



URBAN LAND MANAGEMENT PRACTICES IN INDIA

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Abstract: In the light of mismatch between demand and supply of land in urban areas, spiraling land prices, rapid urbanization, increased number of court litigations, expensive and time-consuming existing land acquisition legislations, weak financial status of various semi-government local bodies, disturbing economic crisis in several nations, speculative nature of land markets, lack of innovation in land management techniques, procurement of land in recent years becomes almost highly difficult task for effective implementation of urban projects, redevelopment of areas, affordable housing, creation of new cities and renewal of urban core areas and other urban solutions. So, appropriate land procurement, planning, development, utilization and management strategies are needed to cater to the growing urban requirements. Against this background, an attempt is made in this paper to review the existing urban land management practices in India.

1. INTRODUCTION

Land is an important source of identity, basis of lively hood, symbol of social status and often carry significant emotional attachment for majority of Indians. Land is an essential component for urbanization, industrialization, modernization of nations. There is a mismatch between demand and supply of the urban land in India. Majority of lands in the urban areas are large holdings, which are owned by private people. These holdings are invariably under sub-optimal use, retained for speculative purposes, and quite often sub-divided into irregular shaped parcel, most of which may not even have access to road. Apart from this, the process of urbanization in India has reached new heights in recent years. The urban

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population in India which was 286 million in 2001 increased to 377 million in 2011, an increment of 91 million. The urban population will reach to 915 million by 2050, if the same pattern of urbanization continued in future. There is a unprecedented growth in terms of number of towns/cities and population in urban areas in the last few decades. Hence, India occupies second place in the world in terms of Urbanization as per the latest global indicators. The urban sector contributes a lot for the growth of the Indian economy as well as for the structural transformation of economy. On the other hand, rapid urbanization and unplanned urban growth have serious implications on the economy at large and urban living environment in particular. So, appropriate land procurement, planning, development, utilization and management tools/techniques are needed to cater to the growing urban land requirements. Against this background, an attempt is made in this paper to review the existing urban land management practices in India.

2. URBAN LAND MANAGEMENT PRACTICES

As per the constitution of India, urban land planning and development is a state subject and the Central Government formulates certain policies and guidelines. Urban land management activities are being taken up at three levels in India viz. Central, State and Local Levels. At the Central level, the central agencies such as concerned ministries, special bodies perform advisory and coordinating role and allocate funds to the states. Governments at the State level by enacting various urban related legislations oversee the planning and development in the urban areas. Local-level bodies in cities and towns such as Panchayats/Municipalities/Municipal corporations by adopting the State laws, normally prepare & execute town plans at the ground level and give necessary approvals as well.

Land use patterns in India have undergone major changes over the last few decades. Ever-increasing urbanization, modernization and industrialization have put tremendous pressure on land and indiscriminately converting fertile agricultural lands into concrete jungles.. This poses serious threat to food security, ecological balance, problem of congestion etc. Moreover, the absence of an integrated concept for spatial and land use planning adding fuel to the fire. So, a comprehensive land use planning is very crucial at this juncture. Policymakers across the globe use a bunch of land procurement, planning, development and management tools/techniques to accommodate urban growth and infrastructure development. Some of the prominent land procurement, planning, development and management practices in the Indian are as follows:

2.1. Land Acquisition

The concept of 'Land Acquisition' is a traditional method of land management. As per this model, land is being mobilized from land owners by force without having any option to them. The constitution of various countries facilitates such practices and accordingly legislative houses enact suitable legislations. The Government authorities empowered to acquire land for various development purposes in India based on 'Land Acquisition Act, 1894'. This legislation was replaced with a new legislation viz. 'Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013'.

Land Acquisition Act. 1894

The land mobilization for various public purposes in India was in accordance with a British law i.e., 'Land Acquisition Act, 1894' for a long period of time. As per this Act, the government or its agency is empowered to acquire land for any public purpose by paying compensation to the land owners. As per the constitution of India, land is a state subject, hence, the state or its agency is empowered to deal with land acquisition matters. Several amendments were made to this LAA 1894 even before and after independence but the procedure of land acquisition remains the same. Further, two basic features of the Act., acquisition of land shall be for public purpose only and payment of compensation to land owners for relinquishing the land, remains unchanged.

Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act. 2013

By considering the long pending demands of cross sections of the people for a fair and transparent land acquisition, Land Acquisition Act. 1894 was replaced with the RFCTLARR Act, 2013', popularly known as LARR 2013. Prominent features of this legislation include consent, Social Impact Assessment (SIA), compensation and rehabilitation & resettlement. As per LARR, private projects need the consent of 80 per cent of affected families due to acquisition of land, public-private partnership projects need the consent of 70 per cent, and government projects does not require any consent at all. LARR made it clear that compensation to the landowners for relinquishing their land in rural areas would be double the market value of the land and in urban areas based on the market value of the land. In addition, landowners will get an additional 100 per cent solatium which is calculated on the compensation paid for the land. Social Impact Assessment, Rehabilitation & Resettlement are made mandatory. Later, the Central

government through an ordinance allow state governments to amend LARR based on their requirements. Accordingly, several states made amendment to this act at a later date. .

Inordinate delay in the acquisition of land, increased cost of land acquisition, rehabilitation & resettlement issues, more number of court litigation in the process, freedom given to the states to make amendments to the Act., issue of LARR ordinance, 2014 have raised doubts about the sanctity of the RFCTLARR Act, 2013. As a result, land acquisition continues to be problematic even after enactment of RFCTLARR Act. 2013.

2.2. Town Planning Scheme (TPS)

Town Planning Scheme is another traditional land management tool. It is an effective method which can procure, plan, develop land in a quick, economical, and transparent mode with free and full consent of land owners for urban development purposes. Under Town Planning Scheme, all the land under different ownerships is pool together and redistribute the developed land after establishing basic infrastructure facilities such as roads, drains, sewage lines, parks, electricity, and water etc. The size of the final redistributed plot is based on the extent of the original surrendered land. The location of the final redistributed plot is very close to the original plot. A landowner normally contributes up to 25 to 40 per cent of the land and pay betterment charges as well for the development of the land. Based on the directions of the state government, local government agency / development authority execute the scheme through an appropriate state-level town or urban planning act. It is the local government agency / development authority sell the reserved plots in the open market to finance the overall project development cost and also mandate to reserve land for the Economically Weaker Section (ESW) of the society (5%–10%) with a view to meet urban housing requirements.

Some of the states of Indian implemented 'Town Planning Scheme' in the form of 'plot reconstitution'. This model is almost replicate the popular concept of land pooling/readjustment. Maharastra is pioneer in the implementation of this model with 'Maharashtra Regional and Town Planning Act, 1966'. Gujarat is second prominent states in India to adopt this model with 'Gujarat Town Planning and Urban Development Act. 1976'. The other states of India executed this model for land management include Andhra Pradesh, Tamil Nadu, Karnataka, Chhattisgarh, Madhya Pradesh, and Odisha. The central government has introduced AMRUT policy with a view to promote this scheme in various states across the nation by providing training to planners and practitioners.

2.3. Land Pooling/Readjustment

Land pooling is not new to India. Land Pooling gaining acceptance as a land management strategy for development projects in India, particularly dealing with urban expansion in the urban periphery or redevelopment in existing urban areas. Land readjustment concept is followed by various states with different nomenclature in India such as land pooling, land readjustment, land reconstitution, town planning schemes, and town development schemes. Under the land pooling concept, small parcels of land are assembled from the land owners with their free, full and irrevocable consent. The special agency or government body will develop basic infrastructure facilities like roads, drains, sewerage lines, water, electricity etc. in the assembled land. A small portion of the developed land will be returned back to the original owner. The returning portion of the developed land depends on number of factors, normally it vary from project to project and it depends on the agreement signed between the land owner and the development agency.

There are several ways in which land can be assembled and developed, depending on contextual requirements. The pooled land can be developed by the government agency or development authority, or private developers with the development authority acting as facilitator. As per the constitution of India, land is a State subject and concerned State governments normally brought out legislations on this subject. States like Maharashtra and Gujarat are in the forefront in the use of land readjustment technique for urban development. By considering its success in the implementation of urban development projects in a hassle free manner, other states like Madhya Pradesh, Chhattisgarh, Orissa, and Andhra Pradesh have been following this model by enacting the laws of their own.

2.4. Transferable Development Rights

Transferable Development Rights is another useful and most efficient technique of land management which transfers the development from a dispatched area to an obtained area in a hassle free manner. The dispatched areas are those places where public would like to see less development which include agriculture lands, open spaces, wildlife habitat, places of historical prominence, and environmentally sensitive places. The obtained areas are those places where public would like to see more development, which include places close to offices, shopping, schools, transportation and other urban services.

In this model, right to develop a land will be transferred to government agency or local authority or corporation and the government agency use

the same land for public utility infrastructure projects such as road widening, metro rail projects, park, garden, schools, new roads etc. The government agency will issue a certificate viz., Development Right Certificate (DRC) to the landowners for relinquishing and transferring the development rights. The land owner can use Development Right Certificate for himself or can trade in the market for cash. The DRC enable the land owner to develop the area of his choice in return of the area for which he has relinquished his/her rights. Another significant feature of this model is that the DRC can be traded in the financial markets and can be converted it into cash also. TDRs are usually transferred from fully developed areas in the cities to moderately/sparsely developed areas not vice-versa. Method of calculating TDR may vary but generally it is 1.5 times more than the land area surrendered. Four different types of TDRs are normally floated viz. Road TDR, Reserved plots TDR, Slum TDR and Heritage TDR. Slum TDR is popular TDR in metropolitan cities and state capitals.

This model has got its own positive and negative features. This model is considered as efficient in terms of cost, time, transparency and adoptability. Unfortunately, developers by using this technique to exploit the end users by inflate the cost of the project. Moreover, developers use this technique of land management to maximize the salable area in prime locations, which adversely affect the living conditions of the people of the area. Mumbai is the first metropolitan city in India which has adopted this model especially for slum redevelopment and urban renewal.

2.5. Joint Development

Private developers play a key role and work closely with the Government in this model. Haryana is the first State in India implemented this model of land management by enacting 'Haryana Development and Regulation of Urban Areas Act' in 1975. As per the Act., private developers need to obtain license from the State Director of Town Planning first for the development of a particular urban development project. The state government evaluates various documents such as title of the land, its location and extent, antecedents of the applicant, the layout of the project etc. The proposed land for development is within the township/city development plan, which has been prepared by local development body and approved by the State.

As per the provisions of the Act., the developer has to reserve 20 per cent of the developed residential plots for Economically Weaker Sections (EWS) and their allotment shall be as per norms stipulated for this purpose. Further, the developer has to earmark and sale of another 25 per cent plots on 'no profit no loss basis'. The developer is allowed to sale remaining 55

per cent plots directly at the market rate. The developer has to provide certain basic public utility infrastructural facilities in the proposed project or earmark and handover such land at free of cost to HUDA for creation of basic infrastructure facilities. As per the provisions of the legislation, the developer has to deposit 30 percent of the proceeds of land sales into a separate account to be used for development and honor the stated timelines for the completion of the project. Further, the developer has to show bank guarantee to HUDA to comply with the prescribed norms of the proposed project. The model is suitable for the regions with heavy demand for land and price of the land is high. Gurgaon Township, a satellite township of the New Delhi Metropolitan area has successfully executed this model.

2.6. Guided urban development

Guided Urban Development (GUD) is another successful tool of land management normally used for the conversion of privately owned rural land located at urban fringes for urban development purposes. This approach effectively checks adhoc, uncontrolled development in urban areas. This model takes land owners into confidence and work closely with them. It is landowners who meet the cost of servicing their land by donating their land for public utility infrastructure creation and also pay betterment charges. As per this technique, government selects an area for development in urban areas, formulates guidelines and establish physical development standards. The landowners/private developers procure the land on a large scale which is normally located on the fringes of existing towns, for urban development. Negotiated price of the land is on par with the market rates in the area and hence, the land owners are happy to dispose off their land to private developers rather than to a government agency under Land Acquisition Act. This approach is transparent, cost effective and hassle free, as the landowners donate their land for basic infrastructure facilities, as well as pay 'betterment charges' to meet the costs. This model ensures urban plots to the Economically Weaker Sections and Low Income Groups, as it earmark certain percentage of land to them. 'Chennai Metropolitan Development Authority (CMDA)' adopted this model while undertaking the World Bank-assisted Tamil Nadu Urban Development Project. The CMDA on the one hand allotted serviced plots for low income families at affordable price, on the other provide incentives to the land owner/private developer in the form of guaranteeing fair return on investment.

3. CONCLUSION

Due to mismatch between demand and supply of land in urban areas, spiraling land prices, rapid urbanization, increased court litigations,

expensive and time consuming existing land acquisition legislations, weak financial status of various local bodies, disturbing economic crisis in several nations, speculative nature of land markets, lack of innovation in land management techniques, procurement of land in recent years becomes a tough task for effective implementation of urban projects, redevelopment of areas, affordable housing, creation of new cities and renewal of urban core areas and other urban solutions.

When compared with majority of the nations across the globe, India is experimenting with new models/techniques for land aggregation, planning, development and management on par with select developed nations. But only few states in India are experimenting with innovative models/techniques of land management, and majority of the states are practicing same age old practices with great difficulty. Hence, several development projects in majority of states across the nation, either kept in abeyance or got delayed due to legal tussle. So, there is an urgent need to encourage innovation and creativity in land procurement, planning, development and management tools/techniques. More and more innovative instruments like TDR – Development Right Certificates need to be floated and such markets need to be developed along with Financial and Commodity markets. A judicious choice of innovative methods of urban land assembly mechanisms along with the financing mechanisms will be critical for achieving urban infrastructure development in the days to come.

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