

Providing Land and Secure Tenure to Urban Poor in Indian Cities

A Need for Policy Interventions in Land Markets



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1 Urban Sector Review

1.1 Basic General Data

Geography and Administration

India is the seventh largest nation of the world located in Southern Asia, bordering the Arabian Sea and the Bay of Bengal, between Burma and Pakistan. Out of total area of 3,287,590 sq km land area is 2,973,190 sq km and water area is 314,400 sq km with land boundary of 14,103 km and coastline of 7,000 km. Within geo-climatic regions, climate varies from tropical monsoon in south to temperate in north.



Terrain varies from upland plain (Deccan Plateau) in south, flat to rolling plain along the Ganges, deserts in west, Himalayas in north. India has a strong federal structure. For the administrative convenience, India is divided into 28 States and 7 Union Territories.

Demography and Health

India is the second most populous nation in the world after China with a population of 1027 million (Census 2001). Every sixth person in the world is an Indian. The annual population growth is 1.6%. The life expectancy is 63 years. India has a relatively high infant mortality ratio (IMR) of 65 per 1000 births.

Economy

India is a developing nation. India's diverse economy encompasses traditional village farming, modern agriculture, handicrafts, a wide range of modern industries, and a multitude of services. Services are the major source of economic growth, accounting for more than half of India's output with less than one third of its labour force. About three-fifths of the work force is in agriculture, leading the Government to articulate an economic reform program that includes developing basic infrastructure to improve the lives of the rural poor and boost economic performance. Post 1991 the Government has reduced controls on foreign trade and investment. India's GDP (2006) is \$922 billion which makes her the 10th largest economy of the world. However, GDP per head is only \$ 842 and GDP per head (PPP) is \$ 3942. The economy posted an average growth rate of more than 7% in the decade since 1996, reducing poverty by about 10 percentage points. India achieved 9.3% GDP growth in 2007.

1.2 Shelter Scenario: Facts and Figures

India's urban population in 2001 was 286.1 million which was 27.8% of the total population. Over the previous five decades, annual rates of growth of urban population ranged between 2.7 to 3.8%. During the last decade of 1991 – 2001, urban population of India increased at an annual growth rate of 2.7% which was 0.4% lower than that registered during the preceding decade. It is forecasted that India's urban population will be 50% of the total population in 2041. However, a much higher proportion of the urban population of metropolitan cities lives in slums. For example, it is estimated that 54% of the population of Mumbai lives in slums. The ever increasing number of slum dwellers causes tremendous pressure on urban basic services and infrastructure. The supply of land in housing have failed to keep pace with increase in urban population resulting in large number of

households without access to basic services, poor housing and proliferation of slums and widespread poverty.

The Census of India 2001 provides certain data relating to housing as shown in Tables 1. It shows that more than 20% of the urban population do not have pucca (permanent) houses. The Housing shortage and requirements as per the Technical Group on Housing Shortage constituted by National Building Organisation is also given.

Table 1: Urban Housing Scenario: Census 2001

Urban Population, 2001	286.1 Million
Total No. of Urban Households, 2001	55.8 Million
Total Housing Stock, Urban, All India, 2001	52.0 Million
Pucca (Permanent) Houses	79.16 %
Semi Pucca (Semi-Permanent) Houses	15.58 %
Kutcha (Temporary) Houses	5.27 %
Households by Tenure Status, All India, Urban, 2001	
Owned	66.8 %
Rented	28.5 %
Others	4.7 %
Housing Shortage, Urban, All India, 2007	24.71 Million*
Housing Requirement during 11 th Plan, (2007-12), Urban, All India	26.53 Million*

* Estimated by Technical Group on Housing Shortage constituted by National Building Organisation (NBO) chaired by Prof. Amitabh Kundu, Professor, Jawaharlal Nehru University

India is confronted with housing problem of a very high magnitude. Housing deficit in urban areas is particularly much more severe for economically weaker sections of population. The serious deprivation in the provision of basic services to large segments of urban population is today's ground reality.

Table 2: Estimated distribution of housing shortage as on 2007

Category	Housing shortage as on 2007 (Mn)
Economical Weaker Section (EWS)	21.78 (88.1%)
Lower Income Group (LIG)	2.89 (11.7%)
Middle Income Group (MIG)	
Higher Income Group (HIG)	0.04 (0.2%)
Total	24.71 (100%)

Source: XI Plan Working Group on Urban Housing

According to an estimate, as much as 30 per cent of the total urban population does not have access to basic urban services, such as water and sanitation, land,

affordable shelter, security of tenure and transport. The majority of the poor largely get accommodated in slums and informal settlements.

As per data provided by NSS in its 58th Round (July-Dec.2002) (Report No.488), only 20% of dwelling units in urban slum areas had a plinth area of more than 50 m². On an average, an urban household occupied 37 m² of floor area. Per capita floor area available is lowest in the urban slums (4.6 m²) and other urban areas (8.4 m²).

As per Census 2001 thirty-five per cent of the urban residents live in single rooms while two per cent have no exclusive room. Only 65 per cent have access to water supply within premises. 30 per cent have no bath room within the house. The picture is far more dismal in slums and settlements of the urban poor.

Access to good quality water supply and sanitation facilities among the urban poor is very poor; about half of urban poor households do not receive water supply and about two-thirds do not have a toilet.

As per data provided by NSS in its 58th Round (Report No.488), with respect to the availability of drinking water, electricity for lighting, and latrine, about 15% dwelling units in urban slums had all the three facilities within their premises. At the other extreme, none of these facilities were available in about 11% of dwelling units in the slums and squatter settlements and 4% of units in other urban areas.

1.3 National Housing and Habitat Policy

After the Independence in 1947, the general perception of the policy makers was that India is pre-dominantly an agricultural and rural economy and that there are potent dangers of over urbanisation which will lead to the drain of resources from the countryside to feed the cities. The positive aspects of cities as engines of economic growth in the context of national economic policies were not much appreciated and, therefore, the problems of urban areas were treated more as welfare problems and sectors of residual investment rather than as issues of national economic importance.

However, the Housing Sector is receiving attention of the National Government for quite sometime now and has also got a substantial boost over the years with focus on housing development all over the country but majority of the poor are still largely accommodated in slums and informal settlements. Housing

affordability, viewed as a mismatch between household's ability/willingness to pay, is a major constraint for market based approach to housing. The government's role as facilitator includes ensuring that all segments are covered over time and those segments which are unlikely to be covered by non-governmental sector, have to be provided housing by the government in its role as a provider.

Formulation of the National Housing Policy is an ongoing process which started in 1986. However, the urban housing sector is facing emerging challenges with regard to availability of required shelter, growth of slums, and gaps in provision of basic services to the urban poor. The urban housing backlog is estimated at about 24.7 million units at the end of the 10th Five Year Plan (2006-2007). 99% of the shortage pertains to Economically Weaker Sections (EWS) and Low Income Groups (LIG) categories. After considering all these aspects, a new National Urban Housing and Habitat Policy was formulated in 2007 for meeting the shelter needs of urban poor. The salient features of the National Urban Housing & Habitat Policy, 2007, *inter alia*, are:

- Focus of the Policy is on affordable urban housing with special emphasis on the urban poor.
- Within the overarching goal of "Affordable Housing for All," emphasis is laid on urban planning, increase supply of land, use of spatial incentives like additional Floor Area Ratio (FAR), Transferable Development Rights,(TDR) etc., increased flow of funds, healthy environment, and use of renewal sources of energy.
- 10-15% of land in every new public/private housing projects or 20-25% FAR, whichever is greater to be reserved for EWS/LIG Housing through appropriate spatial incentives.
- Private Sector to be permitted land assembly within the purview of Master Plans. Action Plans for urban slum dwellers and special package for cooperative housing, labour housing and employees housing is to be prepared.
- Policy gives primacy to provision of shelter to urban poor at their present location or near their work place.

India has a national Slum policy. The National Slum policy which was formulated in 1998 states that ‘ Household in all urban informal settlements should have access to certain basic services, irrespective of land tenure or occupancy status.’

1.4 Actors and their Roles

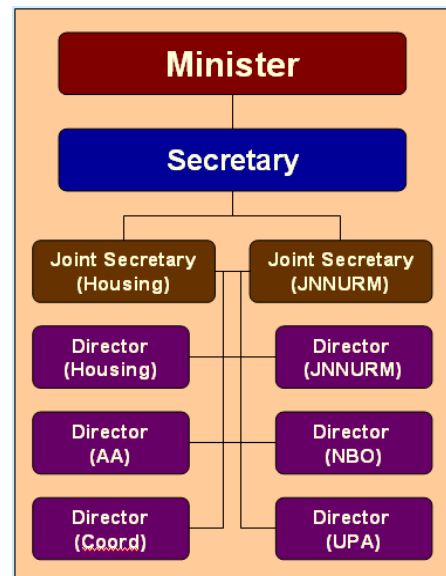
The Central Ministry of Housing & Urban Poverty Alleviation is the apex policy-making body for urban housing activities. It overviews the state-level programmes, lays down policy perspectives and builds up data systems for the entire country, besides launching projects for the benefit of certain targeted sections of population.

Public-sector housing is basically the responsibility of the State Governments. Each of the state governments has created a state-level Housing Board for this purpose besides other state-level agency, which has the development responsibility for new towns and industrial estates, and has housing projects as one of its major activities. Special agencies, like Slum Clearance Boards, have been set up in several states for the purpose of rehabilitating slum dwellers. In some larger cities, the slum wings within the development authorities undertake this responsibility, while in many other cities, the municipal corporations have slum wings that take up construction of shelter for the poor.

Other actors/stakeholders in shelter delivery include Banks, Cooperative Organisations, Housing and Urban Development Corporation (HUDCO), National Housing Bank (NHB), real estate developers, private builders, micro financial institutions, NGOs and CBOs.

2 Organisation

The Ministry of Housing & Urban Poverty Alleviation is the apex authority of Government of India at the national level for formulation of housing policy and programme, review of the implementation of the plan scheme, collection and dissemination of data on housing, building materials/techniques and



for adopting general measures for reduction of building costs. In addition, it is entrusted with implementation of the specific programmes of urban employment and urban poverty alleviation. In the federal structure of the Indian polity, the matters pertaining to the housing and urban development have been assigned by the Constitution of India to the State Governments. The Constitutional 74th Amendment Act has further delegated many of these functions to the urban local bodies. Although these are essentially State subjects but the Government of India plays a coordinating and monitoring role and also supports these programmes through centrally sponsored schemes.

The Ministry is headed by *Kumari Selja*, Hon'ble Minister of State (Independent Charge). She is also the chairperson of the 21st Governing Council of UN HABITAT. *Ms. Kiran Dhingra* is the Secretary of the Ministry. She is assisted by two Joint Secretaries. There are six Directors/ Deputy Secretaries assisting the Joint Secretaries.

At present I am working as Director in Housing Division with *Mr S K Singh* as my Joint Secretary. In the Ministry I am assigned specific works like policy matters on Housing and Habitat, administrative and financial matters concerning HUDCO, matters relating to UN HABITAT, international cooperation on human habitat and settlement and low cost sanitation scheme.

The Government has extended substantial support (subsidies) for special national housing programmes for providing "Housing for All" under various schemes like *Jawaharlal Nehru National Urban Renewal Mission (JNNURM)*, Valmiki Ambedkar Awas Yojana (VAMBAY), National Slum Development Programme (NSDP), and National Policy on Urban Street Vendors, Co-operative Housing and Night Shelter for footpath dwellers. Most of the above schemes are subsumed in JNNURM which is now a flagship programme of the National Government. JNNURM plays an important role in slum improvement, in-situ slum redevelopment along with provision of security of tenure.

3 Challenge of providing access to land and security of tenure to the urban poor in Indian cities

India has the second largest urban system in the world. However the unplanned and uncontrolled rapid growth in the urban areas has resulted in serious negative effects on the urban dwellers and their environment. The provision of infrastructure facilities and services, required to support large concentrations of population, has lagged far behind the pace of urbanization. As a consequence, the urban environment today, particularly in large cities is deteriorating rapidly.

In India, rapid rural urban migration during the last few decades combined with lopsided urban planning has contributed to urban land shortage. As a result urban land prices are abnormally high in relation to India's household income, and households consume less floor space than they could afford if the regulatory environment were reformed. As against 286m people living in urban areas, it is estimated that 61m (Census 2001) people live in squatters/informal settlements called slums.

The issue of access to affordable land in urban areas is posing a considerable challenge to policy makers, urban managers and planners over the past decades. There are a number of issues which lie behind the widening gap between the demand for and access to public land for the urban poor. The formal land markets are unsuccessful in providing affordable land to the poor. The low income groups are hopelessly out priced in the urban land market. Urban poor are therefore left to obtain land in the informal markets. In the recent times it is seen that high prices and inadequate supply in the formal market is pushing even the middle income groups to seek land in the informal markets. As this leads to increasing prices and competition within the informal markets, the poor are being pushed out forced to squat on dangerous and vulnerable areas (such as floods or land slides). In India the bulk of housing shortage pertains to urban poor. However due to low affordability of the poor, this does not get translated into economic demand, thus leading to squatting and slums. Some of the issues related to security of tenure to the urban poor in the Indian context are:

- Living without tenure security can lead to forced eviction and block the community from access to basic services like water, sanitation, electricity;
- Lack of ‘legally recognised tenure’ is also a major obstacle to get loan from formal sources;
- Unequal distribution of land often causes conflict – usually an outcome of local power relations;
- Poor people are often unable to access land through the purchase market, implies that market forces unlikely to be able to correct highly unequal and often inefficient distributions of land ownership;
- Past experiences show that poor land governance and insecure tenure increase vulnerability;
- Security of tenure is a precondition to local investments. Poor will invest only if they have reasonable security.
- Tenurial issues are complex and no single tenure options can solve these problems.

In addition to providing security of tenure to the existing informal settlements, there is a challenge to provide access of land to those urban households who have just arrived in the city and also for those who are likely to migrate in the near future. With rapid urbanisation, urban poor population in Indian cities is growing. These new migrants as well need decent and affordable housing or else slum dwellers will keep on duplicating.

Improved access to land and security of tenure for the urban poor are extremely essential in order to achieve the twin objectives of improving their living conditions and reducing the number of slum dwellers in a time bound and sustained way. How can our policies achieve this?

4 Proposal for Change and Improvement

Land is a crucial element in housing the urban poor. Land is the key to upgrading existing slums today and to preventing new slums tomorrow. **Two distinct issues to be addressed are:**

- Providing secure tenure to existing slums (healing actions).

- Providing access of land to urban poor to reduce growth of future slums (preventive actions).

The first issue is with regard to a large number of urban poor in the region living in squatters/ informal settlements. We cannot resolve the challenge of providing decent housing to the slum dwellers without addressing the issue of land tenure. We need to place security of tenure at the centre of our strategy. Threat of being evicted tomorrow is not very promising. Security of tenure does not mean ownership. It may vary from very informal tenure like usage right, occupancy right, leases etc to a very formal tenure right like freehold ownership. Security of tenure can ensure the urban poor in several ways:

- Rights to stay at their place;
- Access to basic services;
- Ensure not losing their livelihoods; and
- Rights to effective protection from the State against forced eviction.

Security of tenure protects people against arbitrary and forced evictions, harassments and threats. WUF4 has strongly advocated that the legal recognition of tenure is a significant step that authorities can take thereby contributing to build a harmonious city. WUF4 has further advocated that progressive tenure strategy on the lines of incremental housing could be a possible solution. To begin with legal recognition in form of informal land titles may be given which may later be translated into formal land titles. It is an incremental approach where tenure rights are gradually formalised or upgraded overtime.

Group or community title is a good strategy. Group title improves affordability and also the bargaining power of poor vis-à-vis the Government. It minimises eviction of poor. Therefore, poor are not pushed to the periphery of the towns. Collective land tenure can also safeguard against speculation and gentrification, which are always a danger when the tenure of inner-city settlements is secured. Therefore, the tenure policies need to integrate factors like legal instruments that create effective rights, socially oriented urban planning laws, political-institutional agencies and mechanisms for democratic urban management by creating conducive policies for community based ownership of land.

Collective land tenure in poor communities in Thailand is a norm rather than exception. Out of 575 community upgrading projects in over 200 cities, 470 projects under Baan Mankong Community Upgrading Programme are in communities with collective land tenure (Source: www.codi.or.th). As part of the programme,

The Second issue is how to prevent growth of new slums. Improving the land tenure security for slum dwellers today alone will not be enough unless we can also find ways to reduce the need for new slums and informal settlement in the future. A significant challenge faced by the authorities in the cities of the region is the failure to ensure adequate supply of affordable serviced land in appropriate locations to meet low income housing needs.

Planning for the land needs of future populations is especially important in Region's cities, which are experiencing most explosive urbanisation. This calls for serious efforts to increase the supply of affordable land to keep pace with future needs. The preventive measures required to tackle the challenge of achieving an optimum social use of urban land and make affordable land available in adequate quantity, are integrated urban planning along with effective enforcement of master plans, zoning regulations and municipal bye-laws. Countries like Spain and Brazil have shown that urban planning is an effective tool of assuring access to urbanised land for social housing. Chinese planning experience further confirms that integrated urban planning is the most effective instrument for providing access of land to urban poor.

There is no single solution to problems of land. The best way to solve challenge of providing access of land is to support a broad range of strategies. However, providing land for social housing is ultimately a political issue. Strategies can either increase or reduce access of the poor to land depending on political will and intentions.

It is suggested that mandatory earmarking of land for developing social housing for urban poor through statutory instruments like Master Plan need to be taken up by the relevant authorities. Further, when developing housing options it

must be kept in mind as to what is affordable by the poor and how to cross subsidize them? For instance, The Philippines Housing and Urban Development Act stipulates that developers must allocate 20% of all land they develop to low income housing. This is called the 'Balanced Housing' rule.

Plausible solutions could emerge by providing incentives to private development through enhanced planning mechanisms. In the central areas or in older areas of the city, harnessing development through the transfer of development rights (TDR) mechanism should be explored. One good way to make more land available to poor is to use public land. Public land is one of the most important sources of land for housing the poor. Relevant Authorities can provide user rights or lease rights to low income communities for their houses in public land. Land use and building regulations can be revised to make them in tune with the needs of the urban poor. These regulations can be a powerful instrument to increase the availability of affordable land in the formal markets. Land pooling, land sharing, public- private and public-people partnership in social housing are also significant tools to increase the supply of land and housing.

Access to land and tenure issues are complex and required to be addressed at policy level by the National or State Governments. However, it is the local government at the municipal level which need to adopt harmonious, inclusive and integrated initiatives in order to ensure that specific issues like land and tenure are dealt as a part of a holistic approach. The participatory Development Plan at the municipal level is an instrument through which this approach can be actualised.

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PERSONAL ACTION PLAN

A. Short term (one year)

1. First and foremost, I will organise a meeting with my colleagues in my office and share with them the lessons learnt from WUF4 held in Nanjing, China recently. [November 2008]
2. I will study the global best practices on ‘Access to land and security of land tenure in context of the urban poor’. Interact with Multilateral agencies, Govt and non government organisations involved in this field. [April 2009]
3. I will organise a National Workshop on ‘Providing access to land and security of tenure to urban poor’ involving all stakeholders like Government, NGOs, CBOs, slum dwellers, and private developers. [May 2009]
4. I will work in close association with a reputed Delhi based NGO, working for slum dwellers and make critical assessment of issues of slum upgradation with regard to land and security of tenure. [November 2009]
5. I will hold National Consultation with urban planners, architect associations, town planners and developers on the importance of ‘integrated urban planning’ and share with them the Chinese experience of providing social housing. I will also work for revising the Urban Development Plan Formulation and Implementation (UDPFI) Guidelines to make them more poor friendly. [October 2009]

B. Long Term

1. I will continue to spread the message of WUF4 and the lessons learnt by me during the advanced course organised by SIDA in Nanjing, China in various platforms like group meetings, seminars, consultations, workshops and other forums.
2. I will prepare a concept note on ‘Alternative approaches to forced evictions’. I will further make concerted efforts to convince my seniors and political bosses to make suitable changes in the National Slum Policy on

the lines of the Nanjing Call for Harmonious Urban Development and other inputs from WUF4. [2010]

3. Under Government scheme of JNNURM, providing secured tenure to slum dwellers is one of the seven entitlements. This task is to be completed by 2012. I will work with the relevant state authorities to ensure that goal under this scheme is achieved in time bound and sustained way. [2012]
4. I will involve in regular follow up with the State Governments to learn about the progress of new National Urban Housing and Habitat policy 2007 especially with reference to the issue of providing land for social housing. [2008-13]. NUHHP 2007 advocates that in any housing project at least 10-15% of land or 20-25% of built up area is reserved for low cost housing. It would be my endeavour to convince relevant authorities to come out with necessary legislations for social reservation in this regard. [2010]