to understand and realise the fact that urbanisation is not only inevitable but in certain senses, certain ways it is desirable also and now when I speak here today with the thematic report prepared by the CPR also pointing the same thing wherein they say that in these megacities, which host 5.6% of India's population, they contribute 10.3% to the national GDP. The ratio thus is 1.8, and if you look at other urban areas also, other urban centres also, it is estimated that the urban areas in our country they contribute to about 70% of the GDP and the population of urban areas is 31.6% and this ratio thus is more healthy even, it is 2.21. So each urban dweller in our country contributes 2.21 times more than the others as far as the GDP is concerned. So urbanisation earlier on which was thought as inevitable now in many ways can also be considered desirable.

But more important than economically desirable I think it is politically also very important, as pointed out by Mr Sivaramakrishnan. Now I am going to quote certain figures and certain issues which I raised in the political convention of our Congress Party irrespective of the fact that my friend Tarun Vijay from the opposition party is also sitting here but I would like to share with him a few things which I discussed in the *chintan shivir* at Jaipur in the emerging political challenges workshop there and fortunately what I am going to quote here I quoted there and the Prime Minister also was present there so I think it is going to make some difference at least as far as the governance is concerned.

As far as the delimitation of the parliamentary and assembly constituencies is concerned as Mr Sivaramakrishnan himself mentioned about the number of assembly constituencies in Mumbai, in Hyderabad and in other places, one thing we should understand at least the political class, the political parties that previously the delimitation of parliamentary and assembly constituencies were done on the basis of 1971 census in which we had just 18.24% of our population living in urban areas. The present delimitation of our constituencies is done on the basis of 2001 census where the jump was from 18.24% to 27.78% almost 10%. So this is the importance of urban voters now in the present scenario. During the course of our discussion there supporting my point of view one senior Member of Parliament who is a Minister from Gujarat he also supported my point of view and he said that in Gujarat out of 36 assembly constituencies in urban areas we could win only in 2 assembly constitutions because we failed to understand the importance of urban areas, the political importance of urban areas.

I have got a calculation done through some people in our Ministry and I would like to share it with some other Members of Parliament who are present here and rest of you all, in India we

have 147 cities which are 3 lakh plus, which have more than 300,000 population, and it translates into 168 parliamentary constitutencies and in the last parliamentary elections in 2009 elections the present government setup, the UPA as we call, with the pre-poll UPA alliances we won 92 out of these 168 parliamentary constitutions, which means that we are in power today just because of these urban voters, just because of these 92 parliamentary constituencies out of 168 wherein we were able to win and form the government here. So it is not only these urban voters who earlier on used to play a very small part or negligible part or insignificant part in terms of government formation, now these urban voters decide which party should lead them, who should lead the country as far as the governance is concerned. I find this a very healthy trend, and why is this a healthy trend? First of all, in these urban areas particularly if I look at Delhi wherein I have all through my political career I have been actively involved in politics, I have seen that caste or religion plays a very insignificant role as compared to the other parts of the country. Caste does not play an important role in these urban areas including many constituencies in Delhi from where I belong and from where I contest elections. Here the pattern of voting or the way the society or the urban dwellers are divided, it depends on their occupation and the type of residence they come from. Occupation, if you look at the government employees, irrespective of the religion, irrespective of the caste, the government employees they vote in one pattern. You look at street vendors, irrespective of the caste, irrespective of the religion the street vendors they vote in one pattern. The middle class irrespective of caste they vote in one pattern. The students, they vote in one pattern. Similarly residential type, the slum dwellers they vote in unison, in one pattern. The migrants coming from different states they vote in one pattern. People living in unauthorised colonies and in posh areas they all vote differently according to the type of residence and occupation which they are into. So here the caste does not play an important role and when you are dealing with each of these segments here the development and clean governance become very important and this is why I feel that gradually as we are urbanising, as India is urbanising, as politically urbanisation is becoming important it means that in India in times to come, in years to come, clean governance and development will be much much more important than it is in the present day particularly the caste and the religion is going to be insignificant in days to come.

Here in urban areas, the other good thing is that the GDP growth and stock market also plays a very important role. Milind Deora was sitting besides me when I made this point during *chintan shivir* and he was simply delighted and Prime Minister also was sitting there and to substantiate my point I told him just one thing that I was in one of the functions organised by a Hindi business channel CNBC Awaaz. There I came to know that the TRP ratings of this Hindi business channel CNBC Awaaz is much more than Times Now, NDTV and CNN IBN. What does this show? It shows that the Hindi business channel, which means people who are watching the market, people who are looking at the GDP growth, they are watching, the TRP ratings of this Hindi business channel is much higher than the other news channels. So this GDP growth or the stock markets have started playing a very important political role. So politically this is very significant for us. So the political parties or the governments which look at this constituency of urban voters in a better way has a better future and is going to form the government in the future and is going to retain the government in the future and unless you look at this urban class as a separate entity, give adequate importance, unless you do that you are going to fade away and you are going to be a part of the history. So this is the same for both the Congress and the BJP and all political parties. We have to lay adequate emphasis on the urban areas and on the urban voters.

But simultaneously, when I went through your thematic report, I came across a few very interesting things. One was the core city population not being able to grow as much as it should or the peri-urban areas growing at a faster rate than the core city. Like Kolkata, you have said and I think the census figures itself says that 4.57 million was the population in 2001 and from 4.57 million it has come down to 4.48 million. The Mumbai corporation area, the decadal growth from 1991 to 2001 was 20.6% and it has come down from 20.6% to just 4.2% in the last decade. I don't think this is a welcome signal. As far as Delhi is concerned, Delhi grew by 37% in the last decade. So the immigrants or the growth in population within the city even without the weightage of immigrants plays a very important and significant role in the development of the city.

Mr Nayar mentioned about the population density of 37,000 at some places in Mumbai. We should change this attitude of being scared by the population density. London has working population density more than 125,000 people. So the population density can be turned into an advantage if properly planned. We do not have dearth of resources. In Delhi, we supply water at the rate of 242 litres per capita per day. Singapore and Hong Kong can do better with 24 hours of supply of water with just 172/162. In Delhi, many of the areas in Delhi do not get adequate water supply even for 2 hours with 242 litres per capita per day. It is just because of the loss during the transition. It is just because of the horizontal sprawl of the city. It is just because of the pilferage of water. So the problem is not availability of resources, the problem is of management of availability of resources which is the most important thing. So when we talk about governance it is not only the governance alone which is going to make difference but the way we govern, the way we plan or way we involve the people, the participatory planning, which I am coming to is something which is going to be very important and play a very critical role in terms of development of a city.

The thematic report prepared by CPR very elaborately deals with an alternative entity for metropolitan governance. I entirely agree with the point of view that various amendments need to be carried out in the 74th Constitution Amendment Act but I am not sure whether the States are going to allow this to happen because what I am seeing is the transition of power from the State to the local bodies is something which is resisted by the States vehemently. So the further transfer of powers to the local entities is something which politically the states perhaps would not like it to take place but this is something which is required, this is something which would ensure the participation in the planning or implementation of these plans at the local level by local elected representatives. You have also dealt with various metropolitan authority models and you have singled out HMDA, Hyderabad as one of the better ones. I entirely agree with this. But along with the change in governance model what is required the way we plan and the attitude of our planners and people who manage these planning authorities or who govern these planning authorities.

Like the participatory planning I was mentioning, we do not have participatory planning in our country. The DDA prepared master plan for Delhi without consulting with many people. They held seminars, they held workshops, but in true sense the participatory planning wherein discussions with the local Residents Welfare Associations needs to be taken place wherein the broad based discussions need to take place. Never the planning is participatory in our country. If the participatory planning is not there then the adherence to rules also would not be there. If you want the rules or the plans to be properly adhered to, the participatory planning is a must. Secondly, without participatory planning we should not expect people to come forward and pay user charges, which is required. People think that water is for free. People think that even the garbage collection is for free. People think that

sewage disposal also is for free. So if you want them to pay user charges, you have to involve them at the planning part planning stage itself, at the implementation stage itself. This would not only make feel a part of the entire exercise but a part of the management system also and we will be able to collect better user charges and be less dependent on the State or the central government. Participatory planning also leads to better utilisation of space because the local people know how best to utilise a place nearby. Even blockage in the sewers or even water supply, leakages, the local people the residents welfare associations I have my personal experience and I have seen they know it much better than the chief engineer of that department even they can tell the solution much better than the senior engineers also.

Then we do not have this concept of inclusive cities. Here we feel that the service providers, they should be thrown out of the city. We should provide them transport so that they can come into the city and provide us services. When we talk about slum rehabilitation the solution given by some States, some authorities is let us clear this space, make big buildings for the HIG and MIG people, through them away to the fringe of the city and provide them transport, they will come every day, go back every day and they will provide us services. This never works because people who have come thousands of kilometres away from their villages for employment, they will again go back. If you send them 50 kilometres away outside the city they will come back again look for a place and have any informal settlement again at some other part of the city. So what works is the *in situ* at the same place rehabilitation which needs to be done which also ensures a harmonious mixture of service users and service providers. Unless you have this harmonious mixture of service users and service providers you are inviting social tension. You are making service more expensive. Even you are allowing them to come back and settle at the same place whenever the authorities' eyes are closed they will form some informal settlement somewhere or the other. They will come back for employment because for them the place of residence or house is secondary for them, the employment is primary for which they have left their houses, their villages 1000's of kilometres away. So these inclusive cities need a change of mind-set. We feel that these people are a drain on the city's finances. Even the homeless people, a survey which was conducted by an organisation Prayaas in Delhi found out that 84% of these homeless people they are self-employed. They are not drain on the economy of the city rather they contribute to the city by way of their services, the chief services with which they contribute to the city.

Then we have, we have very stringent norms as far as the land use convertibility is concerned. In Delhi you all would be very interested to know why these IT centres moved out of Delhi and not moved out of Delhi rather came around Delhi and not in Delhi. The IT centres they came in Gurgaon, they came in Noida, they did not come in Delhi, why? The reason is that IT was not considered as an industry by the Delhi Development Authority. So when anyone approached the Delhi Development Authority to open an IT centre, information technology centre or a call centre or anything related to internet in an industrial area he was flatly refused by the development authority and by the planners in the municipal corporation look this is something which is not allowed. The spaces in the industrial areas were vacant, so they were forced, people who wanted to set up IT industries in Delhi they were forced to go out of Delhi and this is how in Noida and Gurgaon in IT centres came up. So this rigid sense of keeping the land use intact without changing it from industrial to commercial and residential they should be easy convertibility of land use for commercial, industrial and residential depending on the kind of need which a city has. Unless you make it dynamic this is something which is not going to work.

Finally, the restrictions on FSI. When we talk about FSI we also think about density but again coming back to the same point of 37,000 density in some parts of Mumbai, I think the time has come wherein we should not be scared of density. We should see to it that the density norms are eased; the FSI norms are eased to benefit the urban poor, to the service providers who need housing in a city. 50% of Mumbaikers if they live in slums you can't provide them houses without releasing the FSI. If you want to provide houses for them in the city you need to release the FSI, you need to release the artificial restrictions on FSI and population density norms and you can't imagine Mumbai a city wherein 50% of the people are asked to go out of Mumbai and come every day to provide services. This is not going to be healthy for Mumbai and we need to change in the way we think about the planning, the way we think about implementation of these plans. Thank you very much.

Q&A Session

Ms. Kunti Oza, Clean Mumbai Foundation: Good morning Sir. Bombay has 50% people in slums. They are all in our residential areas commercial areas everywhere. Now how we can accommodate them as and where they are. How we can accommodate these slums as they are because there are various slums which are at the periphery of the coast line. So we have to study that first that how many slums we can adopt. We can't just have a rule that all slums have to be accommodated. How the BMC can provide services? There are various issues and more than that the slums are growing, ground plus one plus two plus three. So, even that we have to see. So I would like to suggest that we would, should have a separate agenda for slums development or slum management and the so called MLAs, councillors, they should be also get involved to keep the hygiene and the sanitation and then what burden it can happen in our daily life. So we just can't say that Colaba slum should not go to Chembur or Chembur slum people should not come to Colaba. I think it's a very debateable issue. Thank you.

Mr Ajay Maken: As far as the *in situ* rehabilitation of slums are concerned on land which is not tenable, on land which for environment reason or if there are many slums which are constructed on drains, so obviously we can't for environment reasons, so the land is not tenable. So as far as our Rajiv Awaas Yojana's policy is concerned, we also are not in favour of rehabilitation of slums or constructing buildings on land which are environmentally not desirable. So this is something which we are very clear on that, the land which is untenable we should not have any construction over there. But I think it would be hardly 5% or 10% of such slums on such untenable land. In Delhi, with my personal experience, I have seen that it is less than 5%. So 95% of slums are on land which is tenable wherein we can construct high rise buildings or that is the place we can with higher population density norms and higher FSI norms we can accommodate then there. But what I am trying to say is the service users and service providers should live side by side and people who are there since decades altogether who have an employment, who are providing services to the richer people in nearby areas they need to stay there to provide services, to live there, to be a harmonious mixture which is socially also desirable.

As far as shifting from one area to the other area is concerned in our plan for Rajiv Awaas Yojana what we have provided is that preferably it should be *in situ* rehabilitation but if land is not tenable then it has to be within a periphery of 5 kilometres. So that there can be a walking distance for these slum dwellers wherein they can go to their source of employment and also provide service to the community.

It will become bigger if you don't deal with the problem. It will keep on growing because unless you find the slum the land doesn't belong to the slum dweller unless you make some permanent housing for them with the property rights to the slum dwellers more and more slum dwellers will keep on coming and situation will go from bad to worse. In Mumbai the cut off date which has been kept is 1995 for rehabilitation which, in my personal opinion, is quite far off. 1995 should not be the cut off date. In Delhi or in other areas the cut off date in Rajiv Awaas Yojana also the cut off date which we have kept is 2009. Unless you address the problem directly looking at the problem and trying to solve it you just can't solve the problem by closing your eyes. What will you do with slum dwellers who have come out after 1995? Are you going to throw them out of Mumbai? What you are going to do with them. Not free, you should give them housing with affordable charges which they can pay. What we are suggesting in the draft property rights for slum dwellers bill also what we are saying you should it should not be for free. What we are also suggesting through our Rajiv Awaas Yojana programme is 50% of the money should be paid by the central government, 25% should be through commercial benefit and 25% of the cost should be from the beneficiary. They have to pay, without it nothing should be given for free otherwise it will lose value. What we are suggesting is that is the policy at the national level we are suggesting. It shouldn't be for free. What we are suggesting is you should charge affordable prices. What we have worked out is around 2000 rupees a month, 1500 to 2000 rupees a month, in megacities is something which is payable by these slum dwellers and the loan can be provided by HUDCO on cheap interest rates.

Ms Sheela Patel: Honourable minister, I am glad that you are here and you are picking up all these issues. I think I want to go back to what Mr Sivaramakrishnan said as the theme of this event which is how do people in leadership like yourselves and at the State level address these conflicts which are now coming into urban areas because we are not able in our policy to address the issues of informality. You mentioned in your discussions and Kunti brought it up but the reality is that our planning cannot accommodate informal livelihoods and informal habitation. You said a very interesting thing about moving from inevitable to desirable but our instruments are still at avoidable and therefore I think that we need to stick to the situation because if we can't deal with these conflicts today we have a fight going on between residents and hawkers. We have a crisis between formal and informal resident associations. So I think that the focus has to be on how governance instruments arbitrate this justly because the courts, the policies and the planning instruments certainly don't and I think that we are not going to be able to address critical issues of should people be in CRZ, should densities be done, but I think you have to deal with the larger issues that if you are looking at these metropolitan regions as growing exponentially then what are we going to do with these instruments. In a lot of these conferences we come out with these issues but we don't thrash them to any conclusion. So I hope you will take this as a critical message and see this through as something that happens during the time that you are on this post.

Mr Ajay Maken: I entirely agree with what you are saying. This is something which is desirable and I think CPR's thematic report once it is adopted and once it is formally unveiled, I think they have also dealt with the governance issues in a very realistic manner. But what I pointed out other than what was mentioned in the thematic report prepared by the CPR was the change of mindset, change of attitude. That is something which is required. What I want is that we should not be scared of high density because as I have seen the resources are there but if you are able to manage them well we will be able to provide better services. It is not that for dearth of resources that the problem is, it is because we are unable to manage those resources. If we manage them well it is adequate enough for everyone,

every urban dweller. Besides this the inclusive city concept is something which needs to get into everyone's mind. These people, they contribute to the development or growth of the city, these informal settlement dwellers or even the slum dwellers, the street vendors they contribute to the city's growth. Without them the city will not grow. If you do any kind of exercise look at the kind of growth in the population of the city and the growth of the GDP contribution of the city, they, both these things would be interlinked. So, the growth of the city both in terms of population and the GDP is something which is synonymous, goes hand in hand but simultaneously we also have to take care of slum dwellers, the poor, the informal settlements and proper planning, participatory planning is needed, better governance model is needed. The change in the 74th Constitutional Amendment Act, the provisions as they have pointed out very well in the thematic report, that is needed. So all these things are needed and they are badly required at the moment.

Mr Tarun Vijay: I think first of all we must congratulate Ajay Maken ji for giving the right kind of a leadership at the right time but where are the stakeholders. This is the platform where at least the problem could have been solved in one go if you would have Prithvi Raj Chavan, Raj Thackeray, Uddhav Thackeray and Adi Godrej sharing the dais and deciding now we have to do this for Bombay. So all these stakeholders and the decision makers are absent and unless we think that country, and Bombay including, is greater than our political interest. We can't take a decision. We find a consensus when our salaries our hiked, we find a consensus amongst all political parties when the food in the parliament is further subsidised. We find a consensus when we read out the obituaries. But we don't find a consensus on nation building, on something which is very important for the people of the country. So here is a point where we will fully support Ajay Maken and anyone who takes a decision with Adi Godrej and do something. Secondly, these kinds of conferences should certainly have some representations from those who are working amongst the poor people like from Dharavi slums we don't find any representation here. So these conferences should not become just urban rich oriented, just discuss by those and discuss for those who live in the Malabar hill or Shantiniketan or South Extension areas. The worst hit are the low income groups, the poverty struck people including in Delhi the worst kind of buses are plying in Mangolpuri, Seelampur and Nangloi area and the best kind of buses fly in Shantiniketan and South Extension where people do not exactly need them. So these are the areas which should be further focused and I hope that minister would care of it. Thank you.

End of Inaugural Session