Urbanization As Driver of Jobs and Growth

Reimagining Our Cities to be More Liveable and Sustainable

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Urbanization will be the single biggest agent of growth in the next few decades in India. India is already the second largest urban system in the world with 11% of the total global urban population living in Indian cities. This is more than the urban population of USA, Germany, Japan and UK. Urban growth is likely to contribute to 73% of the total population increase by 2036. UN estimates that around 416 million people will be added as urban dwellers in India between 2018 and 2050 and India will be more than 50% urban by 2050. Planned and sustainable Urbanization has enabled vast segments of population to be lifted above the poverty line. Hitherto, India has been a reluctant urbaniser. However, this year's budget takes cognizance of urbanization and has propounded not one but multiple actions to steer a paradigm shift. It lays emphasis on several aspects which can usher in a new dynamism in our urban governance.

What does India need to do for planned, innovative and sustainable urbanization?

Firstly, master plans are critical for managing urbanization. The urban system of India consists of 7933 settlements, comprising of statutory towns and census towns. Our statutory towns are governed through 4041 municipal corporation or municipalities. We have 3892 census towns which are classified as urban in the census as they meet the criteria of minimum population of 5000, at least 75% of the "male" main workers engaged in non-agricultural activities and a density of population of atleast 400 persons per sq km.; however, they continue to be governed as villages and do not have urban local bodies. The census towns stay administratively rural. The dichotomy is such that the though census towns are counted in urban populations but not planned and provided with infrastructure of the level of urban areas. It is estimated that in addition to the 3892 census towns identified by Census 2011, another 2231 census towns have been added by 2021. These census towns account for almost 72 million 'urban' population and remain under the ambit of 'uncatered' or 'ignored' urbanization.

Almost half of our statutory towns are expanding in an unplanned, unscientific manner without any master plan to guide their growth, development and infrastructure creation. In addition none of the census towns have a master plan. This is leading to haphazard growth with piecemeal interventions leading to urban sprawl. The first and foremost challenge is to prepare scientific master plans of all statutory towns and govern census towns as urban local bodies and prepare their master plans to guide their spatial growth. Without this, India will not be able to capture the benefits of urbanization.

Secondly, Indian cities must grow and evolve on the back of Transit Oriented Development (TOD). Planned development along the mode of a rapid transit network has multi-fold benefits. It reduces the number of cars, it increases walkability and bikeability, it brings people and offices closer to each other through compact and vertical development. All of this leads to agglomeration and enhanced productivity. American cities were designed for cars and not for people. This model leads to more roads and parking spaces leading to more congestion, pollution, carbon emissions and social inequality. America has over 980 cars per 1000 people and thus American cities were designed for cars and not for people. The car-centric model calls for more roads and parking spaces leading to more congestion, pollution, carbon emissions, and social inequality. Whereas India has 22 cars per 1000 people and thus has no legacy issues of huge car ownership and can therefore easily transit to public transportation-based people-centric design of cities.

Urban planning in Indian cities must support bus rapid transit, light rapid transit, mass rapid transit and non-motorised transit systems like cycling and walking. This is vital for Indian cities for minimizing their environmental impacts, developing sustainable identities and becoming attractive places to live, work and play. In Curitiba (Brazil) the BRT carries about 2 million passengers a day and its speed, efficiency and reliability has led to car owners switching over to buses. Similarly, in Bogota, (Columbia) the Trans Millennium BRT has led to reduced traffic fatalities and reduced air pollution. In these cities the urban form and dense development has been based around their transportation system. Our movement for a shared, connected and zero emission mobility must be driven in the cities with integrated land use and multi-modal transportation systems. Ensuring that these systems are seamlessly interchangeable, planned as a loop rather than fragmented corridors, and provide cost-effective & safe last mile connectivity is critical for their success.

Thirdly, there is a need to densify our cities, build them vertically and reap agglomeration benefits of enhanced economic productivity and lower transaction costs. The maximum Floor Space Index FSI in Singapore is 25, Tokyo 20, New York 15 whereas in Mumbai it is 1.33, Pune 1.25, Ahmedabad 2.00 and Delhi 3.5. Restricting the FSI to such low levels creates distortions in the land market, pushes development to the peri-urban areas, reduces availability of serviced land within cities, particularly for low-income groups in the cities, increases commuting distances and their environmental costs. People from rural areas will continue to move to cities in search of livelihoods. Keeping FSI artificially low to control the densities is a failed fallacy. Cities need to be built dynamically and therefore their carrying capacity needs to be increased in tandem with their growth.

The planners and decision makers in India need to shift away from creating urban sprawls by allowing higher FSI (Floor Space Index) and changing the archaic regulations that do not permit optimal usage of land. This will greatly enhance the liveability of our cities. Higher FSI, requires scientific planning, and increasing the carrying capacities of cities with quality roads, drainage, sewerage and water supply. This would lead to lower transaction costs, knowledge spillovers and cities becoming centres of innovation, creativity and productivity. Singapore has demonstrated that planned, dense vertical development can be accompanied by biodiversity, greenery, liveability and the well-being of urban inhabitants. In many cities, development control regulations were formulated several decades ago and are often updated arbitrarily without sufficient empirical evidence on their impacts on its outcomes in terms of infrastructural and social costs. FSI and other development control regulations in Indian cities need to be empirically assessed on city-to-city basis to ensure efficient use of urban land.

Fourthly, water will be a key determinant in our ability to sustainably manage our cities and enhance the quality of life of life of our citizens. Indian cities dominate both current and future lists of cities from across the world with highest overall water risk. Thirty Indian cities are likely to face acute water shortage in the next few decades. Indian cities need to collect, treat and reuse used water on a vast scale and need to be fully sewered to collect all used water. We need to construct separate drainage and sewerage systems to facilitate used water reusage. Most of our cities have massive water losses due to leakages and meter inaccuracies. There is a necessity of rational and pragmatic policy for pricing water. There is a willingness

to pay for regular supply of water but political unwillingness to charge for water. This has long term implications in making Water Boards financially bankrupt and economically unviable. The pricing mechanism should be based on a "pay as you use" with a direct benefit transfer of a subsidy for those who cannot afford to pay. This is far more efficient socio-economically. There should also be a disincentive to over consume with rates rising beyond consumption of average levels. This will have an impact on household behavior in terms of water consumption leading to reduction in overall demand.

Lastly, while India now considers urbanization as an engine that will define the trajectory of India's future growth Indian cities are badly mismanaged and little has been done to introduce good governance, professionalize their administration and ensure sovereignty in their management. A recent report by NITI Aayog "Reforms in Urban Planning Capacity in India" has highlighted that currently not even one planner is available per city or town in the States. There is a need to re-engineer and strengthen urban governance structures and build local urban leadership. States need to build up a cadre of professional urban managers and create an ecosystem of light touch regulations, reform building bye laws and use technologies like geospatial system to leapfrog. Moreover, the States need to provide greater financial autonomy and administrative freedom to cities to function.

Successful cities are fundamental to a successful nation. The challenge for Indian States is to use urbanization as an instrument of growth, job creation and elimination of poverty.

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