



# urban INDIA

A Journal of the National Institute of Urban Affairs

Volume 30 | Issue 2

July - December 2010

ISSN 0970-9045

Volume 30 | Issue 2

urban INDIA

July - December 2010

## CONTRIBUTORS :

PRADEEP CHAUDHRY  
SHIPRA MAITRA  
SUJATHA SRIKUMAR  
SANGITA KAMDAR  
DEBJANI GHOSH  
PIYUSH RANJAN ROUT  
PREM KUMAR  
KEERTHI POTNURU  
ASHWIN MAHALINGAM  
CHUCK BILLAND  
KATHY DESMOND  
AKSHAYA SEN

The Editor

National Institute of Urban Affairs, 1<sup>st</sup> Floor, Core 4B,  
India Habitat Centre, Lodhi Road, New Delhi 110 003

Phone: 24617543, Fax 011-24617513,

Email: editorurbanindia@niua.org

Website : www.niua.org

**Urban India**  
**Journal of the National Institute of Urban Affairs**  
**Editorial Advisory Board**

Ashish Bose   Om Prakash Mathur   Chetan Vaidya   Sayed S. Shafi   Amitabh Kundu

**Editor**  
Anil Rai

**Assistant Editor**  
Nalini Shangloo

**Secretarial Assistance**  
Nand Lal Jaiswal



**National Institute of Urban Affairs**

The National Institute of Urban Affairs (NIUA) is a premier institute for urban research in India. Its main aim is to assist and strengthen the decision-making process by making available to policy makers a critical and objective analysis of the urban situation as well as alternative sets of approaches to the urban problems today.

The Institute's functions include research, training, consulting services, and documentation and information dissemination. It undertakes and promotes research on urbanisation and urban-related issues, organises training workshops and seminars in fields related to urban planning and development, and acts as a clearing house of information.

All editorial correspondence and subscription enquiries should be addressed to the Editor, Urban India ([editorurbanindia@niua.org](mailto:editorurbanindia@niua.org)) Published by : National Institute of Urban Affairs, 1st Floor, Core-4B, India Habitat Centre, Lodhi Road, New Delhi - 110003. Phone : 011-24617543, Fax : 011-24617513

Cover Designed & Printed by Advantage 4u, A-26, Keshavkunj Apartment, Vikas Puri, New Delhi - 110018.

# urban INDIA

---

Vol. 30

July - December 2010

No. 2

---

## Editorial

<b>Green Space Preservation in Indian Cities</b> <i>Pradeep Chaudhry</i>	1
<b>IT and IT Enabled Services: Impact on local Informal Sector Economy and Inclusive Growth</b> <i>Shipra Maitra</i>	20
<b>Municipal Credit Rating, Evolution and Implications for Urban Sector Financing in India</b> <i>Sujatha Srikumar</i>	40
<b>Quality of Life in Mumbai</b> <i>Sangita Kamdar</i>	62
<b>Property Tax Reforms in India</b> <i>Debjani Ghosh</i>	74
<b>Bhubaneswar on the Path of Integrating Co-Benefits of Inclusive Environment Sustainable Transport Principles in City Planning</b> <i>Piyush Ranjan Rout</i>	97
<b>Socio-Economic Profile of Slum India: An Analysis of Socio-Economic Characteristics of Slums Across Wards of Select Million Plus Municipal Corporations</b> <i>Prem Kumar</i>	123
<b>Assessing the Institutional Readiness for PPPs</b> <i>Keerthi Potnuru and Ashwin Mahalingam</i>	142
<b>Workshop Proceedings: Strengthening Peer Learning Networks in the Indian Urban Sector under PEARL</b>	150
<b>Project Note: FIRE (D): Initiative for Planned and Participatory Reconstruction</b> <i>Chuck Billand and Kathy Desmond</i>	162
<b>PEARL Best Practice : Municipal Reforms Initiatives, Government of Karnataka</b>	173
<b>Book Review : A Sustainable Vision for Urban India by A.K. Jain</b> <i>Akshaya Sen</i>	180
<b>Contents of Previous Volume XXX, No. 1, January-June 2010</b>	184



A Journal of the  
National Institute of Urban Affairs  
India Habitat Centre  
New Delhi

### **Editorial**

One of the major challenges facing the world today is rapid urbanization cutting across global boundaries, having a more pertinent impact on the growth dynamics of emerging economies like India. In an overall context wherein the existing infrastructure is unable to cope with the fast paced growth taking place in our cities, a gamut of issues are involved in creating new infrastructure, that should be built with a long-term vision, which is often not necessarily the case. Unfortunately, there is a severe disconnect in urban infrastructure planning and implementation which is leading most Indian cities and towns into becoming metropolitan nightmares, leaving huge carbon footprints, and adding sinfully to the environment's burdens.

In this context, a synergistic approach to connecting urbanization with existing infrastructure and new infrastructure is the need of the hour. It is this synchronized connect that will help us create sustainable cities for our fast globalizing planet. This issue of **Urban India** contains a wide range of articles, project notes, workshop report, urban sector best practices, and book review, encircling urban policy and development issues in a comprehensive manner.

One of the indicators of sustainable urban development is the quality and quantity of green spaces in and around the city. People in big cities across the globe, have shown willingness to pay for maintenance and creation of urban greens provided respective governments spend the amount judiciously and properly. The article on "Green Space Preservation in Indian Cities" by Pradeep Chaudhry has highlighted the urban greenery in the arid region of Jodhpur, Rajasthan vividly.

With Information Technology (IT) sector in India becoming an important destination for multinational corporations, this sector has emerged as a major income and employment generator. However, Shipra Maitra in her perceptive paper titled "IT and IT Enabled Services: Impact on local Informal Sector Economy and Inclusive Growth", has on the basis of empirical data in Gurgaon and Noida, National Capital Region, argued that its relative impact on the local economy, particularly with reference to income and employment generation in the urban informal sector, has not been significant and concludes that this 'sunrise' Information and Communication Technology sector has not contributed to inclusive growth in the region.

In her paper on "Municipal Credit Rating, Evolution and Implications for Urban Sector Financing in India", Sujatha Srikumar has described the experience with credit rating of urban local bodies in India over the past decade. This Paper has presented an easier way of understanding of municipal credit quality and greater awareness in the municipal bond markets.

The paper on “Quality of Life in Mumbai” by Sangita Kamdar makes an empirical examination of the economic and non-economic dimensions of life in Mumbai and calls for a discussion on the quality of life offered by cities to its population. It attempts to measure human development for the Wards of Mumbai in areas of education, health, pollution levels, housing and access to publicly provided services.

Property Tax is an important source of local revenue in many countries, but is often underutilized as a source for financing local expenditures. In India, many local governments have initiated administrative and valuation reforms to improve collections from property taxes. Debjani Ghosh's paper “Property Tax Reforms in India” is based on a study of the reforms in 10 cities where the reforms have been introduced and their implications on the revenue base of the municipalities have been examined.

In his paper on “Bhubaneswar on the Path of Integrating Co-Benefits of Inclusive Environment Sustainable Transport Principles in City Planning”, Piyush Ranjan Rout has laid emphasis on the approach of Bhubaneswar city's Inclusive Integrated Environmental Sustainable Transport initiative. The paper highlights that it represents a new vision not only for the city's transport sector but also for the form of urban environment and overall quality of life afforded to the city's inhabitants.

The nature and magnitude of slum population and their socio-economic characteristics are undergoing rapid and far reaching changes in a scenario where 'cities without slums' has emerged as one of the main aims of city planners and governments. Prem Kumar in his article “ Socio-Economic Profile of Slum India: An Analysis of Socio-Economic Characteristics of Slums Across Wards of Select Million Plus Municipal Corporations ” attempts to analyse the socio-economic characteristics of slums across wards of selected million plus municipal corporations viz. Ahmedabad, Bangalore, Chennai, Delhi, Greater Mumbai, Indore, Lucknow and Patna Municipal Corporations. The paper has generated slum and ward level socio economic indicators of development and examined the inter-linkages among the various indicators at the ward level.

Public Private Partnerships (PPPs) have emerged as a key strategic option as India seeks to overcome its burgeoning infrastructure gap. The presence of an enabling environment for PPPs at the state and urban levels is vital for their success. Through a review of the literature and discussions with experts in the area of PPPs, the paper on “Assessing the Institutional Readiness for PPPs” by Keerthi Potnuru and Ashwin Mahalingam identifies and validates the key elements of an enabling institutional environment for PPPs. These elements are then weighted and aggregated to develop an index that defines the strength or readiness of a given institutional environment to sustain and support private investment in infrastructure.

We are glad to publish a detailed Report of a Workshop on “Strengthening Peer Learning Networks in the Indian Urban Sector” organized, under the Peer Experience and Reflective Learning (PEARL) programme, by the Ministry of Urban Development , together with NIUA, World Bank Institute and Cities Alliance. The main aim of the Workshop was to share and learn from the experience of similar

networks in other countries and strengthen the PEARL network which is meant to assist cities with planning and implementation of urban infrastructure projects as well as reforms and governance under JNNURM. It was attended by over 40 participants representing International Organizations, MOUD, State Government, ULBs, City Managers Associations and academic and research organizations.

This issue includes a Project Note on “Initiative for Planned and Participatory Reconstruction”, prepared by Chuck Billand and Kathy Desmond under the FIRE (D) Project. After the devastating earthquake in Gujarat in January 2001, three non-government organizations based in the affected region developed a system to obtain information and reconstruction proposals from diverse stakeholders. This Project Note describes the accomplishments and future plans for planned participatory reconstruction in the Kutch district of the state of Gujarat.

An important component of the ongoing PEARL Programme are the selected Best Practices in the urban sector, chosen from experiences gained from mission cities which highlight the lessons learnt and their replicability across similar cities in the PEARL network. In this issue, we have included one such Best Practices under JNNURM titled: “Municipal Reform Initiatives, Government of Karnataka.” Under this the Municipal Reforms Cell of the Directorate of Municipal Administration, Government of Karnataka has taken important and innovative initiatives to bring about better governance in ULBs through the use of technology and business process reengineering.

In the last section, Akshaya Sen reviews A.K.Jain's book titled: A Sustainable Vision for Urban India. The author – an UN Habitat Advisor – suggests a new model of urban governance based on community empowerment, coupled with decentralization, devolution and deregulation of the planning process, in what may be termed 'retrofitting' Indian cities to encourage a pro – poor, people centric approach which is, at the same time, simple and comprehensive.

It gives me great satisfaction to share with our readers that we have been receiving encouraging and congratulatory messages for the journal's “new avatar” which is “good and grand, rich in content and elegant in design”. I take this opportunity to extend my heartfelt gratitude to all authors and contributors for making **Urban India** a success and hearty congratulations to all editorial team members for laying out a new path and headway for the Journal.

We trust that our readers would find this new issue interesting and meaningful. As always, we welcome your feedback and constructive criticism to enable us enhance and improve on our content and quality of work.



Anil Rai  
<arai@niua.org>

## Green Space Preservation in Indian Cities

*Pradeep Chaudhry\**

### Abstract

Urban parks/gardens and natural vegetation near cities are the green assets which are responsible for various environmental, social and educational benefits to the people living in or near cities. One of the obvious indicators of sustainable urban development is the quality and quantity of green spaces in and around the city. Scientific evidences in last two decades have emphasized the crucial necessity of green areas within urban social-ecological systems to ameliorate several problems of city-culture. People in big cities of both developed and developing economies have shown willingness to pay for maintenance and creation of urban greens provided respective governments spend the amount judiciously and properly. Few studies highlighting use value of urban greens from residents' point of view have been discussed and need for quality urban green spaces has been emphasized in the article.

---

### Introduction

Urban greens are integral components of urban ecosystem, contributing towards quality of life and sustainable urban development. With increasing urban population, environmental problems have become more and more serious e.g. mass destruction of natural landscapes, loss of biodiversity, more CO<sub>2</sub> emission among others. World is getting increasingly urbanized. Based on the future projections, the present millennium may rightly be termed as urban millennium. Urban areas in developing countries have multi-faceted problems like paucity of safe water, inadequate waste management, pollution hazards, occupation and degradation of sensitive lands, flooding and soil erosion in unauthorized settlements. Multi-resource urban forest management is one of the solutions to these problems. For example, in Durban (South Africa) multifunctional parks are a component of slum improvement programmes; parks are used for storm water catchments and

---

*\*Pradeep Chaudhry, ([pradeepifs@yahoo.com](mailto:pradeepifs@yahoo.com)) is currently working as Head Silviculture Division at Arid Forest Research Institute, New Pali Road, Jodhpur*

**IT and IT Enabled Services  
Impact on Local Informal Sector Economy and Inclusive Growth**

*Shipra Maitra\**

**Abstract**

India has become an important destination for multinational companies who are shifting their operations to cheaper wage locations. Most of the developed countries are facing problems of an aging population, while India has 500 million people less than 19 years old. Recent studies have shown a major shift in the employment trends in India from the production of material goods to production of intangibles. In the IT sector, the employment has increased by 770 per cent during 2002-2007. IT sector has generated nearly 80% jobs for the formal sector and merely 20% for the informal sector. Gurgaon and Noida in the National Capital Region (NCR) have been the shining spots for the Information and Communication Technology (ICT) sector because of the active support by the respective state governments.

This paper focuses on the impact of ICT sector on the local informal economy to analyze the growth of Gurgaon and Noida. The employment trends are observed, comparing the pre-IT and post-IT sector developments in Gurgaon and Noida, highlighting the growth trends in this area. The data analysis shows that while ICT sector has been a prime mover of national income during last decade, but its relative impact is not significant in terms of income or employment in the informal sector. ICT sector has not created any space for the lower-end economic actors, as evidenced in the NCR. This sunrise sector has not contributed to inclusive growth with increasing share of income in the informal sector. Informal sector has been expanded in this region with increase in jobs, but it has led to exclusionary policies with widening income gap.

---

**Introduction**

A survey of the Indian economy by the Economist (2005) observed that India has become an important destination for the multinational companies who are shifting their operations to cheaper wage locations across Asia. India, with a large English speaking workforce, is highly attractive

---

*\*Shipra Maitra (smaitra@amity.edu) is Director, Amity College of Commerce & Finance, Amity University, Uttar Pradesh.*

**Municipal Credit Rating: Evolution and Implications  
For Urban Sector Financing in India**

*Sujatha Srikumar\**

**Abstract**

The paper has described experience with credit rating of urban local bodies in India over the past decade. It has facilitated understanding of municipal credit quality and has created greater awareness in the larger financial markets for this asset class. While municipal bonds have restricted volumes on account of high credit quality requirements, the potential exists for developing a commercial long-term loan market supported by credit enhancements.

---

**Background**

A key development in the sphere of urban infrastructure financing in India over the past decade has been the emergence of a municipal bond market. The development of the municipal bond market in India assumes increasing importance in the context of the huge investment gap in urban infrastructure, estimates for which vary between \$ 30 billion<sup>1</sup>- \$50 billion. Traditionally, investments in urban infrastructure have been supported by budgetary allocations from higher levels of government and borrowings from state-owned institutions such as HUDCO and LIC backed by State Government guarantees. The fiscal stress faced by Government of India in the early nineties provided the impetus to look at alternate forms of financing urban infrastructure. It is in this backdrop that the market for commercial borrowings through municipal bonds by entities engaged in providing urban civic services developed.

---

*\*Sujatha Srikumar (sujata.srikumar@gma) is presently Director at Powertec. She was earlier Chief Operating Officer at IL&FS and Director (Infrastructure) at CRISIL. She was responsible for supervising India's first municipal credit rating for Ahmedabad in 1996 while at CRISIL. This article is based on a paper prepared for NIUA under the FIRE(D) project. The authoe is thankful to Prof. Chetan Vaidya, Dr. Mukesh Mathur and Dr. Debjani Ghosh of NIUA for their comments on an earlier version of the paper.*

## Quality of Life in Mumbai

*Sangita Kamdar\**

### Abstract

Growing urbanization and the growth of cities calls for a discussion on the quality of life offered by cities to its population. The paper is an empirical examination of the economic and non-economic dimensions of life in Mumbai. While incomes are high and are rising, poverty is negligible in Mumbai. However, inequalities in consumption expenditures which have been used as a proxy for inequalities in incomes are on the rise. Growing self-employment in the tertiary sector has implications for social insecurity and is an area of concern. In the non-economic dimensions of life in Mumbai, the paper has discussed the human development areas of education, health, pollution levels, housing and access to publicly provided services. The paper concludes with an attempt to measure human development and has presented the Human Development Measure for the Wards of Mumbai.

---

### I. Growing Urbanisation and Quality of Life Issues

A rapidly increasing share of the world's population is now living in cities. Cities, whether small municipalities of 2000 inhabitants or massive agglomerations of 10 million people or more are becoming a widespread phenomenon. The global urban population has quadrupled since 1950 and cities of the developing world now account for over 90 percent of the world's urban growth (UN-HABITAT, 2006). Whereas Europe, North America and Latin America experienced intense urbanization – the increased concentration of people in cities rather than in rural areas – and rapid urban growth through the mid-20th century, the trend has now shifted to the developing regions of Asia and Africa. In-migration, reclassification and natural population increase are contributing to rapid urban transformation of these regions. Annual urban growth rates were highest in sub-Saharan Africa (4.58 per cent), followed by South-Eastern Asia (3.82 per cent), Eastern Asia (3.39 per cent),

---

*\*Sangita Kamdar(sangitask@gmail.com) is Professor (Economics), School of Business Management, SVKM's Narsee Monjee Institute of Management Studies (NMIMS) (Deemed to be University), Mumbai. The paper is based on the background papers prepared by the author for the Mumbai Human Development Report 2009 of the Municipal Commission of Greater Mumbai, and supported by the State Planning Board, Government of Maharashtra and the UNDP, New Delhi.*

## Property Tax Reforms in India

*Debjani Ghosh\**

### Abstract

Property Tax (PT) is an important source of local revenue in many countries, but is often underutilized as a source for financing local expenditures. In India, many local governments have initiated administrative and valuation reforms to improve collections from property taxes. This paper is based on a study of innovative PT reforms in 10 cities where the reforms and their implications on the revenue base of the municipalities have been examined. Although the present reform measures are a good step towards improving the performance of the property tax, structural issues such as improved valuation, increasing buoyancy of the tax and tax payer's confidence need to be addressed to make these reforms sustainable and replicable. The study findings reveal that reforms have, to a great extent helped the cities towards system improvement in property tax. The JNNURM reform agenda has given the cities the impetus required to bring in changes, which will streamline the property tax system and strengthen the revenue base of the cities. The study strongly recommends a change in the assessment system of taxation with an inbuilt system of automatic revision. Such a system would be sustainable once it is linked with simultaneous administrative reforms.

---

### Introduction

In India, Property Tax (PT) is one of the most important sources of revenue for municipalities. Theoretically, this tax should be a buoyant source of own revenue as the value of properties rise over time. Studies indicate that the actual potential fails to be realised due to low coverage, low valuation, low collection and an obsolete tax structure. Inability to de-link property tax from Rent Control Act had also played a crucial role in hampering this process. However, in the last decade, many cities across the country have introduced innovative practices in PT assessment and administration.

Most of the Urban Local Bodies (ULBs) are not able to meet the increasing demand for infrastructure

---

*\*Debjani Ghosh (dghosh@niua.org) is Senior Research Officer, NIUA. The paper is based on the study 'Best Practices on Property Tax reforms in India' (2010) which was supported by the Ministry of Urban Development. The author is grateful for the guidance provided by Prof. Chetan Vaidya, Director, NIUA and Dr. Mukesh Mathur, Professor, NIUA during the completion of the study, on which this paper is based.*

**Bhubaneswar on the Path of Integrating Co-Benefits of  
Inclusive Environment Sustainable Transport Principles in City Planning**

*Piyush Ranjan Rout\**

**Abstract**

During the last few decades, urban areas in India have witnessed significant population increase and economic development. Like many urban systems of the world Indian cities are facing the challenge of mobility. Cities are often ill-equipped to control and manage the rampant growth in motorized vehicles with too many players involved for one goal but integration & coordination among them remains absent. The present paper focuses on approach of Bhubaneswar city's Inclusive *Integrated Environmental Sustainable Transport (IEST) Initiative*. It represents a new vision not only for the city's transport sector but also for the form of urban environment and overall quality of life afforded to the city's inhabitants. The over-arching goal is to establish co-benefits advantages of Inclusive Integrated Environmental Sustainable Transport measures encompassing high-quality public transport, priority infrastructure for pedestrians and cyclists, and incentives to discourage private vehicle use.

---

During the last few decades, urban areas in India have witnessed significant population increase and economic development. The region is expected to continue with its high rates of GDP growth to achieve significant economic growth during the 21st century to create employment, alleviate poverty, make resources available for infrastructure, increase access to basic amenities and also led to increased demand for better mobility.

In many Indian cities, expansion has occurred without appropriate development planning that reflects in fallen infrastructure and services. Many often our cities have taken approach of expanding road to the threshold and building elevated corridors to solve issues of Mobility. The issues are for whom the expansion is it for a common man or motorized vehicles. Interestingly statistics says car owners' numbers are within twenty percent of modal split but they are the most influential powerful group

---

*\*Piyush Ranjan Rout ([piyush.rout@gmail.com](mailto:piyush.rout@gmail.com)) is Executive Director at City Managers' Association Orissa & Co Founder of Local Governance Network India .*

**Socio-Economic Profile of Slum India: An Analysis of Socio-Economic Characteristics of Slums Across Wards of Select Million Plus Municipal Corporations**

*Prem Kumar\**

**Abstract**

This article attempts to analyse the socio-economic characteristics of slums across wards of select million plus municipal corporations. Ahmadabad, Bangalore, Chennai, Delhi, Greater Mumbai, Indore, Lucknow and Patna Municipal Corporations have been selected for the study. Two set of indicators have been generated at the ward level; one for slums located in ward and other for ward itself. Further, interlinkages among various socio-economic indicators have been analysed at the ward level. The results of the analysis reveal some important socio-economic characteristics of slums at the ward level of selected million plus municipal corporations, e.g. whether socio-economic condition of slum dwellers living in wards having high concentration of slum population is better than that of slum dwellers living in wards having low concentration of slum population, whether scheduled caste population is high or low in slums having comparatively well socio-economic condition etc. The same analysis has been done for the million plus municipal corporations before the ward level exercise. The relative deprivation of slum dwellers vis-à-vis other urban dwellers at the all India level and million plus city level has been assessed. Further, an attempt has been made to inquire into the relative deprivation among slum dwellers across the million plus municipal corporations.

---

**Introduction**

Formation of slums has become an important manifestation of intra urban inequality in the present era of globalization. Urban areas, particularly large cities, are the prime destination of global capital flow.

As slums are the manifestation of the degenerated infrastructure of the city, “city without slums” is one of the important goals of the United Nations system, which is perhaps also the important goal of governments and city planners.

---

*\*Prem Kumar (prem\_es@rediffmail.com) is Assistant Professor in Shahid Bhagat Singh (evening) College.*

## Assessing The Institutional Readiness for PPPS

*Keerthi Potnuru and Ashwin Mahalingam\**

### Abstract

Public Private Partnerships (PPPs) have emerged as a key strategic option as India seeks to overcome its burgeoning infrastructure gap. The presence of an enabling environment for PPPs at the state and urban levels is vital for their success. Through a review of the literature and discussions with experts in the area of PPPs, this paper identifies and validates the key elements of an enabling institutional environment for PPPs. These elements are then weighted and aggregated to develop an index that defines the strength or readiness of a given institutional environment to sustain and support private investment in infrastructure. A scientific technique known as the 'Analytical Hierarchy Process' (AHP) is applied for this purpose. We then apply this index to rank selected Indian states in the order of their readiness towards implementing PPPs. This exercise demonstrates the applicability of the index and we discuss how governments at both urban and state levels can use this index to benchmark and improve their institutional environments for the successful enactment of PPPs.

---

### Introduction

The correlation between infrastructure and economic growth has been well documented (e.g. Queiroz et al, 1994). The Indian Economy is growing at a fairly rapid rate and there is a need to augment our infrastructure to sustain this growth. According to a study done by the Committee on Infrastructure Financing, India must invest around USD 500 Billion in developing infrastructure over the period 2006-11 (Committee on Infrastructure Financing, 2007). Given the magnitude of the task at hand, private-sector participation in the creation and delivery of infrastructure is inevitable. Indeed, the Department of Economic Affairs estimates that nearly 40% of India's infrastructure requirements will

---

\*Keerthi Potnuru ([keerthi0509@gmail.com](mailto:keerthi0509@gmail.com)), a Graduate Student, Indian Institute of Technology, Madras, Chennai.

\*Ashwin Mahalingam ([mash@iitm.ac.in](mailto:mash@iitm.ac.in)), Assistant Professor, Department of Civil Engineering, Indian Institute of Technology, Chennai.

**Workshop Proceedings:  
Strengthening Peer Learning Networks in the Indian Urban Sector  
under PEARL, JNNURM, Goa, July 23-24, 2010**

The Peer Experience and Reflective Learning (PEARL) Program objective is to help cities with planning and implementation of infrastructure projects, reforming and governance under JNNURM. One of the mandates of the programme is to share and learn from experiences of similar networks in other countries and strengthen PEARL network. In this context, MOUD, NIUA, World Bank Institute (WBI) and Cities Alliance (CA) organized a one and a half day workshop on “Strengthening Peer Learning Networks in the Indian Urban Sector” under PEARL at Goa on 23<sup>rd</sup> and 24<sup>th</sup> July 2010. It was attended by over 40 participants representing International Organizations, MOUD, State Government, Urban Local Bodies (ULBs), City Managers Associations (CMAs) and Academic and Research Organizations. The international organizations included Asian Development Bank (ADB), World Bank Institute (WBI), Cities Alliance (CA), Center for Development Initiatives in Asia (CDIA), Gesellschaft für Technische Zusammenarbeit (GTZ), Inwent - Capacity Building International, Germany, Water and Sanitations Programme (WSP), etc.

**Day 1 - Session 1: PEARL Overview and Updates**

Prof. Chetan Vaidya welcomed the participants and gave background, objectives and outline of the workshop. Prof. V.K. Dhar, NIUA made a presentation on goals, achievements and challenges of PEARL. He said that PEARL has set up a website, published best practices, brought out quarterly newsletters and organized national and group workshops. It is also proposed to set up a helpdesk, new group for North-East Cities and twinning of cities. He identified three tasks for taking PEARL forward:

- a) Identifying knowledge gaps
- b) Scaling up activities of PEARL to be India's Urban Knowledge Hub
- c) Strengthening PEARL network

This was followed by the presentations of four Knowledge Managers (KMs). Prof. Saswat Bandopadhyay, CEPT briefed about heritage group activities and its action plan. Dr. Sneha Palnetkar,

**FIRE (D) PROJECT NOTE**  
**Initiative for Planned and**  
**Participatory Reconstruction**

*Chuck Billand and Kathy Desmond\**

Community participation ensures that development planning meets the needs of stakeholders and obtains their support. Reconstruction planning following disasters also benefits from residents' input. After the devastating earthquake in Gujarat in January 2001, three non-government organizations based in the affected region, with the support of the FIRE-D project, developed a system to obtain information and reconstruction proposals from diverse stakeholders. This Project Note describes the accomplishments and future plans of the Initiative for Planned and Participatory Reconstruction in the Kutch district of the state of Gujarat.

On January 26, 2001, a devastating earthquake shattered western and central Gujarat where nearly 20 million people live. Five districts were severely impacted, but the worst affected was Kutch (also known as Kachchh), where more than 90 percent of the deaths and 85 percent of the asset losses occurred. Four towns—including the district's largest, Bhuj—and more than 400 villages were severely hit, destroying lives, infrastructure, buildings, the economy, and livelihoods. The death toll was nearly 14,000 and 167,000 were injured. More than 1.2 million homes were badly damaged or destroyed, as well as numerous small enterprises, schools, health clinics, rural and urban water systems, and electricity and telecommunications systems.

Kutch is a sparsely populated, resource poor region in a relatively rich state that is vulnerable to cyclones and drought, as well as earthquakes. The 6.9 magnitude earthquake struck in a second consecutive drought year. While the greatest asset losses were in the housing sector, the livelihoods of many families were also disrupted. A joint assessment by the World Bank and Asian Development Bank a month later found that 19,000 handicraft artisans and several thousand salt farmers in Kutch were the most severely affected.<sup>1</sup> Some 20,000 cattle deaths were reported, eliminating another important source of livelihood. The assessment report concluded that the "majority of the reconstruction efforts should be undertaken by the affected population themselves." The overall recovery strategy was to empower communities and mitigate social impacts.

---

\* *Chuck Billand is TCGI Vice President and Initiative Manager; and Kathy Desmond, Consultant.*

**PEARL – Best Practices**  
**Municipal Reforms Initiatives, Karnataka**

**Previous Situation**

The Municipal Reforms Cell (MRC) was created in 2005 under the Directorate of Municipal Administration, Government of Karnataka (GoK) to bring about better governance in Urban Local Bodies (ULB) through the use of technology and Government Process Reengineering. It focuses on creating robust database of records in various departments like revenue, engineering, accounting, health etc and has the day-to-day administration of the ULB based on accurate data, well defined processes and more efficient service delivery to citizens by using Information Technology (IT) /Communication tools and technologies.

Initially, the ULBs in Karnataka were using manual systems for collecting taxes, processing of accounts, issue of birth and death certificates etc. For property taxation, they were following Annual Rental Value (ARV) system of taxation. Assessing officers did assessment of Tax where in they exercised considerable discretion in the revision of assessment. As the property tax details were maintained in hard copy form it was difficult for the ULBs to track the tax defaulters and to trace unauthorized and under taxed properties thus resulting into poor coverage of properties, low revenue and inefficient tax management system. As part of its urban reforms process, GoK introduced Capital Value Based Property Taxation System along with schematic GIS and MIS of all properties in ULBs of Karnataka.



**Municipal Reform Cell, Government of Karnataka**

ULBs were also maintaining their accounts under single entry cash based system. This was an incomplete accounting system wherein ULBs were not aware of what they own and what they owe. There were no financial reports generated by the accounting system for fund management, resource mobilizations and budgetary control. As part of its reforms process, GoK initiated implementation of Fund Based Double Entry Accrual Accounting

### Book Review

**A Sustainable Vision for Urban India by A.K. Jain, 2008  
Kalpaz Publications, New Delhi, Price Rs. 1260/-; p. 475**

Urban India comprising of 5161 cities and towns has increased more than ten times in size during last 100 years – from 26 million in 1901 to 285 million in 2001. This is 28 per cent of the total population. By 2020, urban population will be 40 per cent of the total population and by 2050 the figure will be 50 per cent. In absolute numbers the urban population of India is second highest in the world (after China). By and large, the nature and extent of growth of Indian cities is unplanned and unanticipated, the provision of services is not proactive, but reactive. The demand for services such as transport, water, and sewerage continually outstrips supply, resulting in a situation of perpetual scarcity and shortage. About 54 per cent of urban households do not have access to toilets and 64 per cent are not connected to the public sewerage system. Almost 50 per cent of solid waste remains uncollected. Although 89 per cent of urban population is covered by treated water supply, water is supplied only for a few hours per day. City roads are clogged. Though vehicle population in India increased 80-fold in the last 40 years, road area increased by only 5 per cent. Little attention has been paid to development of mass rapid transport systems in most major cities. Only 17 of the largest cities have organized bus services, and only three cities – Mumbai, Kolkata and Chennai – have a suburban rail system.

The urban challenges prompt a reconsideration of the values, goals and means of achieving them. There is a need of abandoning the prevalent reactive tendencies of urban growth, which are often fragmented. It is necessary to develop a vision for shaping the urban environment and shifting the paradigm towards urban integration. The new model for the contemporary city should be compatible with the nature and relate to local culture together with global openness.

A.K. Jain, the author in his book, 'A Sustainable Vision for Urban India' pleads for adopting the beauty of simplicity, spirituality, sincerity, and sustainability. Learning from the inherent wisdom of nature and cities of the past, a city should be infused with contemporary sensibilities. India, while moving towards urbanization is passing through a rare historic moment in aligning urban growth and development with political, economic, and social trends, What is required is to actively engage and draw inspiration from social and physical heritage of Indian cities with ethics, care and conservation. A city is like an organism, always growing, evolving and self-adjusting. Such a city should manifest the networks, human relationships and connections.

The author who worked on real life projects of urban planning and is a UN Habitat Advisor suggests a new model of urban governance based on community empowerment, together with decentralisation, devolution and deregulation of planning process. The city government should support and encourage a pro-poor, people-centered approach towards self-rule, self-reliant with local and simple solutions. This book 'A Sustainable Vision for Urban India' builds a dream, a new urban vision, and how it can be translated into livelihoods. The book explains the nuts and bolts of retrofitting the Indian cities by an approach which is comprehensive and simple..

*Akshaya Sen*